

EAGLE BEND METROPOLITAN DISTRICT # 2

<http://www.eaglebendmetro.com>

Monthly Meeting

Heritage Eagle Bend Clubhouse

23155 E. Heritage Parkway, Aurora, Colorado 80016

Date: July 28, 2011

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, Rexroat, Meyer, Geiger and Board Recording Secretary Audrey Davie. Members of the public introduced themselves.

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 practice of filing each month has been amended to filing on an annual basis for all meetings, absent new conflicts that arise during the year.

III. Approval of Consent Items

A. Agenda for July 28, 2011

Director Arellano made a motion to approve the July 28, 2011 agenda with changes to the order of several presentations and the addition of Steve Hogan, candidate for Aurora Mayor. Director Rexroat seconded the motion. The motion was unanimously approved

B. Minutes for June 23rd and 29th, 2011 Metro District Meetings

Director Geiger made a motion to approve the June 23rd and 29th minutes. The motion was seconded by Director Coker. The motion was unanimously approved.

C. Check Register for July

Director Geiger made a motion to approve ratification of check numbers #1641-1645. Director Coker seconded the motion. Director Geiger made a motion to approve the payables with check register #1646-1659. The motion was seconded by Director Arellano. The motions were unanimously approved.

A short discussion ensued regarding non-payment for Director Meyer's late attendance at the June 29, 2011 meeting. Director Meyer stated he was at the June 29th meeting and asked that perhaps "exceptions" to the rule/policy might be made. Director Coker, President of the EBMD#2 Board, stated he was not contacted before or after the meeting as to why Director Meyer was two hours late. President Coker stated he expects to be called when such situations arise therefore no payment will be issued to Director Meyer.

IV. Public Input

Steve Hogan, candidate for Mayor of Aurora, introduced himself and distributed campaign literature. He gave a brief summary of his experience, endorsements and rationale for running. See literature for details. Currently, six candidates are running for this position.

Public comment: We are thrilled the area by the shopping center is being landscaped.

V. Reports of Officers, Committees and Professional Consultants

A. Water

**1. Update on current water usage - East Cherry Creek Valley (ECCV) Pipeline and Wells
a. Scott Lehman, District Water Consultant, Monthly Summary Report**

Director Rexroat reviewed Mr. Lehman's report with the following highlights: **1.)** Two vents were installed to provide proper ventilation to the wi-fi system. **2.)** Water was supplied from the following sources: 7% from East Cherry Creek Valley (ECCV) pipeline, 45% from the North well and 47% from the South well. **3.)** Total water

a. Scott Lehman, District Water Consultant, Monthly Summary Report continued

sales as of July 27, 2011 were 16 million+ gallons resulting in a bill to the HEB HOA of \$66, 612.00. See Mr. Lehman's monthly summary for more details.

In an attempt to be proactive regarding golf course water conservation Director Rexroat reported a City of Aurora (COA) employee walked the HEB golf course and offered specific suggestions and use of a specialized software system which monitors water usage. The information was delivered to HEB HOA personnel however; to date the HEB HOA has not acted upon the suggestions or software. Director Geiger reported the Metro District offered to pay the \$400 tuition for Roe Sherbert, HEB HOA Facilities Manager, to attend an "Irrigation of Turf Grass" workshop. The HEB HOA did not demonstrate interest in the offer.

Question from the Public: Will any water come from the Chambers reservoir? *Answer: No.*

2. Update on WIFI System performance

B. Landscaping

1. HEB HOA

No report at this time.

2. Creekside HOA

Director Arellano reported the project has been completed. COA employees inspected the area and a COA xeriscape rebate will be issued. Director Coker stated the total gross cost to the Metro District was \$120,000. After receipt of the rebate the Creekside HOA will reimburse 50% of the net cost to the District.

3. Eagle Bend Marketplace/Northwest Project

Director Arellano stated work has begun on the project and estimates four weeks for completion. Weekly meetings are held with the landscape architect to ensure the project proceeds as expected. Director Arellano noted COA and E-470 officials periodically drop by to ensure the project is in compliance with City regulations. It was suggested by Director Meyer that some type of monument (rock/stone) be erected to identify those organizations that worked on and/or contributed to the project.

4. South Aurora Parkway (SAP)

Director Arellano reported the foliage along the parkway is looking nice however; the irrigation system may need to be upgraded. Should this be required Director Coker preferred the task to be completed this budget year.

C. Communications

1. Update July newsletter 2011

Director Meyer reported the newsletter has been mailed out and feedback has been favorable. Director Geiger also reported receiving positive comments with the photos being a great addition. Director Meyer read his proposed "EBMD#2 Newsletter Article Submission Policy" to the Board which included six items/procedures for consideration. The Board asked they be given additional time to read and consider Director Meyers proposal. The "Submission Policy" will be discussed next month.

Comment from the Public: It (newsletter) is reading fluently from beginning to end. I think it is good and I read every issue. I thought it was excellent. The dates of future meetings were also published.

2. Website update

Directors Meyer reported that he and Director Geiger met to review the website. Work is currently underway to update the website with maps, photos and any other corrections. Director Coker inquired how many hits occurred during the month. The data indicated 250 hits recorded for June and July. Upon further inspection of the data by Director Geiger the report indicated 70 "unique hits" meaning 70 residents/homeowners are going to website more than two times per month.

Director Meyer offered his services via the newsletter and website as tools for communicating information regarding the Forest City/Norris Design project and the August 10, 2011 Public Hearing. As a result of the ensuing conversation Director Meyer will work with Diana Rael, Norris Design Principal, to draft a written piece on the proposed project. Director Coker will oversee and approve the written document before publication.

Comment from the Public: Be cautious.

D. Operations & Services

Director Coker reported he met with COA personnel to discuss a variety of issues.

E. Legal

No report at this time.

F. Treasurer's Report

Mr. John Simmons of Simmons & Wheeler, District Accountant, began the financial review with an update on the IRS ruling concerning "Directors as Employees" meaning Directors would be subject to W-2 forms and withholding taxes. Mr. Simmons stated a letter has been written to U.S. Congressmen Mike Coffman and Ed Perlmutter to solicit their aid in this matter. A copy of the finalized letter will be emailed to the Directors. Director Arellano asked if it were possible to report expenses such as mileage and time. Mr. Simmons replied it is possible with a Schedule "C"; however time cannot be listed as an expense.

Mr. Simmons distributed copies of the Eagle Bend Metro District Financial Statements dated June 30, 2011. The General Fund, Water Enterprise Fund, and Debt Service Fund were reviewed. See the report for further detail. Property taxes as determined by the County Assessor total \$768, 332 and approximately \$43,504 of the taxes are outstanding.

Director Geiger made a motion the Board accept the June financial statements and cause them to be posted on the District website. Director Rexroat seconded the motion. The motion was unanimously approved.

1. Quarterly budget review

See above.

2. 2010 Draft of audit

Copies of the EBMD Financial Statements-Year Ended December 31, 2010 were distributed for the Board's review. As required by law, the audit was prepared by the Board's contracted third party accountants, Wagner Barnes PC. See report for approval letter written by Wagner Barnes. Kristen Bear, legal counsel, also reviewed and approved the draft of the audit. Mr. Simmons reported the District's working capital is currently \$477,000 which should be set aside for a possible catastrophic event; however he noted this amount may not be sufficient should such an event occur.

Director Geiger made a motion to accept the audit report, instruct Simmons and Wheeler PC to file the report with the appropriate state agencies and post the current audit report on the District's website. The motion was seconded by Director Arellano. The motion was unanimously approved.

3. Update on assessed valuation of District 2012 / 2013 and on-going overview

Mr. Simmons reported a reduction of \$4 million (\$64 million to \$60 million) in the assessed property valuations as calculated by the Arapahoe County Assessor. In comparison, Douglas County property values were reduced by approximately 18%. Even though there was a reduction in assessed valuation, the District's activities should still be supported with the current mill levy structure.

VI. Unfinished Business

A. Strategic plan for 2011

Director Coker stated a meeting will be held at a later date to review the strategic plan.

B. Ridgeview cost sharing project

Directors Arellano and Coker walked the site last week to review the needs of the area. Director Arellano made a motion for the Board to approve payment of \$4407.50 which is one-half of the total cost of the project. Director Coker seconded the motion. The motion was unanimously approved.

C. Results of informal meetings with HOA Boards

The July newsletter included an article authored by Director Meyer regarding the June 29th meeting. All five neighboring HOA's were invited and approximately thirty people attended. Director Coker stated there was a good exchange of ideas and some HOA's are now working together. One specific outcome is the HEB HOA is now willing to establish "reduced fees" for neighboring HOA residents when using the golf course and/or meeting rooms. Director Coker thanked Audrey Davie for coordinating the event.

VII. New Business and Special Orders

A. Forest City / Norris Design Project

Diana Rael, Principal of Norris Design, and Everett Hine, Vice President, of ForestCity Commercial Group introduced themselves to the group. Forest City local developments include: Northfield, Stapleton (approx. 4,000 acres), Fitzsimmons Bio-Science Center, and numerous other commercial and residential areas including property at the NE corner of Gartrell and South Aurora Parkway (SAP). ForestCity also manages the Southland shopping

center. They are currently in the process of designing multi-family units for the Gartrell and SAP land parcel. More information may be obtained from their websites: www.norris-design.com and www.nd-visual.com.

A. Forest City / Norris Design Project continued

Mrs. Rael presented a map of the area and outlined the 19.22 acres owned by ForestCity. Mrs. Rael indicated their goal is to bring more people to the area to support the existing and future commercial businesses. Due to Aurora and Eagle Bend Master Plan construction requirements, the buildings must have 60% masonry, changes in the roof lines are required every 100 ft, garages have to be tucked under and/or covered. A demonstration board was presented with a visual of how the multi-family property “might” look. Many suggestions were given to Forest City and Norris Design by the Board and members of the public. The Planning Commission will hold a hearing for the property on Aug. 10, 2011. The second hearing will be held by the Aurora City Council date TBD.

Many questions were fielded by Mrs. Rael and Mr. Hine. Below are a few of the questions presented by the Board and members of the public:

1. How would the traffic increases in the area be affected by commercial versus multi-family residential?
Answer: 250,000 square feet of commercial would require 1250 parking spaces and expect to generate 7450 daily traffic count while the 330 units of residential would be expected to generate 4405 daily traffic counts (40% fewer cars per day for the residential). The residential versus commercial usage would have greater flows in the morning go to work period and fewer counts in the late afternoon and evening.
2. What would the unit count be? *Answer:* 330+ units w/no age restrictions - ideal size is less than 500 units.
3. What would be the bid out value for each unit? *Answer:* Possibly \$200,000/key/unit.
4. What would the square footage range for the units? *Answer:* Market range is currently 1--3 bedrooms with majority of multi-family units being 2. Size would be in the 900 to 1300 square foot range.
5. Will the area be developed as a commercial center? *Answer:* No, but it is currently zoned as such.
6. Will the Aurora Medical Complex will be a part of this development? *Answer:* No
7. Do the plans include energy efficient installations (landscape, windows etc.)? *Answer:* COA has no such requirements but Norris Design does incorporate low water usage in their landscape designs.
8. Will sub-districts be formed? *Answer:* Yes it would be possible to have sub-districts of EBMA#2. Director Coker noted that with our current mill levy it would not be beneficial at this time.
9. Would assisted living units be a possibility? *Answer:* Yes and no. Currently the numbers do not demonstrate a need at this time however it may be a possibility in the future.

B. SDA conference on-line registration – Breckenridge Sept 14-16, 2011

The July 2011 SDA News booklet contains directions for registering. The booklet was mailed to all Board members.

VIII. Adjournment

The meeting ended at 1:34 pm.

The next meeting will be held August 25, 2011