

EAGLE BEND METROPOLITAN DISTRICT # 2

<http://www.eaglebendmetro.com>

Monthly Meeting

Heritage Eagle Bend Clubhouse

23155 E. Heritage Parkway, Aurora, Colorado 80016

Date: July 26, 2012

10:00 am

MINUTES

I. Call to Order

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

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

A quorum was present. 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. An annual Conflict of Interest Disclosure must also be filed with the Colorado Secretary of State.

III. Approval of Consent Items

A. Agenda for July 26, 2012

B. Minutes for June 28 and July 12, 2012

C. Check Register for July 2012

Director Coker made a motion to approve the following consent items: July 26, 2012 agenda, June 28 and July 12, 2012 minutes and the July payables with check register #1830-1837. Director Rexroat seconded the motion. Director Meyer objected to the check register #1830-1837. A motion was made by Director Coker and seconded by Director Rexroat to approve the following consent items: July 26, 2012 agenda, June 28 and July 12, 2012 minutes. The motion was unanimously approved. Director Coker moved and Director Rexroat seconded a motion to approve the check register #1830-1837. The motion was approved 4-0 with Director Meyer abstaining.

IV. Public Input, self-introduction by guests

Five members of the public introduced themselves.

V. New Business and Special Orders

No new business and special orders at this time.

VI. Reports of Officers, Committees and Professional Consultants

A. Water

1. Update on Water

a. Scott Lehman, Board Water Consultant, Monthly Report

Director Rexroat reported: 1.) 44% more water has been used in 2012 versus 2011, due to the heat wave; 2.) algae are forming at East Cherry Creek Valley (ECCV) pie outlet. The City of Aurora (COA) and ECCV have been notified. Mr. Lehman, Board Water Consultant, will also take samples for analysis.

B. Landscaping

1. Eagle Bend Marketplace/Northwest Project – “Demonstration Garden”

2. South Aurora Parkway
2. South Aurora Parkway continued

Director Simner conducted a walked-through of the demonstration garden. Trimming, weeding etc. had been performed by TerraCare. Director Simner is meeting with Will Medellin, Account Manager, of TerraCare to review the garden and center medians on a regular basis. Replacement of trees will occur when the climate is more conducive to do so. Warranty for tree replacement is being researched specifically for center median #1 on South Aurora Parkway (SAP) and the median near Creekside. Director Simner will also investigate who is maintaining the Creekside center median.

The construction of steps and a walkway leading from the garden to the lower level of the Marketplace Center in the NW corner was discussed. Landscape monies have been allocated therefore Director Simner was given approval to proceed with the bid of \$1360. However, final approval must be given by Bob Simons, co-owner of the Marketplace Center. Ridgeview HOA has a cost sharing project pending and no other HOA has expressed interest at this time.

C. Communications

1. Newsletter & Website – Answers from Director Meyer on January newsletter and website control matters

At the May 17, 2011 meeting, the Board tabled discussion regarding the newsletter and website because Director Meyer asked the Board to allow him a two month window in order to secure the proper documents necessary to answer the Boards questions. Director Coker made a motion to bring the newsletter and website questions back for discussion. Director Rexroat seconded the motion. The motion was unanimously approved. Director Coker referenced the following documents: **1.)** the Board's October 2011 minutes; **2.)** email written by Director Meyer; **3.)** the Board's process for publishing and approving the content of each newsletter which includes approval by legal counsel and **4.)** letter written by legal counsel to Director Meyer requesting specific information and the fees (\$900+) incurred to do so. Director Meyer stated he had conferred with legal counsel of his own and would answer the questions only, "in a court of law". Director Coker indicated that he would be proposing a public censure of Director Meyer and legal counsel would be contacted in this regard.

Director Geiger reported the summer newsletter will be mailed in August. Directors Rexroat and Geiger stated the website has proven to be helpful for residents seeking information and when answering questions with constituents.

D. Operations & Services

1. Update re: Alternate Management

Directors Coker and Geiger met with Pat Mulhern of Mulhern MRE to seek information about an alternative management process. More information will be supplied by Mr. Mulhern for further discussion.

E. Legal

At the previous meeting the Board approved a settlement with the IRS concerning its assertion that District Directors were employees of the District. As a result, the Directors will need to supply a W-4 form with the District prior to the end of the 4th quarter pay period. At the end of 2012, Directors will receive both a 1099 and W-2.

F. Treasurer's Report

1. Quarterly Financial Report – John Simmons, Simmons & Wheeler, PC

2. Review & accept audit report and final 2011 Financial Statements

John Simmons, Board Accountant, distributed copies of, "Eagle Bend Metropolitan District #2 Financial Statements Year Ended December 31, 2011 with Independent Auditors' Report." The 29 page Audit Report was reviewed by Mr. Simmons. See Report for more detail. Director Simner made a motion to accept the financial statements and audit report as drafted and presented. Director Rexroat seconded the motion. The motion was unanimously approved. The EBMD#2 Financial Statements dated June 30, 2012 were distributed. As of June 30, 2012 most property tax revenue has been collected. All funds were

2. Review & accept audit report and final 2011 Financial Statements continued

reviewed. Director Rexroat made a motion to accept the Financial Statements as presented. Director Simner seconded the motion. The motion was unanimously approved.

Questions from the Public:

1. Are the wells depreciated? **Answer: YES**
2. What was the final interest rate established by Compass bank? **Answer: 3.39%**
3. Has the Board considered solar as a means to power the wells? **Answer: YES, the Board has met with Excel Energy personnel to investigate alternative energy sources. Currently it is cost prohibitive.**

VII. Unfinished Business

A. Discussion of attendance at annual Special District Association (SDA) conference

Director Coker made a motion to continue the same process of attending the SDA conference. Directors and the Recording Secretary are reimbursed for mileage, lodging, and the conference fee; no other compensation is given. Spouse attendance is optional and costs paid by the District. Director Rexroat seconded the motion. The motion was unanimously approved.

VIII. Adjournment

The meeting ended at 12:20 pm.

The next regular meeting will be held August 23, 2012