

EAGLE BEND METROPOLITAN DISTRICT NO. 2

<http://www.eaglebendmetro.com>

Regular Meeting

Heritage Eagle Bend Clubhouse

23155 E. Heritage Parkway, Aurora, Colorado 80016

Date: November 10, 2010

10:00 am

MINUTES

I. Call to Order

The meeting was called to order at 10:00 am by Director Coker. In attendance were Directors: Coker, Arellano, Geiger, Meyer, Rexroat and Board Recording Secretary Audrey Davie.

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

It is the responsibility of each Director to disclose any matter of conflict of interest with the District to the Board prior to each meeting, and any such potential conflicts must also be filed with the Secretary of State. The current practice of filing each month will be amended to filing on an annual basis for all meetings, absent new conflicts that arise during the year.

III. Approval of Consent Items

Director Geiger made a motion to approve the Consent Calendar which included: the November 10, 2010 agenda, the October 27, 2010 minutes with the proposed revisions made by Director Coker, and the approval of the payables check numbers 1538-1539 and 1541-1545. Director Rexroat seconded the motion. The motion was unanimously approved.

IV. Public Hearing regarding 2011 Budget

A. Public Input

Director Rexroat made a motion to establish the opening of the Public Hearing to discuss the District's 2011 proposed budget. The motion was seconded by Director Meyer and approved unanimously. Copies of the 2011 proposed budget were distributed. Director Geiger explained the Metro's budgeting process, the 3rd party auditing process as well as the three funds - General Fund, Water Enterprise Fund and Debt Service Fund in detail.

Director Geiger explained the Water Enterprise Fund was established so that the Board could separate the governmental processes from the Board's business processes. The separation of the two funds creates a clearer and more transparent disclosure regarding the District's operations. For 2011, the District is projecting to sell 100,000 gallons of water at \$4 per 1,000 gallons. The Water Operations and Project costs were reviewed with the Board preferring 75% of the water coming from the wells and 25% coming from the East Cherry Creek Valley (ECCV) pipeline.

Director Geiger pointed out the Debt Service Fund has the obligation to pay the bonds off over time. It was noted that the Debt Service mill levy is 37 mills with the total mill levy being 49 mills.

Director Geiger opened up the Budget Hearing to questions from the public.

Questions from the Public:

1. *What is the difference between a "meeting fee and Director's fee?"* **Answer:** Meeting fees includes expenses such as: conferences, workshops/classes the Directors may take such as attending the annual Special Districts Association conference. The State of Colorado allows Directors of Special Districts to receive a fee of \$100 per meeting but not to exceed \$1500 per year.

Questions from the Public continued

2. Is the District considering a third well? Answer: The 1998 Lease Purchase Agreement allows for a third well to be established but the designated location of the well is not advantageous as it is located on the east side of Eagle Bend and therefore is not in close proximity to the two existing wells.

Director Coker commented that taxes for residents have been reduced twice. The decision to increase or lower taxes is contingent on the residential and commercial assessments which are completed by the County every 2 years. The next assessment will occur in 2011. At that time, the Board will have sufficient data in which to make a decision regarding the tax situation. The Board strategically increased the Reserve Funds over time in order to be in a position to not raise the mill levy for District taxpayers. Commercial areas pay 29% of the assessed value taxes (residential 7.9%) so it is advantageous to the community to have such areas to help with the overall tax base. Director Coker made a motion to close the Public Hearing which was seconded by Director Rexroat. The motion was unanimously approved.

B. Review and Approval

Director Geiger made a motion to approve the 2011 Budget Resolution. Director Arellano seconded the motion and the motion was unanimously approved.

V. Public Input

Questions from the public:

- 1. Does the District have any water obligations to Red Tail Hawk Park? Answer:** No per Director Coker.
- 2. When will the loan for the ECCV pipeline be paid for? Answer:** Director Coker stated the money owed was actually a construction advance at 0% interest from the City of Aurora (COA) and not a loan. The District paid \$100,000 down and \$36,000 this year. The District pays down the construction advance based on water usage.
- 3. Does the next assessed evaluation occur in 2011? Answer:** Yes. Director Geiger reported the current appraisal period began January 1, 2009 and ended June 30, 2010. The County includes all residential sales completed within that time period where upon the county assessor determines the value of each piece of property in the County and establishes the appraised value. The appraised values will be reported in 2011. The tax bill for 2011 which is paid in 2012 will be based on the new assessed values.
- 4. Is that when the Board will assess whether the mill levy is sufficient or not? Answer:** Yes.

VI. Reports of Officers, Committees and Professional Consultants

A. Water

1. Update on wi-fi

Director Rexroat reported the wi-fi system is working well. A meeting will be held with HEB HOA personnel to discuss the following topics: **1.** Water delivery during the winter months and **2.** Winter water rates. It was reported that HEB HOA Grounds Supervisor, Roe Sherbert, can reactivate the lines during winter if needed to supply water to the golf course.

Director Rexroat stated the North well has been turned off for the year. For budgeting purposes Mr. Sherbert was contacted and asked to supply the Board with his projected winter water request. The HEB HOA has ten years of data on which to base this projection.

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

3. Discussion of Irish Tap

Director Arellano reminded the group that Creekside agreed several months ago beginning January 1, 2011 they would assume the responsibility of paying the annual usage cost of \$8000 for the Irish Tap. However, Director Arellano was recently contacted by Frank Massey, Creekside HOA Board President, with the possibility that the Metro District continue paying this expense. Director Coker reported it

3. Discussion of Irish Tap continued

is not known which entity initially installed the Irish Tap however; the COA gave license to the Metro District to manage the tap. The Board has not made a decision on this issue for 2011. Directors Arellano and Coker will be meeting with Mr. Massey to discuss possible landscaping projects for 2011.

B. Landscaping

1. HOA/Commercial

No information at this time.

2. Northwest Project

Director Arellano reported this project will begin in 2011. The blue prints have been completed but he is waiting for final approval from E470 in order to move forward.

3. South Aurora Parkway

The South Aurora Parkway landscaping project was completed last week. A final walk-through was scheduled for today, however due to the snow it will be rescheduled. Final winterizing steps will include: wrapping the new trees and cleaning the landscaped areas.

C. Communications

1. Newsletter

Director Meyer reported the “abbreviated newsletter” was mailed and is posted on the website. The next newsletter is scheduled for March 1, 2011 with all articles to be submitted to Director Meyer by Feb. 15, 2011. Ideas for the first quarter newsletter were: plant material selection, an interview with COA Chief of Police, Dan Oates, regarding safety and security issues.

2. Website

Director Meyer reported the updated website was officially launched last week but some “minor tweaking will be done”. Director Meyer stated that all posted documents are current. The updated website is more user-friendly and more intuitive when navigating. The District’s website now includes links to neighboring municipalities such as Douglas County and Centennial should residents want to research information about neighboring cities and/or counties. The website has been helpful to the Directors as they refer residents to the site regarding the purpose and function of the Metro District. Director Meyer reminded all that communication goes through him not Mike Nearing, Board webmaster. Director Meyer will be posting the following information to the website upon receipt from Director Geiger: the 3rd party audit report, and the 2011 budget and resolution.

Director Meyer has finalized an agreement with NewWork Solutions regarding hosting for the next 5 years. Fees are projected to be approximately: \$650 for the initial set up fee and \$409 for hosting, and a migration fee of \$800. Mr. Nearing’s rate is \$50 per hour with charges applied in 15 minute increments; he will be updating the website regularly. Mr. Nearing will bill the Metro District each January.

Public comments included: “The new website is great and user friendly.” “Why is the website a dot-com versus a dot-org address and what is the price difference to do so? All of the answers to the questions will be posted on the website per Director Meyer. Director Geiger requested the Director’s information posted concur with their newly elected positions.

D. Operations & Services

Director Coker reported he is working on the District’s long-term strategic plan. A special planning meeting for the Board may be necessary. He reminded the Board that all expenditures whether personal or project oriented must be sent to Peggy Purcell at Simmons and Wheeler.

E. Legal

No information at this time.

VII. Unfinished Business

No Unfinished Business at this time.

VIII. New Business and Special Orders

A. Approval of Water Rates for HEB HOA

Director Rexroat stated the \$4 water rate is agreeable and noted that legal counsel would like a formal resolution documenting such. Directors Geiger and Rexroat with revise the 2010 resolution to include a late payment clause. A variety of time frames and penalty fees were discussed. Director Coker made motion to modify the existing contract of selling water at \$4 per 1000 gallons for the 2011-2012 year with new amendments to reflect late charge fees. If needed, water from the Buchanan tap will be sold at the same rate as stated in the 2009 contract. The motion was seconded by Director Geiger. The motion was unanimously approved.

IX. Adjournment

The meeting ended at 11:40 am.

The next meeting will be held December 8, 2010