



February 2016

PRESIDENT'S GENERAL COMMENTS:

As many of you may know, I announced last summer that I would not be running for re-election to the Eagle Bend Metropolitan District No. 2 in 2016, as I have decided to run for the office of Arapahoe County Commissioner District 3 in 2016. I would like to thank the Eagle Bend Community, fellow Board of Directors and District consultants for allowing me to serve as your representative for the past twelve years. It has truly been an honor!

We would like to welcome Ed Malone to the Board. Ed won the election in November to replace recalled board member Larry Geiger, and he has done an excellent job in his first few months. Ed is gaining an understanding of the depth of the District issues. His term will run until May of 2018.

As I look back over the past decade or so, I am proud of what the Board has accomplished. Below are a few of the more salient issues concerning your mill levy and assessments:

- In 2006, eliminating the yearly \$120 homeowner assessment that the Developer controlled board had implemented.
- In 2008, lowered the mill levy from a high of 52.06 mills to 49 mills, saving homeowners \$80 to \$140 per year.
- In 2012, refinanced the 2003 Bond Series saving approximately \$1 million in interest.
- In 2014, retired another Bond Series before its final call date, saving approximately \$300,000 in interest and also served to lower cash flow requirements in the Debt Fund.
- In 2015, voted to lower the mill levy from 49 mills to the current 39.5 mills that you now see on your Property Tax Statement for 2016.
- In 2015, the District moved forward with a Bond Resolution to re-finance the 2005 Bond Series. Final determination on this process and the interest rate is expected to be completed sometime in March of this year.

In summary, over the past twelve years the board has lowered the mill levy over 24% and eliminated a \$120 annual assessment. Unfortunately, space in this letter does not permit the review and development of the irrigation water system for Heritage Eagle Bend, cost-sharing programs with all the HOAs within the District, Landscaping and Maintenance, etc. Shortly, you will be receiving in the mail a booklet that will explain in more detail the history of the District, its accomplishments and its mission. You may go to our website (www.eaglebendmetro.com) for past and current updated information.

OVERVIEW 2016

While there will be a great deal of issues the District will be working on in 2016, there will be a few in the first and second quarter that we would like to make you aware of:

- The May 4th election will be held for two Board seats for four year terms along with two ballot issues for the constituents to vote on. Currently, there are plans to hold a number of informational public meetings on the ballot issues. The District also plans to host several *Meet the Candidates* meetings prior to the election. For those that might be interested in placing their *hat in the ring*, read the information below or go to the District website. There are deadlines associated with running for the Board, so please consult the election calendar on the website.

- The final Bond Resolution for the proposed 2016 refinancing and its details will be paramount in the District's endeavors in the coming weeks. This is the final piece of the puzzle to complete the almost decade long span of financial planning.
- The District Board is still working through the issues of transitioning from a volunteer managed board to a more policy oriented board. A decade of hard work and accomplishment is not given up lightly.
- Over the past twelve years that I have served on the Board, technology has advanced rapidly. Constituents are looking now, more than in the past, to their local governments to keep up with this process and supply information, transparency and data on more of a real time basis. Our District has quite candidly struggled to keep up with this process, but we have made major strides over the past six months toward improving the process. One of the areas that we will be working toward is getting more electronic communication with our residents. Simple things like getting the news out to constituents on Special Board and informational meetings needs to be accomplished in a more timely fashion. This requires staff and organization. Fortunately, we have retained CliftonLarsonAllen (CLA) as our management team and they have been a major help to us.

As you can see, we have had a busy first and second quarter and as always look forward to your input.

THANK YOU LARRY GEIGER FOR YOUR SERVICE TO THE COMMUNITY

I first had the pleasure of meeting Larry's lovely wife, Jaj Geiger, almost 17 years ago. She was assigned to my wife, Jo, and myself as our US Home interior designer. We developed a long term bond and friendship during this process as our home was delivered a year and half after the proposed delivery date. I did not meet Larry until several years later when we both served on the HEB HOA Board. While I had some difficulty in understanding Larry's demeanor and personality at times; I found him honest, highly intelligent, extremely knowledgeable, and able to be creative and think outside the box.

After the first four years I served on the Metro Board, Larry decided to run for the Board and was elected. Having had the experience of working with Larry on the HOA Board, it was far easier to understand his process of developing new ideas and concepts. Many of the issues the Metro Board now takes for granted, like the Water Enterprise Fund, are things that Larry developed and put into practice.

Larry, thank you for your long service to our community, and I think that I can speak for the entire Board; we all wish you and Jaj the best!

Sincerely,

Tom Coker
EBMD2 President

OTHER BOARD UPDATES

LEGAL - White Bear Ankele Tanaka & Waldron

The District Board of Directors has discussed several projects that may be of benefit to the community, including right of way and traffic light improvements as well as the installation of a third well or an alternative water source to meet the communities irrigation water needs. The Board has determined that prior to proceeding with the authorization of any funds for these projects, it is important to determine whether the community supports moving forward with these projects and as a result, has authorized two ballot issues to be presented to the eligible electors of the District as part of the May 2016 election. To the extent the ballot questions were to pass, the District Board would be authorized to utilize monies on hand to fund these projects, or alternatively, levy a property tax as part of the 2017 budget or thereafter in order to do so. It is important to note that the election is only the first step in the process. Ultimately, if the ballot questions pass, the Board of Directors of the District must determine by majority vote in order to move forward with all or any part of the proposed improvements.

The May election will not only address the two ballot questions mentioned above, but is also a regular directors election. There are two vacancies, both for four year terms ending in May of 2020. Interested parties should contact either the Designated Election Officer (DEO) at Special District Management Services at [303-987-0835](tel:303-987-0835), or reference the Eagle Bend Metropolitan District website (www.eaglebendmetro.com) for the self-nomination form. This form needs to be submitted to the DEO no later than February 26, 2016. Additional details and calendar can be found on the website.

WATER - Pure Cycle Corporation, Water Consultants

The District continues to explore an additional irrigation water source to address (1) higher than average demands due to drought, (2) future downtime of the existing two wells, or (3) uncertainties with the long term 24/7 availability of the ECCV service line during the irrigation season. Aurora Water has hired Carollo Engineers to investigate the feasibility of extending raw water from the existing Saddle Rock transmission pipeline to HEB and possibly other intervening irrigation users. They are evaluating pipeline routing, estimating construction costs, and working with Aurora Water to draft terms for an agreement with the District if this looks feasible. Alternately, the District will further pursue construction of a third well.

FINANCIAL

The District, as you may know, is in the process of refinancing the Series 2005 Bonds. This process will be completed mid to late March. In anticipation of this, the Board of Directors lowered the mill levy rate this year, saving homeowners property tax money this year. The mill levy dropped from 49 mills in 2015 to the current assessment of 39.5 mills. The District currently has approximately \$2,000,000 in funds to be set aside for the projects mentioned in the ballot questions. If one or both of the questions fail to pass, the term sheet of the bond refinance will allow the District to redeem up to \$2,000,000 in June, thus reducing the overall amount of debt.