

**MINUTES OF A CONTINUED SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
EAGLE BEND METROPOLITAN DISTRICT
HELD**

August 12, 2019

A continued special meeting of the Board of Directors of the Eagle Bend Metropolitan District was held on August 12, 2019 at 8:00 a.m. at Heritage Eagle Bend Golf Club, 23155 E Heritage Pkwy, Aurora, Colorado 80016. The meeting was open to the public.

Attendance

In attendance were the following Directors:

Larry Moore
George Arellano
Mark Rumlow
Ed Malone
Will Schippers

Also in attendance were:

Denise Denslow; CliftonLarsonAllen LLP (“CLA”)
Kristen Bear; White Bear Ankele Tanaka & Waldron (“WBA”)
Justin Korkus; Lamp Rynearson
Roe Sherbert; Heritage Eagle Bend
Charlie Summers; Resident

Call to Order

Director Moore called the meeting to order at 8:05 a.m.

Declaration of
Quorum / Director
Qualifications /
Disclosures of
Conflicts

Ms. Bear 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 August 12, 2019 Continued Special Board Meeting

Upon a motion duly made by Director Malone, seconded by Director Schippers and, upon vote, unanimously carried, the Board approved the Consent Agenda.

Carollo Design
Update

Mr. Kriss reviewed the bid results with the Board. He noted that the delta for bid item 2 is \$357,394 between T. Lowell Construction and Engineers estimate. Mr. Kriss informed the Board that the Piney Creek access may have presented an area of difficulty due to dewatering needs and thus perhaps made the bid higher than anticipated. He further noted that the three electrical items came in higher due to industry market pressure. Bid item 7 also came in high at \$126,000 from T. Lowell Construction and \$79,977 from Engineers estimate. Mr. Kriss informed the Board that the profit margin is 10% in the Engineering bid, with the contractors carrying about 15%. The Board was informed that the District only received bids from 3 of the 7 contractors, who requested the bid package, due to the bidding environment being tight.

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. Review and Consider Consent to Bid Numbers for Water Line Construction

Following discussion, upon a motion duly made by Director Malone, seconded by Director Moore and, upon vote, unanimously carried, the Board approved proceeding with the Water Line Construction project based on provisions of the COA/EBMD IGA requiring a minimum cash payment of \$1.5 million with consideration by the Board of additional cash payments at a later date. This project will provide a primary surface water source of 700 thousand gallons per day to supplement the existing wells, will fulfill a provision of the new Inter-Governmental Agreement (IGA) which will automatically extend as long as the District provides irrigation water to its customer, preserves the continued use of the existing wells, allows the District to drill additional wells at its option and is projected to provide considerable Operation and Maintenance cost savings.

- C. Other

Mr. Moore provided an overview of the meeting with Heritage Eagle Bend Master Association Board on Friday, August 9th, 2019. The information that was discussed with HEB was distributed to the Board. Both Director Moore and Director Schippers conveyed that the HEB Master Association is in strong support of the raw water line project, and that they urged EBMD to proceed with the joint effort with the City of Aurora.

Mr. Schippers gave an overview of prior agreements, noting that the new IGA with Aurora provides for perpetual water rights. The costs to the District, based on the T Lowell bidis \$3.1 million plus a design cost of \$431,000 for a total of approximately \$3.5 million. The interest rate is capped at 5% but is currently only at 3.5%. Mr.

Schippers informed the Board that the HEB Board of Directors has requested the District present information regarding the raw water line project during its next Board of Director's meeting, scheduled for August 29th; this meeting will be a public meeting. It was noted that the District is spending \$1.5M of monies from its general fund on the Project, as authorized specifically by the District election held in May 2016. All other funding for the Project will be from the District's enterprise fund based upon cash resources available in the enterprise fund.

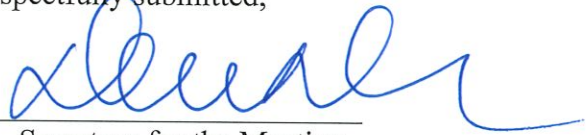
Public Comment None.

Next Regular Meeting Confirm Quorum for the Next Regular Board Meeting to be held Thursday, August 15th, 2019 at 10:00 a.m. at Heritage Eagle Bend Country Club, 23155 E. Heritage Pkwy, Aurora, CO 80016

The Board confirmed quorum for the regular meeting on August 15, 2019 at 10:00 a.m.

Adjournment Upon a motion duly made by Director Malone, seconded by Director Moore and, upon vote, unanimously carried, the Board adjourned the meeting at 9:30 a.m.

Respectfully submitted,



Secretary for the Meeting