

EAGLE BEND METROPOLITAN DISTRICT # 2
<http://www.eaglebendmetro.com>
Regular Meeting
Heritage Eagle Bend Clubhouse
23155 E. Heritage Parkway, Aurora, Colorado 80016
Date: April 28, 2011

NOTES

Call to Order

The Eagle Bend Metropolitan District No. 2 meeting was called to order by president, Tom Coker, at 10:06 a.m. Those in attendance were Directors: Tom Coker, Larry Geiger, George Arellano, and Rex Rexroat, Ashley Stiles (TerraCare), Scott Piercry (TerraCare), and Scott Lehman (Pure Cycle).

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

Director Ron Meyer had an excused absence. It was noted that a quorum was present. Director Coker stated that all the Director disclosure had been filed with the Secretary of State's Office.

III. Approval of Consent Items

It was moved by Director Geiger to accept the minutes for the March 24, 2011 District Meeting and the Check Register for March /April - check numbers 1597-1614. The motion was seconded and passed.

IV. Public Input

John Kerbaugh expressed that the newsletter article related to the Heritage Eagle Bend HOA (page 4) didn't convey they were unable to continue a partnership with Eagle Bend Metropolitan District No. 2 in the landscape project along Gartrell. Mr. Kerbaugh stated that one reason they could no longer afford it was due to the loss of money associated with the golf course. A general discussion of the project and background of events were summarized and President Coker thanked Mr. Kerbaugh for his comments.

Lois Zerby complimented the Directors on the newsletter and the ability to view it online. She noted that the TerraCare article was written in first person and inquired about that. There were no compass points to clarify exact locations of the plans for the area. She also raised a question about using the money for the landscaping project instead of retiring the District Debt / Bonds. Director Coker explained the rationale for the decision was partly that the bonds were not callable and project development and selection is based on a long-term plan that has been established by the District over many years.

Marshall Gish asked if taxes would be reduced once bonds were retired. Director Tom Coker explained the District has a long term plan in place that pays the current bonds over an extended period of time. In order for the District to substantially reduce taxes, the commercial projects will need to develop.

V. Reports of Officers, Committees and Professional Consultants

A. Water

1. Update on current water usage - East Cherry Creek Valley (ECCV) Pipeline and Wells
To maximize the water EBMD#2 obtains, Director George Arellano and Scott Lehman negotiated with manufacturers of the pumps to determine their maximum capacity. They have also adjusted the settings of the pumps to work more effectively and eliminate wasting water through over flow. Director Rexroat emphasized that the District is allowed to sell water to the HOA, not determine the amount of water used. Director Rexroat expressed that the HOA needs to give the District the level of water they want to be kept in the pond – it would be best to have in writing the exact amount desired. The system works well when all parties communicate with each other. He explained that there are fixed costs associated with purchasing water; sometimes cutting the volume of water used can end up costing more. Wallace Gish asked if well water was more expensive. Director Rexroat explained

that under normal circumstances, well water was cheaper. Since the residents attending the meeting were not aware of many of the water factors, John Kerbaugh inquired about why the HEB HOA Board and Management were not represented at the meeting. President Coker pointed out that the EBMD#2 meetings are always open to the public and notices are posted at the HEB Clubhouse at least 72 hours in advance.

2. Northwest Project / Eagle Place Agreement /Irrigation

Ashley Stiles from TerraCare reported that the project is still in the approval process. The results of a meeting on May 2nd with Don Fecko, City Planner for Aurora, and the Aurora Water Engineering Department should give her a better idea on the time schedule of the project. After a general discussion it was decided that if the approval process get delayed that President Coker should consider getting more involved with the COA process.

Scott Lehman updated the Board on the valve automation for the East Cherry Creek Valley (ECCV) pipe line. Once this automated value is in place, it will be a substantial upgrade to the Districts current water supply process. The current project of locating the easement through the HEB HOA property to the lake on the 4th hole is well underway for both the south and north well lines. *Additional information related to the valve automation can be found on page 2 of the attached report from Scott Lehman.*

Director Rexroat announced that Jeff Powles is not available to make their meeting; it took four months to set the last meeting. He expressed an ongoing frustration with the management of the HEB HOA and recommended that President Coker begin attending more of the water supply meetings since he had worked more closely with management when he served on the HEB HOA Board. Scott Lehman reported that the relationship with Roe Sherbert, HEB HOA golf course Superintendent, has been solid; Pure Cycle works directly with them, as evidenced last weekend. Pure Cycle now has the power on the wells up and running and are currently all being reset.

3. Update on North Well/Accident

Scott Lehman updated the Board on the process he followed on repairing the damaged fence and meter on the well. Director Arellano explained that staining the fence would be delayed to let it dry through the summer and stain it then. TerraCare~~The person~~ who did the work on the gate said he'd be back to the complete it. Scott Lehman inspected it today and created a punch list of what stills needs to be completed. *Additional information related to damages from the accident and costs incurred can be found on page 1 and 2 of the attached report from Scott Lehman.*

B. Landscaping (George)

1. HEB HOA

A discussion occurred about what to do to help the HOA Board Members understand the issues that impact both them and EBMD#2. Director Geiger suggested that perhaps different committees that have a specific interest that might include residents of both. No action on this item was decided.

2. Creekside HOA

Director Arellano shared that the project will start next Monday and estimated that it will be finished within a month. Pat Mosley, Board Member of Creekside, will work with Director Arellano to oversee the project.

3. Northwest Project – *See comments in the water section (Agenda Item V.A.2)*

4. South Aurora Parkway/Gartrell Road

The watering maintenance schedule has begun. Director Arellano explained to residents, using a map, how the water system flows. He also highlighted plans to monitor whether all trees and plants are getting the proper amount of water. Safeway has approved plans to water the portion of the project close to the retail area; EBMD#2 has agreed to ~~witt~~ incur additional costs to cover that 250 square feet. The District will pay a \$1,000 deposit to Bob Simons in advance to demonstrate commitment and good faith to the project. That will cover several months of water costs. Peggy Watson felt it was a comprehensive plan and complimented TerraCare.

5. Ridgeview HOA

Two projects have been identified and agreed to in principal with Ridgeview. Director Arellano

is waiting for the final submission of the cost figures. Director Geiger moved that the Board authorize director Arellano to move forward with the project for expenses not to exceed \$5,000. Director Rexroat seconded the motion and the motion passed.

C. Communications

1. Review Comments April Newsletter 2011

Feedback on the newsletter has been positive based upon resident input and comments at Men's Club Golf Lunch. Director Arellano commented on the great job Director Meyer did in putting the newsletter together. Director Coker stated that he would be working on improving communication with Director Meyer about the long range plan for future newsletters so that District meeting time about them would be well spent.

2. Website update President Coker recommended that discussion on the Website be postponed until the next meeting when Director Meyer returns.

D. Operations & Services

Director Coker expressed appreciation for the substitute note takers in Audrey Arellano's absence. He announced that Audrey plans to be back for next month's meeting.

E. Legal

1. Board Member Vacancy Process

Regulations state that Directors have up to 60 days to complete the appointment process for any vacancy that occurs before county commissioners can step in. Director Geiger wanted to be prepared in the event of a vacancy. He made a motion to ratify the proposal developed by Director Arellano and him. Director Arellano seconded the motion and it passed. *The ratified proposal provides more specific information.*

F. Treasurer's Report

1. Quarterly Financial Statement

Director Geiger distributed the quarterly report. Once a quarter an outside accounting firm Simmons and Wheeler puts the report together. There are four funds within the accounting system – general fund, water enterprise fund, debt service fund, and account groups. Director Geiger explained expenditures and revenues generated for the quarter. He clarified that the annual budget is for a 12 month budget, not a quarterly period. Expenditures will coincide with yearly, seasonal, or ongoing needs. Director Arellano asked why the quote given to what the HOA will pay for water is higher than what the budget reflects. The response by Director Geiger was that the HOA has extra taps for which the costs that are paid directly to the City of Aurora. EBMD #2 is still looking for other water sources for an additional well to buy water at a commercial rate. When asked if there is a risk of not receiving water from current sources in the future, Director Geiger explained that as long as an outstanding obligation exists, the District is more likely to continue to receive water from that supply. General examples on how the water supply might be at risk were discussed. Director Geiger also clarified that not all tax revenues have not been received yet. Residential Property appraisals are expected to be modestly lower than the past two years. Since commercial properties generate roughly 10% of tax revenues, if the commercial taxes are substantially lower it won't have too significant of impact on District revenues. Bonds debt is ~~are~~ being amortized, but the District is not paying down additional debt because none of them are callable and all bonds are selling at or close to a premium today. Marshall Gish commented that the value of his home declined by 5% and Director Arellano added that recently in the paper the decline was reported as 4.8%. Mr. Gish inquired if the depreciation of District property is reflected for IRS purposes. Director Coker explained that depreciation is listed in the 2009 Audit Report and showed him in the report how it is included. *For more specific information, refer to the actual Quarterly Financial Report and 2009 Audit Report.*

VI. Unfinished Business

A. Strategic Plan for 2011 – *Information about this was summarized in the newsletter.*

B. Safety Issues/Traffic Concerns

Community concerns still exist about the need for an additional traffic light. The District still plans to pursue better traffic controls and investigate why other communities—which are smaller and with seemingly less traffic risk received apparently better traffic controls.

C. Ridgeview Cost Sharing Project

Director Arellano shared that the Creekside project is going well and it is almost done.

VII. New Business and Special Orders

A. Informal Meetings with HOA Boards and Metro Boards

Director Coker is trying to meet with each of the HOA Boards within the District.

VIII. Adjournment – 12:29 p.m.

The next meeting will be held May 19th, 2011