

**MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
EAGLE BEND METROPOLITAN DISTRICT
HELD
FEBRUARY 21, 2019**

A regular meeting of the Board of Directors of the Eagle Bend Metropolitan District was held on February 21, 2019 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 Moore
George Arellano
Will Schippers
Mark Rumlow
Ed Malone

Also in attendance were:

Denise Denslow & Jerel Sangster; CliftonLarsonAllen LLP (“CLA”)
Casey K. Lekahal; White Bear Ankele Tanaka & Waldron (“WBA”)
Mark Chambers; Simmons & Wheeler
Tom Dea & Britt Abney; TZA Water Engineers, a Lamp Rynearson Company (“TZA”)
Jim Kriss; Carollo
Johnny Watson; Aurora City Council Member
John McCracken; Resident
Irv Reinke; Resident
Charlie Summers; Resident
Gene Blum; General Manager, Heritage Eagle Bend Master Association

Call to Order

Director Moore called the meeting to order at 10:02 a.m.

Declaration of
Quorum / Director
Qualifications /
Disclosures of
Conflicts

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.

Carollo Design Update

Mr. Jim Kriss provided an update on the design for the Raw Water Pipeline to the Board. He presented an updated schedule, noting that the preliminary design is finished and final design work is at 60%. The design plans have been submitted to the city for review comments. Mr. Kriss informed the Board that a SCADA workshop is scheduled for March 1st. He also noted that City of Aurora permit review will be completed on February 28th. Mr. Kriss explained that the completion of the final design will be delayed by the council readings. Mr. Kriss informed the Board that bidding support should last from April to June, with construction scheduled to last 200 days between June 2019 and March 2020. Mr. Lekahal requested that Mr. Kriss include all decisions that will need to be made by the Board within the timeline prior to the formal bidding process. Ms. Denslow suggested calling a special meeting to assist with keeping the project on schedule, as the final cost estimate and designs will need to be completed by April 15th. Mr. Kriss will make updates to the current schedule and provide to Ms. Denslow for the Board's review.

Approval of Consent Items

- A. Agenda for February 21, 2019 Regular Board Meeting
- B. Minutes for January 17, 2019 Regular Board Meeting
- C. Approval of January 2019 Claims

Upon a motion duly made by Director Malone, seconded by Director Arellano and, upon vote, unanimously carried, the Board approved the February 21, 2019 Agenda, subject to amending to include "Considering Approval of Creekside Cost Sharing Program," along with a discussion regarding alternative meeting locations due to construction."

Upon a motion duly made by Director Schippers, seconded by Director Malone and, upon vote, unanimously carried, the Board approved the January 17, 2019 Regular Board Meeting Minutes and January 2019 Claims, as presented.

Financial Items

- A. Review and Consider Approval of Unaudited Financial Statements Through January 31, 2019

Mr. Chambers reviewed the financial statements with the Board and attendees, noting the funds are currently split 50/50 between the General Fund and Water Enterprise Fund.

Upon a motion duly made by Director Malone, seconded by Director Schippers and, upon vote, unanimously carried, the Board approved the unaudited financial statements through January 31, 2019.

Director Schippers inquired about call provisions for Series 2016 General Obligation Refunding Bonds. Discussion followed noting that the extraordinary redemption allows for \$2.115 million of bonds. The call date for the bonds is April 20, 2019. It was also noted, by Director Arellano, that the District has the right to prepay principal on the Series 2012 General Obligation Refunding Loan.

The Board directed Director Schippers and Director Arellano to coordinate with Mr. Chambers to make a recommendation to the Board as to the amount, if any, of debt to prepay and if that amount should be a redemption of the Series 2016 Bonds or payment on the 2012 Loan.

B. Other

None.

Water Operations

A. Monthly Reports

Mr. Dea stated there is nothing new to report at this time.

B. Review and Consider Acceptance of TZA Memorandum Identifying Third Well Costs

Mr. Dea reviewed the TZA Memorandum Identifying Third Well Costs with the Board. Director Arellano inquired whether the plan moving forward is to begin setting money aside for future projects and potential emergencies. Director Moore confirmed this plan. Additionally, Director Moore expressed the importance of the Reserve Study to show constituents the Board's dedication to the community in planning for the District's future. Director Rumlow asked whether the cost will increase incrementally or how often this price will need to be revisited. Mr. Dea noted that costs should be reviewed every 5 years. Director Arellano informed the Board that he has been in conversation with the city regarding the various stages of water drought. He noted that under the proposed intergovernmental agreement with the City, during a stage 1 drought the water supply is reduced by 50-100% and at stage 2 the water is capped.

Upon a motion duly made by Director Schippers, seconded by Director Malone and, upon vote, unanimously carried, the Board accepted the Third Well Costs study as presented.

C. Review and Consider Approval of Proposal for a Reserve Study from Lamp Rynearson

Mr. Dea reviewed the proposal from Lamp Rynearson with the Board. He noted the Reserve Study would include a detailed engineering analysis of the physical and financial aspects of the irrigation system, along with a close look at the wells, the connection infrastructures, the Buchanan Tap, etc. Mr. Dea stated the estimated price to be between \$22,000-\$25,000 with an estimated completion date of June 15, 2019. Mr. Abney and Mr. Dea will have updated numbers ready prior to the April meeting. This will allow the Board to coincide with the OPCC 90%

information from Carollo. Director Moore noted the importance in keeping the Reserve Study updated to assist in the District's ability for consistency and staying current.

Upon a motion duly made by Director Malone, seconded by Director Schippers and, upon vote, unanimously carried the Board approved the proposal from Lamp Rynearson, subject to final review by legal.

D. Other

Mr. Dea reviewed the water rates with the Board. Mr. Dea noted that he will clean up the report to better identify all tiers and will provide an updated copy to Ms. Denslow.

Business
Development

A. Other

There was nothing new to report at this time.

Manager Items

A. Review and Consider Adoption of Resolution 2019-02-01, Regarding 2019 Fees, Rates and Charges

Upon a motion duly made by Director Arellano, seconded by Director Malone and, upon vote, unanimously carried, the Board approved adoption of Resolution 2019-02-01, Regarding 2019 Fees, Rates and Charges.

B. Review and Consider Approval of 2018 Annual Report

Mr. Lekahal reviewed the 2018 Annual Report with the Board, noting that the report has been updated to include the IGA with the City of Aurora. Mr. Schippers inquired about the claim that was filed against the District in December 2018. The Board discussed amending the report to include this claim, even though it is believed there will be no action that result from it. Director Arellano directed Mr. Lekahal to review the County records to determine maintenance responsibility for relevant portion of sidewalk.

Upon a motion duly made by Director Malone, seconded by Director Schippers and, upon vote, unanimously carried, the Board approved the 2018 Annual Report, as amended.

C. Other

None.

Landscaping

A. Creekside Cost Sharing Program

The Board reviewed the details of the Creekside cost-sharing program. It was reported that the total cost is estimated at \$45,700 of which Eagle Bend will pay \$22,850. Director Arellano suggested that Board should approve Keesen to complete the work, pay the price in full and bill Creekside HOA for their portion.

Upon a motion duly made by Director Malone, seconded by Director Schippers and, upon vote, unanimously carried, the Board approved an addendum for Keesen to be added to the current contract.

Legal Items

A. Executive Session to Receive Attorney Advise and Discuss Contract Negotiations with the City of Aurora Concerning Water Issues Pursuant to C.R.S. Sections 24-6-402(4)(b) € and/or (f), if needed

Executive Session was not needed at this time.

B. Other

None.

Public Comment

Mr. Summers noted the frequency at which water problems are noted in the newspaper and inquired as to whether there is a concern regarding a drought in the near future. Director Moore noted that the City of Aurora is unable to cut back on the District's well use, only potable and irrigation water.

Next Regular Meeting

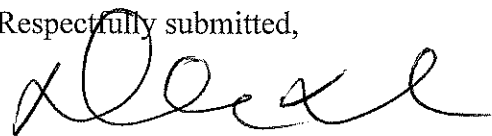
Confirm Quorum for the Next Regular Board Meeting to be Held Thursday, March 21st, 2019 at 10:00 a.m. at the Heritage Eagle Bend Clubhouse

The Board requested upcoming meetings to be relocated, due to construction at the clubhouse, to the local Fire Station. The Board confirmed quorum for the March 21st, 2019 Special Board meeting.

Adjournment

Upon a motion duly made by Director Moore, the Board adjourned the meeting at 11:45 p.m.

Respectfully submitted,



Secretary for the Meeting