
MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
EAGLE BEND METROPOLITAN DISTRICT
HELD
July 20, 2017

A regular meeting of the Board of Directors of the Eagle Bend Metropolitan District was held on July 20, 2017 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:

David Gruber
George Arellano
Rex Rexroat
Ed Malone

Also in attendance were:

Denise Denslow and Kim Herman; CliftonLarsonAllen LLP ("CLA")
Kristen Bear; White Bear Ankele Tanaka & Waldron
Mark Chambers; Simmons & Wheeler, P.C.
Gene Blum and Roe Sherbert; Heritage Eagle Bend
Johnny Watson; Creekside HOA
Ron Meyer; Biloxi Court
Rachel Gruber, public

Call to Order

Director Gruber called the meeting to order at 10:01 a.m.

Declaration of
Quorum/Director
Qualifications/
Disclosures of
Conflicts

Absent and excused was Director Moore. Upon a motion duly made, by Director Malone, seconded by Director Rexroat and, upon vote unanimously carried, the Board approved the appointing of Director Gruber to act as President for the meeting.

Ms. Denslow 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 July 20, 2017
- B. Minutes for June 21, 2017 Board Meeting
- C. Ratify Approval of July 2017 Claims

Following discussion, upon a motion duly made by Director Malone, seconded by Director Rexroat and, upon vote unanimously carried, the Board approved the Consent Agenda as presented.

Public
Comments

Mr. Ron Meyer discussed Xeric Park expenses and requested the Board consider options of reducing maintenance expenses. Director Arellano stated that it was an asset and added that it brings value to the community. Director Gruber added they are responsible for helping to keep home values up by beautifying the neighborhood. Mr. Johnny Watson stated that the city uses park locations for education purposes. Ms. Herman concluded with informing the Board that she will contact Keesen for a breakdown of costs.

Financial Items

- A. Review and Consider Acceptance of the June 30, 2017 Financial Statements

Mr. Chambers reviewed the June 30, 2017 Financial Statements.

After discussion, upon a motion duly made by Director Rexroat, seconded by Director Arellano and, upon vote unanimously carried, the Board accepted the June 31, 2017 Financial Statements as presented.

- B. Review and Consider Approval of the 2016 Draft Audit

Mr. Chambers reviewed the 2016 Draft Audit, noting the Audit received a clean unqualified opinion.

After discussion, upon a motion duly made by Director Rexroat, seconded by Director Arellano, and upon vote unanimously carried, the Board accepted

the draft Audit as presented, executed an application for extension to file the 2016 Audit, and directed Simmons and Wheeler to file upon completion.

Water
Operations

A. Monthly Report

Director Rexroat reviewed the May Water Report from TZA, noting both the north and south wells had gone down approximately one week ago. He reported approximately 500,000 gallons of water was being used from ECCV instead of the usual 300,000 gallons and the District had received a letter from ECCV stating their water usage is being monitored due to the increase in consumption.

B. Water Sustainability

This item was tabled for discussion during executive session.

C. Creekside GeoLens Project Update

Director Rexroat reported GeoLens is working with Hydrosystems and will have the Creekside irrigation maps completed the end of July or early August.

D. Discuss New Water Rate Charges to Heritage Eagle Bend

Director Rexroat reported the rate analysis has been finalized and includes both variable and hard assets. He stated the Heritage Eagle Bend HOA will need to determine whether or not they would like to make payments over 8 months or 12 months. Director Gruber reminded attendees that the numbers were not changing; the only modification was additional information to improve transparency.

Director Gruber requested Ms. Bear prepare the Resolution for 2018 Water Rates, effective January 1, 2018 for approval at the next meeting.

E. Discuss Possible Water Attorney to Review Water Issues

After discussion, upon a motion duly made by Director Rexroat, seconded by Director Malone and, upon vote unanimously carried, the Board approved Directors Rexroat and Moore working with Ms. Bear to finalize an agreement with an Attorney to review the District water records.

Landscape
Maintenance

A. Monthly Report

Director Arellano stated shrubs are being pruned throughout. He reported there has been an increase in the amount of water being used to irrigate the landscaping due to the lack of rain.

Mr. Watson reported the Creekside HOA is working with KB Homes to have trees replaced due to a water line issue during construction.

Traffic
Safety

A. Presentation from the City of Aurora Regarding Traffic Light

Director Gruber informed the Board that the Traffic Light project is progressing and is on schedule, and added that there is to be a Town Hall meeting next week.

Ms. Bear stated the IGA between the City and the District is with the City for approval at their next Council Meeting.

Business
Development

A. Other

Director Gruber reported the City continues to work on filling the Safeway space, however there is no other news to report.

Manager Issues

A. Other

Ms. Herman reminded the Board of the Special District Association (SDA) conference in September. Directors Rexroat and Malone requested to be registered to attend.

Legal Items

A. Executive Session to Receive Attorney Advice and Discuss Contract Negotiations Pursuant to C.R.S. Sections 24-6-402(4)(b) and (e)

Upon a motion duly made by Director Malone, seconded by Director Arellano and, upon a vote unanimously carried, the Board entered into Executive Session at 11:13 a.m.

Upon a motion duly made by Director Malone, seconded by Director Rexroat and, upon a vote unanimously carried, the Board exited Executive Session at 11:56 a.m.

In furtherance of the District's due diligence and upon a motion duly made by Director Rexroat, seconded by Director Malone and, upon vote unanimously

carried, the Board approved up to \$15,000 to bring current values of options for water sources.

Next Meeting

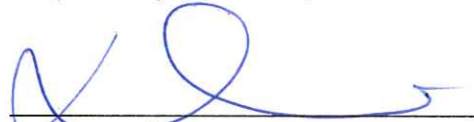
Confirm Quorum for the Next Regular Board Meeting to be Held Thursday, August 17, 2017 at 10:00 a.m. at the Heritage Eagle Bend Clubhouse

The Board confirmed the intent of a quorum for the next Board meeting, to be held Thursday, August 17, 2017 at 10:00 a.m. at the Heritage Eagle Bend Clubhouse.

Adjournment

Upon a motion duly made by Director Gruber, the Board adjourned the meeting at 11:58 a.m.

Respectfully submitted,

A handwritten signature in blue ink, consisting of a large loop followed by a horizontal line and a small flourish.

Secretary for the Meeting