

MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
EAGLE BEND METROPOLITAN DISTRICT NO. 2
HELD
FEBRUARY 18, 2016

A regular meeting of the Board of Directors of the Eagle Bend Metropolitan District No. 2 was held on February 18, 2016 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:

Tom Coker
Rex Rexroat
George Arellano
Ed Malone

Also in attendance were:

Denise Denslow and Kim Herman; CliftonLarsonAllen LLP ("CLA")
Brooke Hutchins; DA Davidson
John McCracken 8214 S. Catawba Court
Will Schippers 7759 S. Valdai Court
Tom & Nancy McClanahan 7955 Rome Court
Susan Edwards 7578 S. Duquesue Way
Robert Steckley 7800 S. Buchman Way
David Gruber 7935 S. Coolidge Way
Irv Reinke 22852 E. David Place
Gary Decolati 8167 S. Tempe Court
Johnny Watson 7871 S. Duquesne Way
Diane Rae 8213 S. Sicily Court
Bob Hartson 7976 S. Shawnee
Roe Sherberf & Gene Blum; _____

Call to Order

Director Coker called the meeting to order at 10:02 a.m. The Board noted and excused the absence of Director Simmer.

Declaration of
Quorum/Director
Qualifications/
Disclosures 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.

Special
Guest

Director Coker introduced Ann Terry, Executive Director of the Special District Association of Colorado (SDA) to all in attendance. Ms. Terry provided a description of the services that SDA provides to Special Districts and the Board that serve them. She reported 1,563 Districts are members of SDA, including Fire Districts, Metropolitan Districts and Water and Sanitation Districts to name a few. She stated two main training events are held for members, including a Board training in June and a Conference in September; in addition there are many webinars, lunch and learns, and forums.

Ms. Terry handed out education materials to attendees, including a booklet of Elected Officials, A Guide to Special Districts, and a Board Member Manual. She welcomed anyone with questions to contact her and thanked everyone for their time.

Approval of
Consent Items

- A. Agenda for February 18, 2016
- B. Minutes for January 21, 2016
- C. Current Claims

Following discussion, upon a motion duly made by Director Rexroat, seconded by Director Malone and, upon vote unanimously carried, the Board approved consent items A, B and C,

Public
Comments

Mr. Schippers asked for clarification on the ballot question regarding taxes. Director Coker stated the terminology of the question is not final. Ms. Denslow stated the questions are written as it is to provide flexibility and decrease the likelihood of having to go back to the City to ask for additional authorization.

Mr. Reinke asked why \$500,000 has been marked for a traffic light the City of Aurora has not approved for installation. Director Coker stated the Metro District Board has been asked by the Homeowners Association to assist with resident street safety concerns. He continued to state if the City does not approve the light or if the light is paid for by the City the funds that have been set aside will be used to help other needs within the District and can also be used for extraordinary debt redemption.

Old
Business

A. Other

None.

Reports

A. Treasurer's Monthly Report

Ms. Denslow stated the District is scheduled to close their Bonds on March 18, 2016. She stated \$15 Million is being refinanced, at a predicted 4% interest rate and a maturity date of December 1, 2040. Ms. Denslow stated Ms. Hutchins from DA Davidson is in attendance to answer any questions. Ms. Hutchins introduced herself and asked the Board and attendees if there were any questions. Director Arellano requested details on the history of interest rates and what the likelihood is of the District getting closer to a 3.75% of 3.8%. Ms. Hutchins stated the typical range for an A1 rating is 3.9-4.5% and it is possible but not likely to get lower than a 4% interest rate. Mr. Shippers asked if the terms were the same as previous and what would happen if the bonds don't sell. Ms. Hutchins stated it is predicted that the bonds will sell all on the first day of posting; however DA Davidson would be responsible if they do not. She also reported the terms would be the same as the previous bonds.

Ms. Hutchins informed the Board that DA Davidson will have more information in a few weeks as they are preparing to send everything to S&P for final rating and will have final information for the March 17th meeting.

Upon a motion duly made by Director Malone, seconded by Director Rexroat and, upon vote, unanimously carried the Board approved posting the draft terms sheet and draft finance plan on the website. Ms. Denslow stated she will have the information posted online.

B. Water Operations – Monthly Report

Director Rexroat stated there isn't a report as the irrigation systems are off for the winter. He informed the Board and constituents that alternative well power had been researched however neither wind nor solar appear to be viable options at this time.

Mr. Watson asked what the options are for access by the Creekside HOA to use the water and/or the wells that are already established. Director Rexroat stated the rules that were initially put in place with the City of Aurora clearly outline that water cannot be sold to anyone and is only licensed for use at the Heritage Eagle Bend Golf Course.

Director Coker stated it could be beneficial to work with the City of Aurora to determine the likelihood of having the current water line extended down Arapahoe Road, across E-470 and eventually to Creekside.

C. Landscape Maintenance – Monthly Report

Director Arellano reported landscaping for the most part is at a standstill for the winter; however he will be speaking with the landscapers about possibly watering the trees so they do not suffer due to the high winds and low moisture. He stated he is working with the City to finalize two xeriscaping sessions at the gardens; dates will be posted online.

Mr. Sherherf asked if the Board knew how much water was pumped out of the backflow near the old Safeway space. Director Arellano stated he didn't off the top of his head but could pull records.

Director Arellano reported the gopher issue appears to be under control and there are no new tracks, however he will continue to check to insure they do not return.

D. Communications – Newsletter and Website

Director Coker stated the President's letter was handed out for constituents to review and will be mailed in place of the newsletter. He reported the resident booklet will be sent out in about a week and requests the HOAs include it with all new owner packets.

E. Legal

There was nothing to report.

F. President's Report

Director Coker stated the Board is looking to hold additional informational meetings for constituents and will review the ballot question wording to insure clarity.

A constituent asked why items were being added to the ballot so quickly this year. Director Coker stated the Board wants to save the

District the expense of a special election in November and include all items they are able to in the May election.

G. Manager Issues

- a. Review and Consider Approval for Engagement Letter with CliftonLarsonAllen, LLP for Municipal Advisory Services.

Ms. Denslow presented an Engagement Letter for CliftonLarsonAllen to provide Municipal Advisory Services for the District throughout the Bond Re-financing.

After all questions were answers and upon a motion duly made by Director Rexroat, seconded by Director Malone and, upon vote, unanimously carried, the Board approved the Engagement Letter with CliftonLarsonAllen, LLP for Municipal Advisory Services.

New Business

- A. Discuss and Approve Resolution Concerning the Imposition of 2016 Water Rates.

Ms. Denslow presented the proposed Resolution Concerning the Imposition of 2016 Water Rates.

After discussion and all questions were answered, and upon a motion duly made by Director Rexroat, seconded by Director Arellano and, upon vote, unanimously carried, the Board approved the Resolution Concerning the Imposition of 2016 Water Rates.

Next Meeting


Confirm Quorum for Next Board Meeting to be Held Thursday, March 17, 2016 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, March 17, 2016 at 10:00 a.m. at the Heritage Eagle Bend Clubhouse.

Adjournment

Upon a motion duly made by Director Coker the Board adjourned at 11:50p.m.

Respectfully submitted,



Secretary for the Meeting