

**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
EAGLE BEND METROPOLITAN DISTRICT
HELD
October 31, 2019**

A special meeting of the Board of Directors of the Eagle Bend Metropolitan District was held on October 31, 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, Margret Henderson, Jerel Sangster & Janece Soendker;
CliftonLarsonAllen LLP
("CLA")
George Rowley; White Bear Ankele Tanaka & Waldron
("WBA")

Call to Order

Director Moore called the meeting to order at 10:01 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.

Approval of
Consent Items

- A. Agenda for October 31, 2019 Special Meeting
- B. Minutes for August 1st, 2019 Special Meeting, August 12, 2019 Continued Special Meeting, August 15, 2019 Regular Meeting, September 5, 2019 Special Meeting and October 9, 2019 Community Meeting
- C. Approval of September 2019 Claims

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

Financial Items

- A. Conduct Public Hearing to Consider Adoption of 2019 Budget, Amendment; Consider Approval of Resolution Amending 2019 Budget

Upon a motion duly made by Director Moore, seconded by Director Malone and, upon vote, unanimously carried, the Board opened the Public Hearing at 10:04 a.m.

There were no comments from the public at this time.

Upon a motion duly made by Director Moore, seconded by Director Malone and, upon vote, unanimously carried, the Board closed the Public Hearing at 10:04 a.m.

It was noted that a Capital Projects Fund was created starting in 2019; therefore, a budget amendment was approved by the Board to reflect (i) transfers from other Funds (revenue) totaling \$1,500,000, and (ii) transfer of engineering expenses from Enterprise Fund of approximately \$95,000. The \$1,500,000 transfers into Capital Projects Fund in 2019 will reduce the amount of transfers (by same amount) previously projected for 2020.

Upon a motion duly made by Director Schippers, seconded by Director Malone and, upon vote, unanimously carried, the Board approved adoption of the 2019 Budget Amendment.

- B. Conduct Public Hearing to Consider Adoption of 2020 Budget, Appropriate Expenditures and Certify Mill Levies; Consider Approval of the Resolution Adopting the 2020 Budget, Appropriating Expenditures and Certifying Mill Levies

Upon a motion duly made by Director Moore, seconded by Director Malone and, upon vote, unanimously carried, the Board opened the Public Hearing at 10:10 a.m.

There were no comments from the public at this time.

Upon a motion duly made by Director Moore, seconded by Director Malone and, upon vote, unanimously carried, the Board closed the Public Hearing at 10:10 a.m.

Ms. Henderson alerted the Board that Certified Assessed Value increased from \$70 Million to \$81 Million.

Upon a motion duly made by Director Schippers, seconded by Director Malone and, upon vote, unanimously carried, the Board approved the Resolution Adopting the 2020 Budget, Appropriating Expenditures and Certifying Mill Levies, subject to reducing the Debt Service Mill Levy from 30 to 28.

C. Review and Consider Approval of Engagement Letter for 2019 Audit Services

Upon a motion duly made by Director Schippers, seconded by Director Arellano and, upon vote, unanimously carried, the Board approved the Engagement Letter with Schilling & CO. for 2019 Audit Services, with a not-to-exceed of \$5,400.

D. Review and Consider Approval of Unaudited Financial Statements through September 30, 2019

Ms. Henderson reviewed the September 30, 2019 Unaudited Financial Statements with the Board.

Upon a motion duly made by Director Malone, seconded by Director Schippers and, upon vote, unanimously carried, the Board approved the September 30, 2019 Unaudited Financial Statements.

Ms. Henderson noted that all Board members would receive a 'Bill.com' login to approve invoices. Director Arellano will review & approve all Keesen and landscaping related invoices. Director Moore will approve all other invoices.

Water Operations

A. Monthly Reports

Water Operations reports were included in the Board packet.

B. Other

None.

Landscape
Maintenance

A. Monthly Report

Director Arellano provided the monthly landscape report.

Business
Development

A. Other

There was nothing new to report at this time.

Manager Items

A. Other

Ms. Denslow provided an update on the Water Line Project. She noted that the project is on schedule and there are no current change orders. The Board was informed that the weekly construction coordination meetings, that the City of Aurora leads, are now being held at the Saddle Rock Golf Course, and that CLA attends.

Legal Items

A. Review and Consider Adoption of 2020 Annual Administrative Matters Resolution

Upon a motion duly made by Director Malone, seconded by Director Rumlow and, upon vote, unanimously carried, the Board approved Adoption of the 2020 Annual Administrative Matters, as presented.

B. Review and Consider Approval of Resolution Concerning Online Notice of Regular and Special Meetings

Upon a motion duly made by Director Malone, seconded by Director Schippers and, upon vote, unanimously carried, the Board approved the Resolution Concerning Online Notice of Regular and Special Meetings.

C. Review and Consider Approval of Agreement with Keesen Landscape Management, Inc., for 2020 Landscape Maintenance Services

Upon a motion duly made by Director Malone, seconded by Director Arellano and, upon vote, unanimously carried, the Board approved the First Addendum and Extension to the Landscape Maintenance Agreement with Keesen Landscape Management, Inc. for annual maintenance services.

D. Discuss and Consider Setting 2020 Water Rates; Consider Adoption of Resolution Setting 2020 Service Rates and Fees

Ms. Denslow presented the 2020 Water Rate resolution to the Board, noting that the rates remained static from 2019. She stated that the resolution now references the City of Aurora raw water line project. The Board discussed the need to include additional language regarding a potential amendment to the resolution upon completion of the water line and collaboration with HEB Master Associated regarding the amount of the EBMD down payment possibly in excess of the \$1.5 million currently earmarked.

Following discussion, upon a motion duly made by Director Malone, seconded by Director Schippers and, upon vote, unanimously carried, the Board approved adoption of the Resolution Setting 2020 Service Rates and Fees, subject to final modifications by legal as discussed.

E. Review and Consider Approval of Resolution Calling an Election for May 5, 2020

Upon a motion duly made by Director Malone, seconded by Director Arellano and, upon vote, unanimously carried, the Board approved the Resolution Calling an Election for May 5, 2020. It was noted that the election would be canceled if there are no more candidates than vacant seats.

E. Discuss and Consider Approval of Resolution Setting Cost-Sharing Criteria for Landscaping Enhancements

This item was tabled.

F. Other

None.

Next Regular Meeting

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

The Board approved cancelling the November 21, 2019 and December 19, 2019 Regular Board Meetings, subject to the Board being informed on all correspondence with the City of Aurora regarding the Water Line Project. The next Board meeting will be on January 16, 2020.

Adjournment

Upon a motion duly made by Director Malone, seconded by Director Rumlow, the Board adjourned the meeting at 12:35 p.m.

Respectfully submitted,



Secretary for the Meeting