

**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
EAGLE BEND METROPOLITAN DISTRICT
HELD
June 18, 2020**

A special meeting of the Board of Directors of the Eagle Bend Metropolitan District was held on June 18, 2020 at 10:00 a.m. as an Online Meeting via GoToMeeting. The meeting was open to the public.

Attendance

In attendance were the following Directors:

Larry Moore
George Arellano
Will Schippers
Ed Malone
Doug Neves

Also in attendance were:

Denise Denslow, Margret Henderson, & Cecilia Wang;
CliftonLarsonAllen LLP (“CLA”)
George Rowley; White Bear Ankele Tanaka & Waldron
 (“WBA”)
Mitchell Weldon; Lamp Rynearson
Rick Matteson; Heritage Eagle Bend Master Association
Johnny Watson; Resident

Call to Order

Director Moore called the meeting to order at 10:00 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, which were provided to WBA, have been filed with the Secretary of State’s office prior to this meeting and that no additional conflicts were disclosed at the meeting.

2020 Directors’
Election Update

Confirm the Filing of the Completed Oaths of Office of Larry D. Moore
and Douglas Neves

Ms. Denslow confirmed the Oaths of Office of Larry D. Moore and Douglas Neves were filed per statutory requirements.

Consider Appointment of Officers

Upon a motion duly made by Director Schippers, seconded by Director Arellano and, upon vote, unanimously carried, the Board approved the following Appointment of Officers:

President: Larry D. Moore
Vice President: Will Schippers
Treasurer: George Arellano
Secretary: Ed Malone
Assistant Secretary: Doug Neves

Approval of
Consent Items

- A. Agenda for June 18, 2020
- B. Minutes for April 16, 2020 Special Board Meeting
- C. Approval of May 2020 Claims

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

Financial Items

- A. Conduct Public Hearing to Consider Adoption of Second Amendment to the 2019 Budget; Consider Approval of Resolution 2020-06-01, Second Amendment to the 2019 Budget

Director Moore opened the Public Hearing to consider Adoption of the Second Amendment to the 2019 Budget and Resolution 2020-06-01 at 10:08 a.m. and with no public comment, Director Moore closed the Public Hearing at 10:09 a.m.

Discussion ensued among the Board. Director Neves stated that he reviewed the Second Amendment to the 2019 Budget and found that this was the appropriate course of action. Director Schippers inquired about the amount of the transfer, stating that the Budget Amendment shows \$1,200,000 versus the discussed amount of \$1,250,000 as was paid. Ms. Henderson noted that this is the 2019 Amended Budget for the \$1,000,000 and not the \$1,250,000 as paid in 2020.

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 Second Amendment to the 2019 Budget and approval of Resolution 2020-06-01.

B. Review and Consider Approval of 2019 Audit

Upon a motion duly made by Director Malone, seconded by Director Schippers and, upon vote, unanimously carried, the Board approved the 2019 Audit, subject to any auditor comments that are not substantive in nature.

C. Review and Consider Acceptance of March 31, 2020 Unaudited Financial Statements

Following review, upon a motion duly made by Director Malone, seconded by Director Arellano and, upon vote, unanimously carried, the Board accepted the March 31, 2020 unaudited financial statements.

D. Other

None.

Water Operations

A. Monthly Reports

Mr. Weldon reviewed the final April and draft May monthly Water Operations Reports with the Board. He noted that the south well started running on April 21st and the north well started shortly after. Mr. Weldon stated that both wells have been tested, prior to use. He informed the Board that 2.4 million gallons were pumped in April 2020, while 13.2 million gallons were pumped in May 2020. This compares to no water in April of 2019 and 4.1 million gallons in May of 2019. This change is due to a considerably warmer season this year. Additionally, Mr. Weldon noted that May 2020 was the largest amount of water pumped since 2012.

Director Arellano inquired as to the timing of the filter checks. Mr. Weldon noted that these checks are done monthly, with the filters being checked most recently on June 17th and only presenting a slight amount of pollen on the south well. Mr. Weldon also informed the Board that the scada system is recording the well operating temperatures, which he monitors daily. Mr. Weldon is coordinating with HEB weekly.

Mr. Weldon noted that the Buchanan tap is operational and was run for two days to ensure operations. Furthermore, he informed the Board that ECCV does not have water availability. Discussion ensued among the Board regarding well site maintenance and communication with HEB.

Water Line Project Update A. Update on Construction Matters

Ms. Denslow noted that the Water Line Project is still delayed but that there has been some movement in the programming. It now looks like mid-July for completion. Ms. Denslow will keep the Board apprised.

Landscaping A. Monthly Report

Director Arellano provided a landscaping update to the board. He noted that there have been several water breaks related to the duplex construction. Director Arellano will work with Ms. Henderson to ensure the contractor is billed for the water line repairs.

Director Arellano informed the Board that he is recording a regular maintenance report for himself and working with Keesen closely. Keesen is currently completing warranty replacements in Creekside.

B. Other

Director Moore noted that the turn signal on Gartrell is now operational. Board consensus was to send Mayor Coffman, Francois Bergan and City Council a letter, thanking them for their partnership.

Director Arellano stated that he believes a well permit should be obtained at this time, for potentially drilling a third well, with the intent to renew annually. He stated that the permit is only \$75 and that he would like to protect the District from future City Council members who may be opposed to our drilling an additional well. Director Neves asked about the process to obtain a permit and if there would be expenses connected to engineering, etc. Director Moore stated that a full engineering study would probably need to be done. Mr. Weldon informed the Board that he would need to look at work already performed. Mr. Weldon agreed to provide what background information is available to the Board and outline the process that would need to take place to obtain a permit. Additionally, the Board requested that Mr. Weldon provide an outline of the process required in order to acquire a permit. Director Moore would like the Raw Water Line Project to be completed prior to any discussions with the City of Aurora. Director Schippers asked what costs would be involved in obtaining the permit and asked Mr. Weldon to provide such information at the next Board meeting. Director Neves stated that he would like to understand the costs prior to getting a permit. Director Moore requested Mr. Weldon to proceed with creating an outline of the process for Board review in August.

It was noted that trees within the community, that appear dead, will receive additional watering and will be assessed for replacement later in the season.

Mr. Rick Matteson discussed tree replacement in HEB and will be sure to communicate with EBMD on potentially working together, specifically in regards to region wide issues with the ash and pine trees - due to an April freeze.

Mr. Johnny Watson thanked Director Arellano and EBMD for working with Creekside on landscaping projects and for working on replacement and warranty issues. Director Moore also thanked Mr. Watson and Director Arellano for all their efforts.

Business Development

A. Other

Director Malone and Director Schippers did not have anything to report at this time.

Mr. Johnny Watson reported that he is working with the economic development group with the City of Aurora, noting that the Cherry Creek School District is suffering. Mr. Watson informed the Board that this group is meeting regularly to discuss and strategize.

Manager Items

A. Other

None.

Legal Items

A. Other

None.

Public Comment

None.

Mr. Mattson stated that HEB has been closely monitoring the budget and they were able to obtain some emergency funding.

The Board welcomed Director Neves.

Next Meeting

Confirm Quorum for the Next Regular Board Meeting to be held Thursday, July 16, 2020 at 10:00 a.m. at the Heritage Eagle Bend Clubhouse.

Director Moore inquired as to whether the July meeting would be necessary, suggesting perhaps the Board wait until August to meet. He further stated that the location is dependent on the state of the Stay-at-Home order and that

this meeting could possibly be held via GoToMeeting. Board consensus was to cancel the July meeting; however, Director Arellano requested that watering be monitored very closely over the next month. Mr. Weldon stated that between the two wells and the Buchanan tap, approximately 1 million gallons per day can be produced. Lamp Rynearson will continue to monitor well levels.

Mr. Schippers referenced page 48 of the Board packet, noting a year-end comparison, which shows a reduction in mill levy amounts, and highlighted how well the Board has managed the District's budget. Mr. Schippers also stated that the Gallagher Amendment may be back on the legislative agenda for repeal and stated that this will potentially change the proration of real estate taxes between commercial and residential properties. Mr. Schippers will work with CLA to get talking points posted on the District's website.

Adjournment

Upon a motion duly made by Director Moore, the Board adjourned the meeting at 11:03 a.m.

Respectfully submitted,



Secretary for the Meeting