

MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
EAGLE BEND METROPOLITAN DISTRICT NO. 2
HELD
MARCH 17, 2016

A regular meeting of the Board of Directors of the Eagle Bend Metropolitan District No. 2 was held on March 17, 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
Bruce Simner
George Arellano
Ed Malone

Also in attendance were:

Denise Denslow and Kim Herman; CliftonLarsonAllen LLP ("CLA")
Kristin Bear; White Bear Ankele Tanaka & Waldron
Saranne Maxwell; Kutak Rock LLP
Brooke Hutchins; DA Davidson
John McCracken 8214 S. Catawba Court
Will Schippers 7759 S. Valdai Court
Tom & Nancy McClanahan 7955 Rome Court
Steve Hungerford 7899 S. Zente Court
Larry Moore 23615 E. Irish Place
David Gruber 7935 S. Coolidge Way
Irv Reinke 22852 E. David Place
Gary Decolati 8167 S. Tempe Court
Johnny Watson 7871 S. Duquesne Way
Gary Schultz 8214 S. Catawba Court
Bill Carrol 7927 S. Quimby Way
Myron Spanier 23458 E. Long Place

Call to Order

Director Coker called the meeting to order at 10:00 a.m.

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 March 17, 2016
- B. Minutes for February 18, 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, with an update to the meeting minutes to state regular meeting, not special meeting.

Public Comments

None

Old Business

- A. Other

None.

Reports

- A. Treasurer's Monthly Report
 - a. Review Final Rating and Documentation for Series 2005 Bond Re-Finance

Director Coker introduced Ms. Hutchins from DA Davidson and Ms. Maxwell from Kutak Rock LLP to attendees stating they are both working with the Board to insure proper administration of the bond refinance. Ms. Hutchins presented the final rating information from Standard & Poor's of A- and two bids were received for insurance, with the best option coming from Build

America at 20 Basis Points. She stated the projected average coupon will be just below 4%. She stated the bonds are expected to enter the market next week and close around April 20, 2016.

Director Arellano requested information regarding the call date for the bonds and when the interest dates are. Ms. Hutchins reported the bonds will have a 10-year call date which will be December 1, 2026 with 1 bond term available to pay down up to \$2,000,000 within the first 3-years. She also stated the interest dates are June 1st and December 1st of every year.

Director Coker reported the Board is adding the insurance to the bond in order to increase the rating the District has received on their bonds, with insurance the ratings increase from A- to AA and will save the District approximately \$120,000.

B. Water Operations – Monthly Report

Director Rexroat stated the irrigation systems are off for the winter. Additional questions regarding water need and use was discussed during the Election Update due to the questions being related to the ballot question.

C. Landscape Maintenance – Monthly Report

Director Arellano reported the irrigation has been turned on to water the gardens and the medians along Aurora Parkway, however will be turned off due to the upcoming snow storm and cold temperatures.

Director Arellano stated the date for the Xeriscape demonstration with the City of Aurora has been scheduled for June 4, 2016 from 8:30 a.m. to 10:30 a.m. He informed attendees that the information will be posted on the website in May.

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 introduced Ms. Audrey Arellano-Davie, thanking her for completing the District booklet and mailing them to constituents. Ms. Arellano-Davie reported the booklets should be arriving in mailboxes if they have not already and is one of four publications sent thus far in 2016.

Director Coker stated no additional communications would be sent until the new Board was elected in May.

E. Legal

a. Discuss and Consider Authorization and Issuance of Indebtedness

Ms. Maxwell explained to all the process of finalizing the bond refinancing; noting the Agreement which has been presented to the Board, along with the other supporting Bond documents, will need to be reviewed and approved in order to finalize the transaction.

After all questions were answers and upon a motion duly made by Director Simner, seconded by Director Malone and, upon vote, carried 4-0-1 with Director Arellano abstaining, the Board approved the Resolution Authorizing Bond Issuance and additional supporting bond documents.

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 of the 2015 Audit Engagement Letter with Crady, Puca & Associates

Ms. Denslow presented an Engagement Letter for Crady, Puca & Associates to complete the 2015 Audit.

After all questions were answers and upon a motion duly made by Director Arellano, seconded by Director Simner and, upon vote, unanimously carried, the Board approved the Engagement Letter with Crady, Puca & Associates for 2015 Audit Services.

b. Election Update

Director Coker stated Ms. Bear was available to answer any questions regarding the upcoming election and ballot questions. A constituent requested clarification on the purpose of the ballot questions regarding street improvements and water improvements as he feels it is unclear why the items are being requested.

Ms. Bear reported the questions are worded in a way to allow the Board flexibility, if approved, for items other than traffic lights as long as those items fall within the set limits noted in the question for the funds. She stated the funds, if a traffic light is rejected by the City Council, could be used for street repairs, installation of stop signs, curb and gutter or the other street related items listed in the question.

A constituent requested information on why the Board is considering drilling a third water well. Director Rextroat stated the District currently has three water sources that are used for Heritage Eagle Bend and the Golf Course and typically in the summer the Golf Course uses 1.2 million gallons of water per day. He continued that the current two wells and the "Buchanan Tap" are not able to supply enough water to support that amount of use and purchasing a new water tap from ECCV costs \$6.45 per thousand gallons used. He reported the current water fees from the District are \$2.75 per one thousand gallons used and to add a new tap would require a rate increase which has not been done in the past two years.

Director Coker reported a Candidate Forum is being scheduled to allow residents to ask questions and hear from the four candidates who have submitted Self Nomination Forms. He informed attendees that Legal Counsel has advised against publishing resumes of the candidates; however the Homeowners Association is looking into publishing information regarding each of the candidates independently in their newsletter and via an email to residents.

New Business

None.

Next Meeting

Confirm Quorum for Next Board Meeting to be Held Thursday, April 21, 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, April 21, 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 11:45a.m.

Respectfully submitted,



Secretary for the Meeting