

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
EAGLE BEND METROPOLITAN DISTRICT NO. 2
HELD
OCTOBER 15, 2015

A regular meeting of the Board of Directors of the Eagle Bend Metropolitan District No. 2 was held on October 15, 2015 at 10:00 a.m. at the Heritage Eagle Bend Clubhouse, 23155 East Heritage Parkway, Aurora, Colorado 80016. The meeting was open to the public.

Attendance

In attendance were the following Directors:

Larry Geiger
Tom Coker
Rex Rexroat
George Arellano
Bruce Simner

Also in attendance were:

Denise Denslow and Shannon Torgerson; CliftonLarsonAllen LLP ("CLA")
Sam Sharpe; D.A. Davidson
Scott Lehman; PureCycle
Nancy McClanahan 7955 Rome Court
Roy Smith 8292 S. Quatar Circle
Robert Steckley 7800 S. Buchanan Way
Ken & Kathy Hinkle 7937 S. Quemoy Way
Joan & John Quinn
Dale Taylor 7982 S. Buchanan
Lou Zoughbx 22500 E. Heritage Parkway
John Kerbaugh 23400 E. Moraine
Bob Harston 7976 S. Shawnee
Lynn Bittel 21753 E. Heritage Parkway
Will Schippers 7759 S. Valdai Court
Connie Smith 8127 S. Catawba Court
Bill Norkoli 23544 E. Clifton Place
Susan & Dick Brainard 8157 S. Tempe Court

Call to Order

Director Coker called the meeting to order at 10:03 a.m. after those in attendance introduced themselves.

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Declaration of Quorum/Director Qualifications/ Disclosures of Conflicts

Director Coker declared that there was a quorum and that all Board members were qualified to serve. The Board discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors and to the Secretary of State. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with Statute. It was noted by the Board that disclosures of potential conflicts of interest statements for all directors have been filed with the Secretary of State's office prior to this meeting and that no additional conflicts were disclosed at the meeting.

Approval of Consent Items

- A. Agenda for October 15, 2015
- B. Minutes for September 17, 2015
- C. Current Claims

Following discussion, upon a motion duly made by Director Coker, seconded by Director Simner and, upon vote unanimously carried, the Board approved consent items A, B and C as presented.

Public Comments

Director Coker noted that the well would be discussed during the monthly water report.

Old Business

None.

Reports

- A. Treasurer's Report
 - a. Conduct Public Hearing to Consider 2016 Budget

Upon a motion duly made by Director Coker, seconded by Director Geiger and, upon vote, unanimously carried, the Board opened the Public Hearing regarding the amendment of the 2015 budget and adoption of the 2016 budget at 10:07 a.m.

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Director Geiger presented the budget to those in attendance and noted that the final valuation of property within the District will not be available from Arapahoe County until December 10, 2015. Questions were asked regarding the landscaping budget in relation to xeriscaping and the cost share projects that have been undertaken in the past with the homeowners associations in Eagle Bend.

Director Geiger reviewed the Water Enterprise Fund and noted that the District cannot put more than 10 per cent of its revenue toward this fund. It was also noted the District is not increasing the cost of water used Heritage Eagle Bend from the 2015 rates.

The Debt Service Fund was reviewed with a note that the mill levy is to be reduced to 27.5 mills as discussed during the September 17, 2015 meeting. Questions were asked regarding the lowering of the mill levy and how the District is going to meet its Debt Service payments.

Upon a motion duly made by Director Geiger, seconded by Director Rexroat and, upon vote, unanimously carried, the Board closed the Public Hearing regarding the budgets at 11:17 a.m.

Mr. Sam Sharp of D.A. Davidson was in attendance to discuss how to handle the District's current debt and the risks involved in the refinance of said debt. It was determined that no action will take place until after the conclusion of the Recall Election.

B. Water Operations – Monthly Report

Director Rexroat reviewed the monthly water report with the Board, noting that there were no outages during the last month. The equipment that is nearing the end of its usable life span is being closely monitored.

Director Coker and Scott Lehman, PureCycle, presented a slideshow regarding the WISE Project and the proposed 3rd well to those in attendance.

Following discussion, upon a motion duly made by Director Geiger, seconded by Director Simner and, upon vote, unanimously carried, the Board voted unanimously to reopen the Public Hearing regarding the budgets at 11:37 a.m.

Following further discussion, upon a motion duly made by Director Rexroat, seconded by Director Geiger and, upon vote, unanimously carried, the Board voted to continue the Public Hearing to the November 19, 2015 at 10:00

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a.m. It was noted that the Continuation of the Public Hearing will open the meeting.

C. Landscape Maintenance – Monthly Report

Director Arellano noted proposals were obtained from Keesen Landscape Management for the 2016 Maintenance contract, 2016 Plant Health Care, Mulch Refurbishment to take place in 2016, Burying of the Irrigation Drip Lines to take place in 2015, 2016 Plant Replacements and the Painting of the Sail Poles.

Following discussion, upon a motion duly made by Director Geiger, seconded by Director Rexroat and, upon vote unanimously carried, the Board approved the following proposals from Keesen Landscape Management:

- 2016 Landscape Maintenance in the Amount of \$16,404.15;
- 2016 Plant Health Care in the Amount of \$4,278.00;
- 2016 Mulch Refurbishment in the Amount of \$23,456.00;
- 2016 Plant Replacements in the Amount of \$10,038.00.

Following discussion, upon a motion duly made by Director Geiger, seconded by Director Rexroat and, upon vote unanimously carried, the Board ratified approval of the following proposals:

- Burying of the Irrigation Drip Lines in the Gartrell and Aurora Parkway Medians to be completed by Keesen Landscape Management in the Amount of \$5,576.00;
- Painting of the Sail Poles in the Xeriscape Demonstration Garden completed by Manny's Painting in the Amount of \$1,000.00.

D. Communications – Newsletter and Website

This item was deferred until the November 17, 2015 meeting.

E. Legal

a. Discuss Pending Election Process

It was noted that to date, 3 candidate petitions had been received for the recall election.

F. President's Issues

This item was deferred until the November 17, 2015 meeting.

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G. Manager Issues

This item was deferred until the November 17, 2015 meeting.

New Business

None.

Next Meeting


- A. Confirm Quorum for Next Board Meeting to be Held Thursday, Novebmer 17, 2015 at 10:00 a.m. at the Heritage Eagle Bend Clubhouse

The Board confirmed the intent of a quorum for the next Board meeting, to be held Thursday, November 17, 2015 at 10:00 a.m. at the Heritage Eagle Bend Clubhouse.

Adjournment

Upon a motion duly made by Director Coker, seconded by Director Rexroat and, upon vote, unanimously carried, the Board adjourned at 12:33 p.m., continuing the budget hearing until the November meeting.

Respectfully submitted,



Secretary for the Meeting