

**EAGLE BEND METROPOLITAN DISTRICT**  
**8390 East Crescent Parkway, Suite 300**  
**Greenwood Village, CO 80111**  
**Phone 303-779-5710 Fax 303-779-0348**

February 22,2023

VIA EMAIL: [clerk@arapahoegov.com](mailto:clerk@arapahoegov.com)  
Clerk & Recorder – Arapahoe County

VIA EMAIL: [Commissioners@arapahoegov.com](mailto:Commissioners@arapahoegov.com)  
Board of County Commissioners – Arapahoe County

VIA EMAIL: [cityclerk@auroragov.org](mailto:cityclerk@auroragov.org)  
City Clerk – City of Aurora

VIA ON-LINE PORTAL: State Auditor, Local Government Audit Division

VIA E-FILING PORTAL: Division of Local Government

Re: 2022 Annual Report

To Whom It May Concern,  
Please accept the enclosed as the 2022 Annual Report for Eagle Bend Metropolitan District.  
Please let me know if you have any questions.

Thank you,



Denise Denslow,  
District Manager

**EAGLE BEND METROPOLITAN DISTRICT**  
**2022 ANNUAL REPORT**

Pursuant to the Service Plan for Eagle Bend Metropolitan District (the "District"), the District is required to provide an annual report to the City of Aurora; Colorado with regard to the following matters which occurred during the 2022 year:

1. Boundary changes made or proposed.
2. Intergovernmental Agreements with other governmental entities entered into or proposed.
3. Changes or proposed changes in the District's policies.
4. Changes or proposed changes in the District's operations.
5. Any changes in the financial status of the District including revenue projections, or operating costs.
6. A summary of any litigation which involves the District.
7. Proposed plans for the year immediately following the year summarized in the annual report.
8. Status of Public Improvement Construction Schedule.
9. Submission of current assessed valuation in the District.

For the year ending December 31, 2022, the District makes the following report:

A. Boundary changes made or proposed.

There were no boundary changes made or proposed in 2022.

B. Intergovernmental Agreements with other governmental entities entered into or proposed.

The District did not enter any Intergovernmental Agreements with other governmental entities in 2022.

C. Changes or proposed changes in the District's policies.

The District adopted the following policies and resolutions:

- Amended and Restated Resolution of Eagle Bend Metropolitan District Concerning the Imposition of Water Rates on March 3, 2022 (**Exhibit A**)
- Amended and Restated Resolution of Eagle Bend Metropolitan District Concerning the Imposition of Water Rates on November 17, 2022. (**Exhibit B**).
- Resolution of Eagle Bend Metropolitan District Adopting a Personal Data Privacy Policy on November 17, 2022 (**Exhibit C**)

- Resolution Providing for the Defense and Indemnification of Directors and Employees of the District on November 17, 2022 (**Exhibit D**)

D. Changes or proposed changes in the District's operations.

There were no changes or proposed changes in the District's operations during 2022.

E. Any changes in the financial status of the District including revenue projections, or operating costs.

There were no changes in the financial status of the District. A copy of the District's 2023 Budget is attached as **Exhibit E**.

F. A summary of any litigation which involves the District.

To our actual knowledge, based on review of the court records in Arapahoe County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District as of December 31, 2022, or during the period from December 31, 2022 to the date of this report.

G. Proposed plans for the year immediately following the year summarized in the annual report.

The District anticipates holding meetings on March 16, 2023, June 15, 2023, August 17, 2023, October 12, 2023 and November 16, 2023.

H. Status of Public Improvement Construction Schedule.

The non-potable Raw Water Line was completed in September 2020.

I. Submission of current assessed valuation in the District.

The District received a certification of valuation from the Arapahoe County Assessor dated November 23, 2022 that reported a taxable assessed valuation of \$87,212,291.

**EXHIBIT A**

Amended and Restated Resolution of Eagle Bend Metropolitan District Concerning the  
Imposition of Water Rates, March 3, 2022

**RESOLUTION NO. 2022-03-01**

**AMENDED AND RESTATED**

**RESOLUTION**

**OF**

**EAGLE BEND METROPOLITAN DISTRICT**

**CONCERNING THE IMPOSITION OF WATER RATES**

WHEREAS, pursuant to an order of the District Court for Arapahoe County, Colorado, Eagle Bend Metropolitan District (the "**District**") was duly and validly created as a metropolitan district in accordance with all applicable laws; and

WHEREAS, the District is empowered under a Consolidated Service Plan for the Eagle Bend Metropolitan District Nos. 1 and 2 (the "**Service Plan**"), approved by the City of Aurora, Colorado (the "**City**") on June 20, 2001, as amended; and

WHEREAS, pursuant to §32-1-1001(1), C.R.S. and the Service Plan, the District is authorized to construct, own, operate, and maintain a water and irrigation water system and all necessary facilities appurtenant thereto; and

WHEREAS, the District operates, and maintains two (2) wells which provide irrigation water to property within the boundaries of the District (collectively, the "**North and South Wells**") and all necessary appurtenant facilities and equipment; and

WHEREAS, as a supplemental water source, the District has also installed a three inch (3") service line and meter at 8009 South Buchanan Way in order to allow for the transfer of potable water from the City to the Eagle Bend irrigation pond (the "**Buchanan Tap**"); and

WHEREAS, the District entered into an Intergovernmental Agreement with the City on August 7, 2018 that detailed the rights and responsibilities of the City and District for the design and construction of a pipeline connection in order for the District to access the City's Rampart raw water supply pipeline in order to provide a raw water source for irrigation of the golf course at Heritage Eagle Bend and open space (the District's supply pipeline is known as the "**Raw Water Pipeline**"); and

WHEREAS, the Service Plan and §32-1-1001(1)(j)(I), C.R.S., authorize the District to impose fees and rates for services provided by the District related to the North and South Wells and the Buchanan Tap; and

WHEREAS, pursuant to §32-1-1001(1)(j), C.R.S., the District is authorized to fix and impose fees, rates, tolls, charges and penalties for services or facilities provided by the District which, until paid, shall constitute a perpetual lien on and against the property served, the revenues from which fees, rates, tolls and charges may be pledged to the payment of any indebtedness of the District; and

WHEREAS, pursuant to §32-1-1001(2), C.R.S., the Board, as a governing body that furnishes domestic water or sanitary sewer services directly to residents and property owners

within or outside of the District, may fix or increase fees, rates, tolls, penalties or charges for domestic water or sanitary sewer services only after consideration of the action at a public meeting held at least thirty (30) days after providing notice stating that the action is being considered and stating the date, time and place of the meeting at which the action is being considered; and

WHEREAS, pursuant to §32-1-1001(2)(a)(IV), C.R.S., on January 25, 2022, the Board provided the required thirty (30) days' notice by posting the notice on the official website of the District; and

WHEREAS, in order to properly impose fees and rates for services provided by the District the District contracted with TZA Water Engineers to perform an irrigation water rate study, such study is attached hereto as **Exhibit A** and incorporated herein by this reference ("**TZA Report**"); and

WHEREAS, in order to supplement the TZA Report, LRE Water evaluated the historical water use and costs for water delivered by the District to the golf course at Heritage Eagle Bend, such evaluation is attached hereto as **Exhibit B** and incorporated herein by this reference ("**LRE Evaluation**"); and

WHEREAS, the City establishes the rate for all of the District's water sources on an annual basis and bills the District accordingly; and

WHEREAS, the District, subject to annual appropriation, makes capital surcharge payments to the City to access water from the Raw Water Pipeline; and

WHEREAS, the District incurs certain costs for the maintenance and operation of the North and South Wells; and

WHEREAS, in accordance with the TZA Report and the LRE Evaluation, the District desires to establish a fixed rate for costs related to operations and maintenance, engineering, administration and capital outlays ("**Water Operation Fee**"), and a fixed rate related to water usage ("**Water Consumption Fee**"); and

WHEREAS, on November 19, 2020, the Board of Directors adopted, the Resolution of Eagle Bend Metropolitan District Concerning the Imposition of 2021 Water Rates (the "**Prior Fee Resolution**"); and

WHEREAS, the Board has determined that it is necessary and in the best interests of the District, present and future property owners within the District and the properties served by the District to amend and restate in its entirety the Prior Fee Resolution.

NOW, THEREFORE, be it resolved by the Board of Directors of the District as follows:

1. Water Operation Fee. The District hereby resolves that a monthly Water Operation Fee will be charged to Heritage Eagle Bend Master Association at the rate of \$19,375 per month for eight (8) months from March 1<sup>st</sup> through October 31<sup>st</sup>, for an aggregate annual fee of \$155,000.

2. Water Consumption Fee. The District hereby resolves that the rate charged for water provided shall be \$2.26 per one-thousand gallons, subject to the Non-Season Service Charge set forth in Section 3.

3. Non-Season Service Charge. Water services will be provided by the District during the year from March 1<sup>st</sup> through the earlier of (i) November 30<sup>th</sup>, or (ii) such time as the District winterizes its irrigation system, subject to timely payment of fees as set forth in Sections 1, 2 and 3 herein. The Buchanan Tap water will be turned off on November 1<sup>st</sup>. If emergency water services are required by any User (as that term is defined herein) after the earlier of November 30<sup>th</sup> or such time as the District winterizes its irrigation system, such water will be provided from the North or South Wells at the rates established herein plus a service charge equal to all actual costs expended by the District in turning the water system on and off.

4. Water Conservation. All Users (as that term is defined herein) shall be required to exercise appropriate water conservation practices as may be required by the City.

5. Billing and Payment of Fees. The District shall invoice all entities or individuals provided water by the District (the "User") from the sources identified in this Resolution based upon any outstanding Water Operation Fee, as applicable, as well as the respective User's monthly consumption of the respective water sources at the Water Consumption Fee (collectively, the "Fees") established hereunder. Payment of any invoice is due twenty-one (21) calendar days after issuance and any invoice not paid by its due date may accrue interest and/or late fees as follows and all such Users shall be expressly responsible for the costs of collection incurred and/or termination of service by the District as follows:

A. Any Fee that is not paid in full at the office of the District's Accountant by the scheduled due date shall be assessed a late fee of Five Percent (5%) of the amount due on that date, and an additional Five Percent (5%) on each monthly anniversary of that date thereafter until the Fee is paid in full including all late fees relating thereto, not to exceed Twenty-Five Percent (25%) of the amount due, pursuant to §29-1-1102(3), C.R.S.;

B. Interest shall also accrue on any outstanding past due Fee, exclusive of assessed late fees, attorneys' fees, interest or other costs of collections, at the rate of Eighteen Percent (18%) per annum pursuant to §29-1-1102(7), C.R.S.; and

C. The District, at its sole discretion and without any liability to any User, may terminate service to any User which has outstanding amounts owed to the District which at the time of termination are more than thirty (30) days in arrears. The District may, at its sole discretion, assess such additional fees as it deems appropriate to any user for the re-establishment of services.

6. Perpetual Lien. Pursuant to §32-1-1001(j)(l), C.R.S., all Fees as contemplated herein shall, until paid, constitute a perpetual lien on and against the property served or to be served by the District or improvements provided by or owned by the District or to be provided by the District within a reasonable time. All such liens shall be in a senior position as against all other liens of record affecting the property served or benefited, or to be served or benefited by the improvements and shall run with the property and remain in effect as to any

portion of such property as to which the appropriate Fee has not been paid. All liens arising from Fees remaining unpaid to the District may be foreclosed in any manner authorized by law and at the sole discretion of the District.

7. Cumulative Fees. The Fees set forth in this resolution shall be cumulative and in addition to other fees or charges established by the District from time to time.

8. Severability. Invalidation of any of the provisions of this Resolution or of any paragraph, sentence, clause, phrase, or word herein, or the application thereof in any given circumstance, shall not affect the validity of any other provision of this Resolution.

9. Prior Fees. Any fees, rates, tolls, penalties or charges due under the Prior Fee Resolution to the extent outstanding and unpaid, shall remain in effect until fully paid and shall not be eliminated hereby.

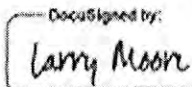
10. Effective Date. This Resolution shall become effective on March 3, 2022.

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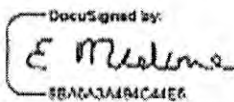


ADOPTED AND APPROVED this 3rd of March, 2022.

EAGLE BEND METROPOLITAN DISTRICT

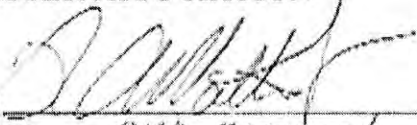
By:   
Larry Moore, President

ATTEST:

  
Ed Malone, Secretary

ADOPTED AND APPROVED this 30 of March 2022.

HERITAGE EAGLE BEND  
MASTER ASSOCIATION

By:   
Name: RIK MATTESON  
Title: President

**EXHIBIT A**  
**TZA REPORT**



12596 W. Bayaud Ave., Ste. 330  
Lakewood, Colorado 80228  
303-971-0030  
tza4water.com

## MEMORANDUM

To: Rex Rexroat  
Cc: Kim Herman; John Simmons  
From: Chad Weaver, P.E.  
Date: July 17, 2017  
Re: Eagle Bend Metro District No. 2 Irrigation Water Rate Study  
Project No.: 0416019.01

### Executive Summary

The Eagle Bend Metro District (District) provides the Heritage at Eagle Bend (HEB) golf course and native open areas water for irrigation. TZA Water Engineers (TZA) has been asked by the District to evaluate the current scenario for water delivery and costs. A 70 year economic life cycle was used for the analysis. The average water usage over the past six years from 2011 to 2016 was 74,751 kgal<sup>1</sup>. This demand is provided by three water sources; the North well, South well, and ECCV service line.

The following raw water costs were assumed:

| Source            | Assumed Raw Water Cost | Notes   |
|-------------------|------------------------|---|
| North Well        | \$0.43                 | Per Agreement between Aurora and District plus 3% rate increase |
| South Well        | \$0.43                 | Per Agreement between Aurora and District plus 3% rate increase |
| ECCV Service Line | \$6.67                 | Per Agreement between Aurora and District plus 3% rate increase |

The tables below provide the estimated total annual capital, operational and maintenance cost and the minimum cost per kgal required to cover this cost. Fixed costs are defined as operational costs including operations and maintenance, engineering, administration and capital outlays. Variable costs are defined as water and electric power usage. The rate concept below is proposed:

Two separate rates for variable costs are assigned to the wells and ECCV service line and includes only the cost of raw water and electric utility costs as applicable. The wells are considered the Primary Rate and the ECCV service line is considered the Secondary Rate. The separate rate concept requires the wells to have a minimum rate of \$1.75 per kgal while the ECCV service line requires a minimum rate of \$6.67 per kgal. Refer to Table 1 below for cost breakdowns. Anticipated annual fixed costs are treated separately as a monthly billable item described in Table 2.

<sup>1</sup> 1,000 gallons = 1 kgal

| <b>Primary and Secondary Variable Water Rate</b> |                            |                                 |                        |
|--|----------------------------|---------------------------------|------------------------|
|  | Raw Water Cost<br>per kgal | Electric Power<br>Cost per kgal | Total Cost per<br>kgal |
| North and South Well Annual Cost (Primary)       | \$0.43                     | \$1.32                          | \$1.75                 |
| ECCV Service Line Annual Cost (Secondary)        | \$6.67                     | -                               | \$6.67                 |

*Table 1 - Primary and Secondary Variable Rate*

| <b>Blended Monthly Fixed Cost Rate</b> |                                     |   |   |
|--|-------------------------------------|---|---|
|  | Total Average Annual<br>Fixed Costs | Cost per month (8<br>month irrigation<br>cycle) | Cost per month (12<br>month calendar year<br>cycle) |
| Wells and ECCV Service Line            | \$227,565                           | \$28,446  | \$18,964  |

*Table 2 - Blended Monthly Fixed Cost Rate*

Both variable and fixed cost rates are subject to review and change at the end of each calendar year to account for inflation of cost of water delivery and operation and unforeseen catastrophic events.

## Introduction

The HEB Golf Course Community, located near the E-470 and S. Gartrell Road, lies within the incorporated limits of the City of Aurora (Aurora) and consists of three residential communities. The HEB Golf Course was constructed in 1999 to provide an 18-hole links-style championship course. A primary irrigation pond feeds the irrigation pump station and is also provided as a water feature on fairway #4. The pump station provides all water to the HEB golf course and surrounding native open areas during the course of an eight month irrigation season.

The irrigation pond is currently supplied by four water sources: 1) North well (Arapahoe Aquifer), 2) South well (Arapahoe Aquifer), 3) 8-inch East Cherry Creek Valley Water and Sanitation District water service pipeline (ECCV service line), and 4) 3-inch Aurora potable water tap. The management of these resources is conducted through a special district known as the Eagle Bend Metro District #2 (District).

An Intergovernmental Agreement (IGA) exists between U.S. Home Corporation and the City of Aurora to provide the District up to 400 acre-feet of water per year. The District is responsible for all costs associated with well construction, maintenance and operations. Rates escalate at the same rate of escalation charged by Aurora for potable water. In addition, a memorandum of understanding between the City of Aurora and the District exists for the ECCV connection to provide the District water at a specified rate per 1,000 gallons. A portion of this rate is applied towards the construction loan provided by Aurora to the District to construct the ECCV service line to the irrigation pond. The remaining portion is applied to the current water rate. When construction costs are paid in full, the District will be charged the raw water rate charged to Saddle Rock Golf Course for water delivery via this pipeline. The ECCV Interconnection agreement will expire once the specified volume of water is exhausted. It is anticipated this will occur in the next three to five years.

## Historic Water and Electric Power Demands (2011 – 2016)

Table 3 and Table 4 provide existing annual summaries of the variable water and costs attributed by the North well, South well and the ECCV service line.

| Water Demand, Raw Water Cost and Electric Power Cost for District Water Distribution |                     |             |             |                                |
|--|---------------------|-------------|-------------|--------------------------------|
|  |                     | North Well  | South Well  | ECCV Service Line <sup>2</sup> |
| 2011   | Water Demand        | 29,408 kgal | 38,888 kgal | 12,273 kgal                    |
|  | Water Cost          | \$12,351    | \$16,333    | \$80,953                       |
|  | Electric Power Cost | \$30,283    | \$36,332    | 0                              |
| 2012   | Water Demand        | 25,416 kgal | 55,493 kgal | 10,368 kgal                    |
|  | Water Cost          | \$10,675    | \$23,307    | \$68,608                       |
|  | Electric Power Cost | \$25,802    | \$46,938    | 0                              |
| 2013   | Water Demand        | 26,223 kgal | 38,791 kgal | 4,982 kgal                     |
|  | Water Cost          | \$11,014    | \$16,292    | \$32,283                       |
|  | Electric Power Cost | \$33,905    | \$36,551    | 0                              |
| 2014   | Water Demand        | 18,472 kgal | 33,808 kgal | 4,036 kgal                     |
|  | Water Cost          | \$7,758     | \$14,199    | \$26,153                       |
|  | Electric Power Cost | \$26,912    | \$41,712    | 0                              |
| 2015   | Water Demand        | 20,510 kgal | 37,999 kgal | 8,650 kgal                     |
|  | Water Cost          | \$8,614     | \$15,960    | \$56,052                       |
|  | Electric Power Cost | \$26,279    | \$36,660    | 0                              |
| 2016   | Water Demand        | 21,545 kgal | 50,822 kgal | 10,824 kgal                    |

<sup>2</sup> \$6.48 charged per 1,000 gallons. \$4.35 is applied towards ECCV Service Line Loan Repayment.

|  |                     |          |          |          |
|--|---------------------|----------|----------|----------|
|  | Water Cost          | \$9,049  | \$21,345 | \$70,140 |
|  | Electric Power Cost | \$23,965 | \$38,943 | 0        |

Table 3 - Six Year History for Water Demand, Raw Water Cost and Electric Power Cost

| Water Demand and Costs Summary (2011 – 2016) |                     |                 |                  |
|--|---------------------|-----------------|------------------|
|  | Average             | Low             | High             |
| Annual Water Demand (kgal)                   | 74,751 <sup>3</sup> | 56,316 (2014)   | 91,277 (2012)    |
| Annual Water Cost                            | \$85,531            | \$48,111 (2014) | \$109,637 (2011) |
| Annual Electric Power Cost                   | \$67,380            | \$62,907 (2016) | \$72,740 (2012)  |

Table 4 – 6-year Water Demand Summary

Table 4 indicates total annual electric power cost based on average, low and high usage years. In 2014, the electric utility charged a total of \$68,623 for power for the North and South wells which is very close to what the average cost is. 2014 rates based on total annual water usage and annual power cost are identified in Table 5 and are considered conservative to best meet varying utility rate scenarios experienced by the District.

| Proposed Electric Power Rate per kgal |                                 |                                |               |               |
|---------------------------------------|---------------------------------|--------------------------------|---------------|---------------|
|                                       | 2014 Annual Electric Power Cost | 2014 Annual Water Usage (kgal) | Cost per kgal | Weighted Rate |
| North Well                            | \$26,911.68                     | 18,472                         | \$1.46        | <b>\$1.32</b> |
| South Well                            | \$41,711.80                     | 33,808                         | \$1.23        |               |

Table 5 - Proposed Electric Power Rate per kgal

### Infrastructure Replacement Costs

Table 6 provides a list of all equipment maintained by the District. Each component is assigned a replacement cost and useful life to provide an annual infrastructure replacement cost reserve.

| Infrastructure Replacement Costs |                     |             |                             |   |
|----------------------------------|---------------------|-------------|-----------------------------|---|
| Description                      | Capital Outlay Cost | Useful Life | Annual Asset Reserve Needed | Notes                                   |
| North Well Redrill               | \$627,000           | 30          | \$20,900                    | Based on similar well installation cost |
| North Well Pump                  | \$100,000           | 8           | \$12,500                    |   |
| North Well Electrical Equipment  | \$60,000            | 20          | \$3,000                     | VFD, Mission Control System, Flow Meter |
| North Well Transmission Pipe     | \$52,000            | 55          | \$945                       | 2,150 ft 4-inch PVC                     |
| South Well Redrill               | \$635,000           | 30          | \$21,000                    | Based on similar well installation cost |
| South Well Pump                  | \$100,000           | 8           | \$12,500                    |   |
| South Well Electrical Equipment  | \$60,000            | 20          | \$3,000                     | VFD, Mission Control System, Flow Meter |
| South Well Transmission Pipe     | \$60,000            | 55          | \$1,091                     | 2,470 ft 4-inch PVC                     |

<sup>3</sup> North and South Well Average = 66,229 kgal, ECCV Service Line Average = 8,522 kgal

|                                  |           |    |                 |  |
|----------------------------------|-----------|----|-----------------|--|
| Concrete Vault #1                | \$10,000  | 50 | \$200           | Concrete Rehabilitation                              |
| Concrete Vault #2                | \$10,000  | 50 | \$200           | Concrete Rehabilitation                              |
| ECCV Service Line                | \$150,000 | 70 | \$2,143         | 2,911 ft 8-inch PVC                                  |
| Mission Control System           | \$30,000  | 15 | \$2,000         | Irrigation Pump Station                              |
| WISE Control System Installation | \$85,000  | 70 | \$1,214         | PLC Controllers, Solar Power System, Instrumentation |
| WISE Repair and Maintenance      | \$10,000  | 10 | \$1,000         | Hardware, Solar System, Programming                  |
| WISE Flow Meter                  | \$3,000   | 15 | \$200           | Turbine flow meter                                   |
| WISE Actuated Valve              | \$3,000   | 15 | \$200           | Electric Actuated Valve                              |
| HEB Backflow Preventers          | 16,000    | 25 | \$640           | Two Backflow Preventers                              |
| <b>Annual Total</b>              |           |    | <b>\$82,734</b> |  |

Table 6 – Current Infrastructure Lifecycle and Replacement Costs

Table 7 tabulates an average of five years of historical operations and administration expenses required by the District for operations, repairs and improvements and provides an annual total required for these functions.

| Average Operations / Administration Expenses (2012 – 2016) |                  |   |
|--|------------------|---|
| Expenditure  | Cost             | Notes   |
| Repair and Maintenance                                     | \$91,809         | All infrastructure, primarily well costs  |
| Water Engineer Consulting Fees                             | \$27,638         | WISE and well water operation, monthly operations reports, ongoing water projects |
| Water Projects   | \$2,000          | Legal, Other Consultants  |
| Administration   | \$22,861         | Management, Directors, Meetings, Misc.  |
| Other Fixed Costs  |                  |   |
| Buchanan Tap   | \$523            | Emergency 3-inch Potable Water Tap Service Availability                           |
| <b>Annual Total</b>  | <b>\$144,832</b> |   |

Table 7 – Operational and Administrative Expenses

### Current Operations and Maintenance and Water Delivery Cost

Current operations and maintenance assumes historical operations as witnessed from the past 6 years. Via an existing IGA, \$0.42 is charged by Aurora per 1,000 gallons pumped from each well. The IGA is assumed to be infinite for this analysis. This scenario also assumes an infinite continued use of the ECCV service line at identical flow demand and \$6.48 cost per 1,000 gallons. As of January 2017, Aurora has assigned a 3% increase to all of the District's water rates, therefore well rates are increased to \$0.43 per 1,000 gallons and ECCV is \$6.67 per 1,000 gallons.

Data shows that as the golf course starts irrigating with "average" to "high" amounts of water for the year, the cost per 1,000 gallons remains close in cost. Low water consumption years see a much higher rate. This is primarily due to the significant cost savings with the assigned energy utility rate structure

as more energy is used for higher irrigation demands. Totaling the fixed costs from Table 6 and Table 7 is \$227,565. Average 6-year historic electric power use is \$67,380 annually. Finally, average 6-year historic water cost is \$83,514 annually.

Estimated Total Average Annual Funding Required for Water Delivery and Operation: **\$380,000.**

To provide consistent operations, maintenance, repairs, engineering and administration, a blended fixed rate is proposed to consistently collect the estimated \$227,565 for average year costs. Spreading this cost over the 8-month irrigation season is \$28,446. Spreading this cost over the 12-month calendar year is \$18,964.

For the two wells, using the proposed electric power rate of \$1.32 per kgal and \$0.43 per kgal for water charged by Aurora is \$1.75 per kgal. The ECCV service line is \$6.67 per kgal. The separated rate concept provides an inherent measure to limit use of the ECCV service line based on the significant rate difference between the two sources. Periods of less than average water use would see a better rate while periods of greater than average use would experience additional use of the ECCV service line at the higher rate.



**EXHIBIT B**  
**LRE EVALUATION**



March 3, 2022

Eagle Bend Metropolitan District  
8390 E. Crescent Parkway, Suite 300  
Greenwood Village, CO. 80111

RE: 2022 Water Rates Recommendation

Dear Board Members,

LRE Water has evaluated the historical water use and costs for water delivered by the Eagle Bend Metropolitan District's (District) to the Heritage Eagle Bend Golf Course from 2011 through 2021 for purposes of determining if a rate increase is justified for the 2022 irrigation season. Information used in this analysis includes the 2017 TZA Water Engineers Irrigation Rate study dated July 17, 2017, annual operational data collected and archived by LRE Water, the District's 2021 Enterprise Fund summary, and Aurora Water's published 2022 rate structure for irrigation.

The District's implementation of the Rampart Line in cooperation with the City of Aurora during 2021, has allowed the District greater flexibility and reliability for delivery of irrigation water by the District, with less reliance on the Denver Basin well system, on potable sources of water supply from the City of Aurora (Buchanan tap), and the Water Infrastructure and Supply Efficiency South Metropolitan Regional Partnership (WISE).

Based on our review of the above documents and operational knowledge of the system we recommend the following for consideration by the Board:

1. Water Operation Fee to remain at a flat rate \$19,375/month for 8 months or a total of \$155,000 per year.
2. Water Consumption Fee of \$2.26/1000 gallons delivered, a 3% increase from 2021.

Due to the recent changes in the Districts irrigation supply sources we recommend reviewing the District's annual operational costs, and capital replacement cost projections on an annual basis prior to evaluation of water rates. This will ensure the Water Operation

Eagle Bend Metropolitan District  
March 3, 2022  
Page 2 of 2

Fee is in line with future forecasts of District expenditures for the continued operation and maintenance of the irrigation water supply system.

We appreciate the opportunity to provide these recommendations to the District. Please contact me with any questions regarding the recommended rate structure.

Sincerely,

LRE WATER

A handwritten signature in black ink, appearing to read 'JK', with a long horizontal flourish extending to the right.

Justin Korkus, P.E.  
Senior Project Manager

Cc: Ms. Denise Denslow, District Manager, Ms. Heather Hartung, Esq., General Counsel



**EXHIBIT B**

Amended and Restated Resolution of Eagle Bend Metropolitan District Concerning the  
Imposition of Water Rates, November 17, 2022

**AMENDED AND RESTATED  
RESOLUTION  
OF  
EAGLE BEND METROPOLITAN DISTRICT  
CONCERNING THE IMPOSITION OF WATER RATES**

WHEREAS, pursuant to an order of the District Court for Arapahoe County, Colorado, Eagle Bend Metropolitan District (the "**District**") was duly and validly created as a metropolitan district in accordance with all applicable laws; and

WHEREAS, the District is empowered under a Consolidated Service Plan for the Eagle Bend Metropolitan District Nos. 1 and 2 (the "**Service Plan**"), approved by the City of Aurora, Colorado (the "**City**") on June 20, 2001, as amended; and

WHEREAS, pursuant to §32-1-1001(1), C.R.S. and the Service Plan, the District is authorized to construct, own, operate, and maintain an irrigation water system and all necessary facilities appurtenant thereto; and

WHEREAS, the District operates, and maintains two (2) wells which provide irrigation water to property within the boundaries of the District (collectively, the "**North and South Wells**") and all necessary appurtenant facilities and equipment; and

WHEREAS, as a supplemental water source, the District has also installed a three inch (3") service line and meter at 8009 South Buchanan Way in order to allow for the transfer of potable water from the City to the Eagle Bend irrigation pond (the "**Buchanan Tap**"); and

WHEREAS, the District entered into an Intergovernmental Agreement with the City on August 7, 2018 that detailed the rights and responsibilities of the City and District for the design and construction of a pipeline connection in order for the District to access the City's Rampart raw water supply pipeline in order to provide a raw water source for irrigation of the golf course at Heritage Eagle Bend and open space (the District's supply pipeline is known as the "**Raw Water Pipeline**"); and

WHEREAS, the Service Plan and §32-1-1001(1)(j)(I), C.R.S., authorize the District to impose fees and rates for services provided by the District related to the North and South Wells, Buchanan Tap and Raw Water Pipeline; and

WHEREAS, pursuant to §32-1-1001(1)(j), C.R.S., the District is authorized to fix and impose fees, rates, tolls, charges and penalties for services or facilities provided by the District which, until paid, shall constitute a perpetual lien on and against the property served, the revenues from which fees, rates, tolls and charges may be pledged to the payment of any indebtedness of the District; and

WHEREAS, pursuant to §32-1-1001(2), C.R.S., the Board, as a governing body that furnishes domestic water or sanitary sewer services directly to residents and property owners within or outside of the District, may fix or increase fees, rates, tolls, penalties or charges for

domestic water or sanitary sewer services only after consideration of the action at a public meeting held at least thirty (30) days after providing notice stating that the action is being considered and stating the date, time and place of the meeting at which the action is being considered; and

WHEREAS, pursuant to §32-1-1001(2)(a)(IV), C.R.S., on September 28, 2022, the Board provided the required thirty (30) days' notice by posting the notice on the official website of the District; and

WHEREAS, in order to properly impose fees and rates for services provided by the District the District contracted with TZA Water Engineers to perform a third well feasibility study on February 14, 2019; and

WHEREAS, LRE Water evaluated the historical water use and costs for water delivered by the District to the golf course at Heritage Eagle Bend, such evaluation is attached hereto as **Exhibit A** and incorporated herein by this reference (“**LRE Evaluation**”); and

WHEREAS, the City establishes the rate for all of the District's water sources on an annual basis and bills the District accordingly; and

WHEREAS, the District, subject to annual appropriation, makes capital surcharge payments to the City to access water from the Raw Water Pipeline; and

WHEREAS, the District incurs certain costs for the maintenance and operation of the North and South Wells; and

WHEREAS, in accordance with the LRE Evaluation, the District desires to establish a fixed rate for costs related to operations and maintenance, engineering, administration and capital outlays (“**Water Operation Fee**”), and a fixed rate related to water usage (“**Water Consumption Fee**”); and

WHEREAS, on November 19, 2020, the Board of Directors adopted, the Resolution of Eagle Bend Metropolitan District Concerning the Imposition of 2021 Water Rates as amended by that Amended and Restated Resolution of Eagle Bend Metropolitan District Concerning the Imposition of 2022 Water Rates dated March 3, 2022 (collectively, the “**Prior Fee Resolution**”); and

WHEREAS, the Board has determined that it is necessary and in the best interests of the District, present and future property owners within the District and the properties served by the District to amend and restate in its entirety the Prior Fee Resolution.

NOW, THEREFORE, be it resolved by the Board of Directors of the District as follows:

1. Water Operation Fee. The District hereby resolves that a monthly Water Operation Fee will be charged to Heritage Eagle Bend Master Association at the rate of \$19,375 per month for eight (8) months from March 1<sup>st</sup> through October 31<sup>st</sup>, for an aggregate annual fee of \$155,000.

2. Water Consumption Fee. The District hereby resolves that the rate charged for water provided shall be \$2.40 per one-thousand gallons, subject to the Non-Season Service Charge set forth in Section 3.

3. Non-Season Service Charge. Water services will be provided by the District during the year from March 1<sup>st</sup> through the earlier of (i) November 30<sup>th</sup>, or (ii) such time as the District winterizes its irrigation system, subject to timely payment of fees as set forth in Sections 1, 2 and 3 herein. The Buchanan Tap water will be turned off on November 1<sup>st</sup>. If emergency water services are required by any User (as that term is defined herein) after the earlier of November 30<sup>th</sup> or such time as the District winterizes its irrigation system, such water will be provided from the North or South Wells at the rates established herein plus a service charge equal to all actual costs expended by the District in turning the water system on and off.

4. Water Conservation. All Users (as that term is defined herein) shall be required to exercise appropriate water conservation practices as may be required by the City.

5. Billing and Payment of Fees. The District shall invoice all entities or individuals provided water by the District (the "User") from the sources identified in this Resolution based upon any outstanding Water Operation Fee, as applicable, as well as the respective User's monthly consumption of the respective water sources at the Water Consumption Fee (collectively, the "Fees") established hereunder. Payment of any invoice is due twenty-one (21) calendar days after issuance and any invoice not paid by its due date may accrue interest and/or late fees as follows and all such Users shall be expressly responsible for the costs of collection incurred and/or termination of service by the District as follows:

A. Any Fee that is not paid in full at the office of the District's Accountant by the scheduled due date shall be assessed a late fee of Five Percent (5%) of the amount due on that date, and an additional Five Percent (5%) on each monthly anniversary of that date thereafter until the Fee is paid in full including all late fees relating thereto, not to exceed Twenty-Five Percent (25%) of the amount due, pursuant to §29-1-1102(3), C.R.S.;

B. Interest shall also accrue on any outstanding past due Fee, exclusive of assessed late fees, attorneys' fees, interest or other costs of collections, at the rate of Eighteen Percent (18%) per annum pursuant to §29-1-1102(7), C.R.S.; and

C. The District, at its sole discretion and without any liability to any User, may terminate service to any User which has outstanding amounts owed to the District which at the time of termination are more than thirty (30) days in arrears. The District may, at its sole discretion, assess such additional fees as it deems appropriate to any user for the re-establishment of services.

6. Perpetual Lien. Pursuant to §32-1-1001(j)(I), C.R.S., all Fees as contemplated herein shall, until paid, constitute a perpetual lien on and against the property served or to be served by the District or improvements provided by or owned by the District or to be provided by the District within a reasonable time. All such liens shall be in a senior position as against all other liens of record affecting the property served or benefited, or to be served or benefited by the improvements and shall run with the property and remain in effect as to any

portion of such property as to which the appropriate Fee has not been paid. All liens arising from Fees remaining unpaid to the District may be foreclosed in any manner authorized by law and at the sole discretion of the District.

7. Cumulative Fees. The Fees set forth in this resolution shall be cumulative and in addition to other fees or charges established by the District from time to time.

8. Severability. Invalidation of any of the provisions of this Resolution or of any paragraph, sentence, clause, phrase, or word herein, or the application thereof in any given circumstance, shall not affect the validity of any other provision of this Resolution.

9. Prior Fees. Any fees, rates, tolls, penalties or charges due under the Prior Fee Resolution to the extent outstanding and unpaid, shall remain in effect until fully paid and shall not be eliminated hereby.

10. Effective Date. This Resolution shall become effective on March 1, 2023.

*[Remainder of Page Intentionally Left Blank. Signature Page Follows].*



ADOPTED AND APPROVED this 17<sup>th</sup> of November, 2022.

**EAGLE BEND METROPOLITAN DISTRICT**

DocuSigned by:  
*Will Schippers*  
By: \_\_\_\_\_  
BB5D3FF468D547B...  
President

ATTEST:

DocuSigned by:  
*Debra Mascis*  
\_\_\_\_\_  
3F960703B41B4E8...  
Debra Mascis, Secretary

ADOPTED AND APPROVED this \_\_\_\_\_ of \_\_\_\_\_ 2022.

**HERITAGE EAGLE BEND  
MASTER ASSOCIATION**

DocuSigned by:  
*Rick Matteson*  
By: \_\_\_\_\_  
Name: Rick Matteson  
Title: President

**EXHIBIT A**  
**LRE EVALUATION**



November 21, 2022

Eagle Bend Metropolitan District  
8390 E. Crescent Parkway, Suite 300  
Greenwood Village, CO. 80111

RE: 2023 Water Rates Recommendation

Dear Board Members,

LRE Water has evaluated the historical water use and costs for water delivered by the Eagle Bend Metropolitan District (District) to the Heritage Eagle Bend Golf Course from 2011 through 2022 for purposes of determining if a rate increase is justified for the 2023 irrigation season. Information used in this analysis includes the 2017 TZA Water Engineers Irrigation Rate study, dated July 17, 2017, the 2019 Third Well Feasibility Study, February 14, 2019, annual operational data collected and archived by LRE Water, the District's preliminary draft 2023 Water Enterprise Fund budget summary, and Aurora Water's published 2023 rate structure for irrigation.

The District's implementation and start-up of the Raw Water Pipeline, in cooperation with the City of Aurora during 2021, has provided greater efficiency and reliability of delivery of irrigation water by the District as the primary source of water supply, with less reliance on the Denver Basin well system, on potable sources of water supply from the City of Aurora (Buchanan tap), and the Water Infrastructure and Supply Efficiency, South Metropolitan Regional Partnership (WISE).

Based on our review of the above documents and operational knowledge of the system we recommend the following for consideration by the Board:

1. Water Operation Fee to remain at a flat rate \$19,375/month for 8 months or a total of \$155,000 per year.
2. Water Consumption Fee is proposed as follows:
  - a. Raw Water Pipeline - \$2.40/1000 gallons
  - b. North and South Well - \$2.40/1000 gallons

Eagle Bend Metropolitan District

November 21, 2022

Page 2 of 2

- c. Buchanan Tap (Potable Water) – Monthly base charge of \$72.90 for a 3” diameter service line, \$7.68/1000 gallons (Tier 1 up to 100% allocation).

Due to the recent changes in the Districts irrigation supply sources and infrastructure we recommend reviewing the District’s annual operations cost, and capital replacement cost projections on an annual basis prior to evaluation of water rates. This will ensure the Water Operation Fee is in line with future forecasts of District expenditures for the replacement of critical infrastructure and continued operation and maintenance of the irrigation water supply system.

We appreciate the opportunity to provide these recommendations to the District. Please contact me with any questions regarding the recommended rate structure.

Sincerely,

LRE WATER



Justin Korkus, P.E.  
Senior Project Manager

Cc: Ms. Denise Denslow, District Manager



**EXHIBIT C**

Resolution of Eagle Bend Metropolitan District Adopting a Personal Data Privacy Policy,  
November 17, 2022

**RESOLUTION  
OF THE  
BOARD OF DIRECTORS OF  
EAGLE BEND METROPOLITAN DISTRICT**

**ADOPTING A PERSONAL DATA PRIVACY POLICY**

---

WHEREAS, Eagle Bend Metropolitan District (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado and a duly organized and existing special district pursuant to Title 32, Colorado Revised Statutes; and

WHEREAS, the Colorado General Assembly adopted House Bill 18-1128 concerning strengthening protections for consumer data privacy (the “**Bill**”) with an effective date of September 1, 2018; and

WHEREAS, the Bill added Article 73 to Title 24, Colorado Revised Statutes known as “Security Breaches and Personal Information” (“**Article 73**”) which requires each Governmental Entity in the state that maintains paper or electronic documents during the course of business that contain Personal Identifying Information to develop a written policy for the destruction or proper disposal of such paper and electronic documents; and

WHEREAS, § 24-73-101(4)(a), C.R.S., defines a “Governmental Entity” as the state and any state agency or institution, including the judicial department, county, city and county, incorporated city or town, school district, special improvement district, authority, and every other kind of district, instrumentality, or political subdivision of the state organized pursuant to law. “Governmental Entity” includes entities governed by home rule charters; and

WHEREAS, the District is a Governmental Entity under Article 73 as it is a political subdivision of the state organized pursuant to law; and

WHEREAS, § 24-73-101(4)(b), C.R.S., defines “Personal Identifying Information” as a social security number; a personal identification number; a password; a pass code; an official state or government-issued driver’s license or identification card number; a government passport number; biometric data, as defined in § 24-73-103(1)(a), C.R.S.; an employer, student, or military identification number; or a financial transaction device, as defined in § 18-5-701(3), C.R.S.; and

WHEREAS, the District may maintain paper or electronic documents that contain Personal Identifying Information; and

WHEREAS, the District has developed and desires to adopt a written policy for the destruction or proper disposal of paper and electronic documents containing Personal Identifying Information, in conformance with Article 73.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

1. Adoption of Personal Data Privacy Policy. The District hereby adopts the Personal Data Privacy Policy set forth in **Exhibit A**, attached hereto and incorporated herein.

2. Preambles Incorporated. The preambles to this Resolution are hereby incorporated into this Resolution as if set out fully herein.

3. Severability. If any part, section, subsection, sentence, clause, or phrase of this Resolution is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining provisions.

4. Effective Date. This Resolution shall become effective as of September 1, 2018, shall be enforced immediately thereafter and shall supersede any previous policy related to disposal of paper and electronic documents containing Personal Identifying Information. This Resolution shall be implemented and administered by the District to conform with all requirements of Article 73, as modified from time to time.

*[Signature page follows.]*

ADOPTED this 17<sup>th</sup> day of November, 2022.

EAGLE BEND METROPOLITAN DISTRICT, a  
quasi-municipal corporation and political  
subdivision of the State of Colorado

DocuSigned by:  
*Will Schippers*  
885D3FF168D547D...  
\_\_\_\_\_  
Officer of the District

ATTEST:

DocuSigned by:  
*Debra Mascis*  
3F960703B41B4E8...  
\_\_\_\_\_

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys At Law

DocuSigned by:  
*Heather Hartung*  
111D3C811D624A7...  
\_\_\_\_\_  
General Counsel to the District

*Signature page to Resolution Adopting Personal Data Privacy Policy*



## **EXHIBIT A**

### **Personal Data Privacy Policy**

The purpose of this Personal Data Privacy Policy is to comply with § 24-73-101 (1), C.R.S., which requires a Governmental Entity that maintains paper or electronic documents during the course of business that contain Personal Identifying Information to develop a written policy for the destruction or proper disposal of such paper and electronic documents.

#### Section 1. Definitions

(1) “District” means Eagle Bend Metropolitan District

(2) “Personal Identifying Information” means the following, which the District may collect over the course of normal business:

- a. A social security number;
- b. A personal identification number;
- c. A password;
- d. A pass code;
- e. An official state or government-issued driver’s license or identification card number;
- f. A government passport number;
- g. Biometric data, as defined in § 24-73-103(1)(a), C.R.S.;
- h. An employer, student or military identification number; or
- i. A financial transaction device, as defined in § 18-5-701(3), C.R.S.

(3) “Third-Party Service Provider” means an entity that has been contracted by the District to maintain, store, or process Personal Identifying Information on behalf of the District.

(4) All defined terms in section 5 shall be defined as in § 24-73-103, C.R.S.

#### Section 2. Security Procedures and Practices

(1) The District will store paper documents containing Personal Identifying Information in a locked cabinet or locked office. Only employees or individuals who must use Personal Identifying Information to conduct District business will have access to the storage location.

(2) The District will take appropriate measures to protect Personal Identifying Information stored as digital media. These protections may include password access, firewalls and encryption software. Only those employees or individuals who must use the Personal Identifying Information to conduct District business will have access to the electronic storage system(s).

(3) In the event an employee's or individual's responsibilities in relation to the District change such that the employee or individual no longer must use Personal Identifying Information to conduct District business, the District shall take reasonable measures to terminate that employee's or individual's access to Personal Identifying Information, such as replacing locks on any storage cabinet or locked office where Personal Identifying Information is stored in paper format, or denying the employee or individual access to Personal Identifying Information stored digitally by changing passwords or access settings.

(4) In the event the District discloses Personal Identifying Information to a Third-Party Service Provider, the District will require the Third-Party Service Provider to implement and maintain reasonable security procedures and practices that are:

- a. Appropriate to the nature of the Personal Identifying Information disclosed to the Third-Party Service Provider;
- b. Are reasonably designed to help protect the Personal Identifying Information from unauthorized access, use, modification, disclosure, or destruction; and
- c. Are in accordance with the policies and procedures set forth in this Policy.

### Section 3. Records Management and Destruction

(1) Records maintaining Personal Identifying Information should be retained in accordance with the District's Records Retention Policy. All paper or electronic documents containing Personal Identifying Information that are no longer needed, shall be destroyed by the District in accordance with the District's Records Retention Policy, and in accordance with the retention periods set forth therein, based on the type of record. When destroyed, all records containing Personal Identifying Information must be disposed of by shredding, erasing or otherwise modifying the Personal Identifying Information in the paper or electronic documents in a manner that renders the Personal Identifying Information unreadable or indecipherable through any means.

### Section 4. Open Records Disclosure

(1) The District is governed by the Colorado Open Records Act ("CORA"). Any records maintained by the District may be subject to inspection and copying by members of the public, unless an exemption in the law exists. In the event the District must release records containing Personal Identifying Information, sensitive data will be redacted or otherwise removed to protect the privacy of the individual(s).

(2) The District will not otherwise release Personal Identifying Information unless legally required to do so in connection with legal proceedings or law enforcement

investigations. The District will not sell Personal Identifying Information to any outside organization.

Section 5. Notification of Security Breach

(1) In the event the District becomes aware that a Security Breach may have occurred, the District will conduct in good faith a prompt investigation to determine the likelihood that Personal Information, as defined in § 24-73-103(1)(g)(i)(A), C.R.S., has been or will be misused. The District will notify the affected Colorado residents in accordance with the notice requirements set forth in § 24-73-103, C.R.S., unless the investigation determines that the misuse of information about a Colorado resident has not occurred and is not reasonably likely to occur.

**EXHIBIT D**

Resolution Providing for the Defense and Indemnification of Directors and Employees of the  
District, November 17, 2022

**RESOLUTION OF THE  
BOARD OF DIRECTORS OF  
EAGLE BEND METROPOLITAN DISTRICT**

**A RESOLUTION PROVIDING FOR THE DEFENSE AND INDEMNIFICATION  
OF DIRECTORS AND EMPLOYEES OF THE DISTRICT**

---

WHEREAS, Eagle Bend Metropolitan District (the “**District**”) is a special district operating as a quasi-municipal corporation and political subdivision of the State of Colorado, by virtue of organization under §§ 32-1-101, *et seq.*, C.R.S.; and

WHEREAS, past and present directors and employees of the District may be subject, from time to time, to claims arising from acts or omissions occurring during the performance of their governmental duties; and

WHEREAS, the District desires to encourage persons to serve on its Board of Directors and accept employment with the District by defending and indemnifying such persons against liability for acts or omissions occurring during the performance of their governmental duties; and

WHEREAS, it is in the best interest of the District and its inhabitants to defend and indemnify its directors and employees against liability for acts and omissions which occur within their Scope of Employment, as defined below, and for which such defense and indemnification is not otherwise provided by Colorado law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD THAT:

1. Definitions. For purposes of this resolution, the terms below shall be defined as follows:

a. Director: “Director” includes former, current, and future directors of the District, from the date of organization, who are sued for acts or omissions occurring during their term as a director of the District.

b. Employee: “Employee” includes former, current, and future employees of the District, from the date of organization, who are sued for acts or omissions occurring during their employment with the District.

c. Scope of Employment: an act or omission of a Director or Employee of the District is within the “Scope of Employment” if it reasonably relates to the business or affairs of the District and the act was made in good faith and in a manner a reasonable person would have believed to be in the best interests of the District.

2. Tort Actions Governed by the Colorado Governmental Immunity Act.

The District shall pay, in accordance with §§ 24-10-110, *et seq.*, C.R.S., as amended from time to time (the “Act”), the costs of defense of and settlements and judgments against a Director or Employee of the District, including reasonable attorney fees, where the action is brought by a third party and lies or could lie in tort or are otherwise governed by the Act. As a prerequisite to such payment, the Director or Employee must furnish the District with an affidavit in the form attached hereto as “Exhibit A”, incorporated herein by reference, stating that: (1) to his/her reasonable belief, the act or omission upon which the claim is based occurred within the Scope of Employment, as defined above; and (2) the act or omission was not willful or wanton. The Director or Employee shall also be required to comply with all relevant provisions of the Act, including but not limited to, provision of timely notice to the District of claims in accordance with such Act. The District shall not pay such judgments under this paragraph and shall be reimbursed by the Director or Employee for the reasonable costs of his/her defense under this paragraph, including reasonable attorney fees, if it is determined by a court of competent jurisdiction that: (1) the injuries did not arise out of an act or omission of the Director or Employee occurring within the Scope of Employment; or (2) the act or omission was willful and wanton.

3. Other Non-Criminal Acts and Omissions. The District hereby agrees to pay the costs of defense and settlements and judgments against its Directors and Employees, including reasonable attorney fees, for all other third party actions, including but not limited to, actions which lie or could lie in contract, or arise under state or federal laws and are not governed by § 24-10-110, C.R.S., except for criminal actions, and subject to such limitations as exist in law as of the date of the claim against the Director or Employee. As a prerequisite to such payment, the Director or Employee must furnish the District with an affidavit in the form attached hereto as Exhibit A stating that: (1) to his/her reasonable belief, the act or omission upon which the claim is based occurred within the Scope of Employment; and (2) the act or omission was not willful or wanton. The District shall not pay such judgments under this paragraph and shall be reimbursed by the Director or Employee for the reasonable costs of his/her defense under this paragraph, including reasonable attorney fees, where it is determined by a court of competent jurisdiction that: (1) the injuries did not arise out of an act or omission of the Director or Employee occurring within the Scope of Employment; or (2) the act or omission was willful and wanton.

4. Criminal Actions. The District hereby agrees to pay the costs of defense, including reasonable attorney fees, and any fines or penalties assessed, where a criminal action is brought against its Directors or Employees for acts or omissions occurring during their term or employment with the District and within the Scope of Employment, to the extent allowed by law. As a prerequisite to such payment, the Director or Employee must furnish the District with an affidavit in the form attached hereto as Exhibit A stating that: (1) to his/her reasonable belief, the act or omission upon which the claim is based occurred within the Scope of Employment, and (2) he/she had no reasonable cause to believe his/her conduct was unlawful. The District shall not pay such fines or penalties and shall be reimbursed by the Director or Employee for the reasonable costs of his/her defense, including reasonable attorney fees, where it is determined by a court of competent jurisdiction, arbitrator, mediator, or other third-party binding decision maker that: (1) the injuries did not arise out of an act or omission of the Director or Employee occurring during his/her term or employment with the District and within the Scope of Employment; or (2) the Employee or Director had reasonable cause to believe his/her conduct was unlawful.

5. Miscellaneous Provisions. The following provisions shall apply to any of the actions discussed in Sections 2, 3 and 4 above:

- a. No Waiver of Notice Requirements. The District does not hereby waive the notice requirements of its Directors and Employees as set forth in § 24-10-110(2), C.R.S. Indemnification will not be made and the District shall not be liable for defense costs unless written notice of the action is given to the District by either the plaintiff, the Director or Employee within fifteen (15) days after commencement of such action. The District shall not indemnify or pay the defense costs of a Director or Employee who willfully and knowingly fails to notify the District of the act or omission which led to the claim within a reasonable time after such act or omission, if such act or omission could reasonably have been expected to lead to a claim.
- b. Consent to Compromise or Settlement. The District shall pay no judgment or settlement of claims against its Director or Employee where the Director or Employee has compromised or settled the claim without the District's written consent.
- c. Legal Representation of the Director or Employee. The District's legal counsel shall serve as counsel to the Director or Employee, unless it appears to such counsel that the interests of the District and the Director or Employee may be adverse. In the latter event, the Director or Employee may select separate counsel to be approved in writing by the District. The Director or Employee shall cooperate with the District and its legal counsel in his defense.
- d. No Indemnification. In no event will the District indemnify or pay defense costs if it is adjudged by the Board of Directors that the Director or Employee has acted primarily for personal benefit or on the basis of other improper benefit, whether or not the Director or Employee is acting in his official capacity.
- e. Director's or Employee's Costs. The District shall not be responsible for costs to its Directors or Employees associated with time spent in giving depositions, testifying or otherwise cooperating with their defense.

6. No Waiver of Sovereign Immunity. By the adoption of this Resolution, the District does not waive its defense of sovereign immunity as to any action.

7. No Waiver of Insurance Coverage. The approval and adoption of this Resolution shall not constitute a waiver by the District of insurance coverage with respect to any liability covered by this Resolution. This Resolution shall render the District secondarily liable in the event the District's insurance does cover such liability and the conditions of this Resolution are met.

8. Liberal Construction. The purpose of this Resolution is to protect Directors and Employees of the District against personal liability for their actions taken on behalf of the District and

reasonably believed to be in the best interest of the District. Therefore, it is the intent of the District that this Resolution be liberally construed in favor of protection of such Directors and Employees.

9. Liability Limitations. The District shall indemnify a Director or Employee up to, but not in excess of, the applicable limitations of the Act. The District specifically reserves any defenses which are available to Directors or Employees under the Act or by common law.

10. Effect of Other Insurance, Bond or Indemnification Plans. If the District has insurance coverage for any act for which indemnification is provided by this Resolution, its coverage shall be primary. If the Director or Employee against whom a claim is subject to indemnification under this Resolution is asserted had any other valid insurance, bond or indemnification plan available covering the loss or damage alleged against him, and the District does not have adequate insurance coverage, and the act for which indemnification is sought is other than an action sounding in tort, such insurance, bond or other plan will be first applied to the payment of any defense costs, attorneys' fees, or claim/judgment before the District shall be required to obtain funds for indemnification from sources other than insurance. The obligation of the District to indemnify and save harmless the Director or Employee shall, in all events, exist only to the extent permitted by this Resolution.

11. Subrogation Rights of the District. In the event of any payments pursuant to this Resolution, the District or its assigns shall be subrogated to all of the Director's or Employee's rights of recovery therefor against any person or entity. The Director or Employee shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Director or Employee shall do nothing to prejudice such rights.

12. Effective Date. This Resolution shall be effective as of the date of the organization of the District by Order of the Arapahoe County District Court on November 5, 1998.

13. Severability and Invalidation. If any provision, paragraph, sentence, clause, phrase or word herein, or the application thereof in any given circumstance of this Resolution is found to be invalid by any court of competent jurisdiction, such finding shall not affect the validity of the remainder of this Resolution, unless such invalidation would act to destroy the intent or essence of this Resolution.

14. Renewal of Indemnifications. Unless repealed by resolution of the Board of Directors of the District on or before January 30 of the then current fiscal year, the indemnification established herein shall be effective from and after the date of adoption, and shall be deemed automatically extended from year to year to the extent permitted by law; provided, however, that nothing shall prevent the Board from separately appropriating funds from time to time for the purposes authorized in this Resolution.

15. Attorneys. In the event there is litigation over the enforceability of this Resolution, the prevailing party in such litigation shall be awarded its reasonable attorneys' fees.



ADOPTED THIS 17<sup>TH</sup> DAY OF NOVEMBER, 2022.

**DISTRICT:**

**EAGLE BEND METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado

By: DocuSigned by:  
Will Schippers  
BB5D3FF168D547D  
\_\_\_\_\_  
Officer of the District

Attest:

By: DocuSigned by:  
Debra Mascis  
3F960703B41B4E8...  
\_\_\_\_\_

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

DocuSigned by:  
Heather Hartung  
111D3C814DB24A7...  
\_\_\_\_\_  
General Counsel to the District

*Signature Page to Resolution Providing for the Defense and Indemnification of Directors and Employees*

**EXHIBIT A**

**Form of Indemnification Affidavit**

**AFFIDAVIT OF ELIGIBILITY FOR INDEMNIFICATION**

“I, \_\_\_\_\_, who reside at \_\_\_\_\_, Colorado, affirm under oath that I have been subjected to legal action in connection with actions that I have taken or omissions that I have suffered in my capacity as a Director or Employee of Eagle Bend Metropolitan District (the “**District**”), and that I am eligible for indemnification by the District because: (1) these actions or omissions reasonably relate to the business or affairs of the District; (2) the actions or omissions were undertaken in good faith, and in a manner a reasonable person would have believed to be in the best interests of the District; (3) these actions or omissions were not willful or wanton; and (4) I did not have reasonable cause to believe that these actions or omissions were unlawful. Should a court of competent jurisdiction determine any of the following: (1) these actions or omissions were not reasonably related to the business or affairs of the District; (2) I did not take these actions or suffer these omissions in good faith, and in a manner a reasonable person would have believed to be in the best interests of the District; (3) these actions or omissions were willful or wanton; or (4) one or more of these actions or omissions was unlawful and I had reasonable cause to believe that said action or omission was unlawful; then I agree that the District shall have no further obligations to indemnify or defend me, and I shall reimburse the District for its prior costs in indemnifying and defending me, including reasonable attorneys’ fees.”

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Director or Employee

STATE OF COLORADO            )  
  ) ss.  
COUNTY OF \_\_\_\_\_        )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, by \_\_\_\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_.

**EXHIBIT E**

Eagle Bend Metropolitan District  
2023 Budget

**EAGLE BEND METROPOLITAN DISTRICT**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2023**

**EAGLE BEND METROPOLITAN DISTRICT  
SUMMARY  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/26/23

|   | ACTUAL<br>2021      | ESTIMATED<br>2022   | BUDGET<br>2023      |
|---|---------------------|---------------------|---------------------|
| BEGINNING FUND BALANCES   | \$ 2,362,755        | \$ 2,821,138        | \$ 3,580,541        |
| REVENUE   |                     |                     |                     |
| Property taxes  | 2,642,700           | 2,587,341           | 2,354,732           |
| Specific ownership taxes  | 185,216             | 181,466             | 141,284             |
| HOA cost sharing  | 95,802              | 75,000              | 75,000              |
| HOA water sales - fixed   | 155,000             | 155,000             | 155,000             |
| HOA water sales - variable                                      | 200,900             | 265,000             | 280,000             |
| Interest income   | 608                 | 16,000              | 36,500              |
| Total revenue   | <u>3,280,226</u>    | <u>3,279,807</u>    | <u>3,042,516</u>    |
| TRANSFERS IN  | <u>38,678</u>       | <u>42,300</u>       | <u>44,150</u>       |
| Total funds available   | <u>5,681,659</u>    | <u>6,143,245</u>    | <u>6,667,207</u>    |
| EXPENDITURES  |                     |                     |                     |
| General Fund  | 381,494             | 362,692             | 422,501             |
| Debt Service Fund   | 2,027,238           | 1,766,844           | 1,766,394           |
| Enterprise Fund   | 413,111             | 390,868             | 442,507             |
| Total expenditures  | <u>2,821,843</u>    | <u>2,520,404</u>    | <u>2,631,402</u>    |
| TRANSFERS OUT   | <u>38,678</u>       | <u>42,300</u>       | <u>44,150</u>       |
| Total expenditures and transfers out<br>requiring appropriation | <u>2,860,521</u>    | <u>2,562,704</u>    | <u>2,675,552</u>    |
| ENDING FUND BALANCES  | <u>\$ 2,821,138</u> | <u>\$ 3,580,541</u> | <u>\$ 3,991,655</u> |
| STATUTORY RESERVE - TABOR                                       | \$ 11,000           | \$ 11,700           | \$ 11,400           |
| RESERVE - SAFETY PROJECT  | 320,000             | 320,000             | 320,000             |
| AVAILABLE FOR OPERATIONS  | 490,569             | 546,782             | 535,211             |
| RESERVE - DEBT SERVICE  | 1,398,587           | 2,026,645           | 2,406,487           |
| ENTERPRISE FUND RESERVE   | 600,982             | 675,414             | 718,557             |
| TOTAL RESERVE   | <u>\$ 2,821,138</u> | <u>\$ 3,580,541</u> | <u>\$ 3,991,655</u> |

No assurance provided. See summary of significant assumptions.

**EAGLE BEND METROPOLITAN DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/26/23

|                                | ACTUAL<br>2021       | ESTIMATED<br>2022    | BUDGET<br>2023       |
|--------------------------------|----------------------|----------------------|----------------------|
| <b>ASSESSED VALUATION</b>      |                      |                      |                      |
| Residential                    | \$ 73,836,082        | \$ 77,466,365        | \$ -                 |
| Residential Single Family      | -                    | -                    | 69,903,228           |
| Residential Multi-Family       | -                    | -                    | 5,338,918            |
| Commercial                     | 10,180,364           | 9,178,772            | 8,937,014            |
| State assessed                 | 1,440,080            | 1,479,670            | 1,765,730            |
| Vacant land                    | 1,234,671            | 1,267,401            | 1,267,401            |
| Certified Assessed Value       | <u>\$ 86,691,197</u> | <u>\$ 89,392,208</u> | <u>\$ 87,212,291</u> |
| <b>MILL LEVY</b>               |                      |                      |                      |
| General                        | 4.000                | 4.000                | 4.000                |
| Debt Service                   | 27.000               | 25.000               | 23.000               |
| Total mill levy                | <u>31.000</u>        | <u>29.000</u>        | <u>27.000</u>        |
| <b>PROPERTY TAXES</b>          |                      |                      |                      |
| General                        | \$ 346,765           | \$ 357,569           | \$ 348,849           |
| Debt Service                   | 2,340,662            | 2,234,805            | 2,005,883            |
| Levied property taxes          | 2,687,427            | 2,592,374            | 2,354,732            |
| Adjustments to actual/rounding | (31,408)             | (5,139)              | -                    |
| Refunds and abatements         | (13,319)             | 107                  | -                    |
| Budgeted property taxes        | <u>\$ 2,642,700</u>  | <u>\$ 2,587,342</u>  | <u>\$ 2,354,732</u>  |
| <b>BUDGETED PROPERTY TAXES</b> |                      |                      |                      |
| General                        | <u>\$ 340,994</u>    | <u>\$ 356,875</u>    | <u>\$ 348,849</u>    |
| Debt Service                   | <u>2,301,706</u>     | <u>2,230,466</u>     | <u>2,005,883</u>     |
|                                | <u>\$ 2,642,698</u>  | <u>\$ 2,587,342</u>  | <u>\$ 2,354,732</u>  |

No assurance provided. See summary of significant assumptions.

**EAGLE BEND METROPOLITAN DISTRICT  
GENERAL FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/26/23

|   | ACTUAL<br>2021    | ESTIMATED<br>2022 | BUDGET<br>2023    |
|---|-------------------|-------------------|-------------------|
| BEGINNING FUND BALANCE  | \$ 777,300        | \$ 821,569        | \$ 878,482        |
| REVENUE   |                   |                   |                   |
| Property taxes  | 340,994           | 356,875           | 348,849           |
| Specific ownership taxes  | 23,899            | 25,030            | 20,931            |
| HOA cost sharing  | 95,802            | 75,000            | 75,000            |
| Interest income   | 312               | 5,000             | 10,000            |
| Total revenue   | <u>461,007</u>    | <u>461,905</u>    | <u>454,780</u>    |
| Total funds available   | <u>1,238,307</u>  | <u>1,283,474</u>  | <u>1,333,262</u>  |
| EXPENDITURES  |                   |                   |                   |
| General and administrative                                      |                   |                   |                   |
| Accounting  | 29,759            | 31,500            | 35,000            |
| Audit   | 5,400             | 5,750             | 6,500             |
| Communication expenses  | 915               | -                 | -                 |
| County Treasurer's fee  | 5,113             | 5,364             | 5,233             |
| Director's fees   | 2,800             | 2,400             | 2,500             |
| District management   | 10,791            | 23,400            | 27,000            |
| Dues and memberships  | 1,334             | 612               | 1,200             |
| Election  | 391               | 4,444             | 40,000            |
| HOA projects - cost sharing                                     | 254,467           | 200,000           | 200,000           |
| Insurance   | 6,144             | 4,857             | 6,000             |
| Landscape and maintenance                                       | 43,001            | 55,000            | 65,000            |
| Legal   | 11,808            | 20,000            | 23,000            |
| Meetings  | 300               | 500               | 1,000             |
| Miscellaneous   | 1,366             | 1,200             | 2,277             |
| Payroll tax   | 214               | 185               | 191               |
| Utilities - Landscaping water                                   | 7,256             | 7,000             | 7,000             |
| Utilities - Landscape electric                                  | 435               | 480               | 600               |
| Total expenditures  | <u>381,494</u>    | <u>362,692</u>    | <u>422,501</u>    |
| TRANSFERS OUT   |                   |                   |                   |
| Transfers to other funds  | <u>35,244</u>     | <u>42,300</u>     | <u>44,150</u>     |
| Total expenditures and transfers out<br>requiring appropriation | <u>416,738</u>    | <u>404,992</u>    | <u>466,651</u>    |
| ENDING FUND BALANCE   | <u>\$ 821,569</u> | <u>\$ 878,482</u> | <u>\$ 866,611</u> |
| STATUTORY RESERVE - TABOR                                       | \$ 11,000         | \$ 11,700         | \$ 11,400         |
| RESERVE - SAFETY PROJECT  | 320,000           | 320,000           | 320,000           |
| AVAILABLE FOR OPERATIONS  | 490,569           | 546,782           | 535,211           |
| TOTAL RESERVE   | <u>\$ 821,569</u> | <u>\$ 878,482</u> | <u>\$ 866,611</u> |

No assurance provided. See summary of significant assumptions.



**EAGLE BEND METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/26/23

|   | ACTUAL<br>2021      | ESTIMATED<br>2022   | BUDGET<br>2023      |
|---|---------------------|---------------------|---------------------|
| BEGINNING FUND BALANCE  | \$ 962,802          | \$ 1,398,587        | \$ 2,026,645        |
| REVENUE   |                     |                     |                     |
| Property taxes  | 2,301,706           | 2,230,466           | 2,005,883           |
| Specific ownership taxes  | 161,317             | 156,436             | 120,353             |
| Interest income   | -                   | 8,000               | 20,000              |
| Total revenue   | <u>2,463,023</u>    | <u>2,394,902</u>    | <u>2,146,236</u>    |
| Total funds available   | <u>3,425,825</u>    | <u>3,793,489</u>    | <u>4,172,881</u>    |
| EXPENDITURES  |                     |                     |                     |
| General and administrative                                      |                     |                     |                     |
| County Treasurer's fee  | 34,512              | 33,456              | 30,088              |
| Interest Expense  | 87                  | -                   | -                   |
| Debt Service  |                     |                     |                     |
| Loan interest - Series 2012                                     | 345,639             | -                   | -                   |
| Loan issue costs  | 68,750              | -                   | -                   |
| Loan interest - Series 2021                                     | 44,862              | 248,050             | 228,008             |
| Loan principal - Series 2021                                    | 960,000             | 911,950             | 931,000             |
| Bond interest - Series 2016                                     | 573,088             | 573,088             | 573,088             |
| Paying agent fees   | 300                 | 300                 | 300                 |
| Contingency   | -                   | -                   | 3,910               |
| Total expenditures  | <u>2,027,238</u>    | <u>1,766,844</u>    | <u>1,766,394</u>    |
| Total expenditures and transfers out<br>requiring appropriation | <u>2,027,238</u>    | <u>1,766,844</u>    | <u>1,766,394</u>    |
| ENDING FUND BALANCE   | <u>\$ 1,398,587</u> | <u>\$ 2,026,645</u> | <u>\$ 2,406,487</u> |
| RESERVE - DEBT SERVICE  | <u>\$ 1,398,587</u> | <u>\$ 2,026,645</u> | <u>\$ 2,406,487</u> |
| TOTAL RESERVE   | <u>\$ 1,398,587</u> | <u>\$ 2,026,645</u> | <u>\$ 2,406,487</u> |

No assurance provided. See summary of significant assumptions.

**EAGLE BEND METROPOLITAN DISTRICT  
 CAPITAL PROJECTS FUND  
 2023 BUDGET  
 WITH 2021 ACTUAL AND 2022 ESTIMATED  
 For the Years Ended and Ending December 31,**

1/26/23

|   | ACTUAL<br>2021 | ESTIMATED<br>2022 | BUDGET<br>2023 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCE  | \$ 3,434       | \$ -              | \$ -           |
| REVENUE   |                |                   |                |
| Interest income   | -              | -                 | -              |
| Total revenue   | -              | -                 | -              |
| TRANSFERS IN  |                |                   |                |
| Transfers from other funds                                      | -              | -                 | -              |
| Total funds available   | 3,434          | -                 | -              |
| EXPENDITURES  |                |                   |                |
| Capital Projects  |                |                   |                |
| Raw water line  | -              | -                 | -              |
| Total expenditures  | -              | -                 | -              |
| TRANSFERS OUT   |                |                   |                |
| Transfers to other fund   | 3,434          | -                 | -              |
| Total expenditures and transfers out<br>requiring appropriation | 3,434          | -                 | -              |
| ENDING FUND BALANCE   | \$ -           | \$ -              | \$ -           |

No assurance provided. See summary of significant assumptions.

**EAGLE BEND METROPOLITAN DISTRICT  
WATER ENTERPRISE FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/26/23

|   | ACTUAL<br>2021    | ESTIMATED<br>2022 | BUDGET<br>2023    |
|---|-------------------|-------------------|-------------------|
| BEGINNING FUND BALANCE  | \$ 619,219        | \$ 600,982        | \$ 675,414        |
| REVENUE   |                   |                   |                   |
| HOA water sales - fixed   | 155,000           | 155,000           | 155,000           |
| HOA water sales - variable                                      | 200,900           | 265,000           | 280,000           |
| Interest income   | 296               | 3,000             | 6,500             |
| Total revenue   | <u>356,196</u>    | <u>423,000</u>    | <u>441,500</u>    |
| TRANSFERS IN  |                   |                   |                   |
| Transfers from other funds                                      | <u>38,678</u>     | <u>42,300</u>     | <u>44,150</u>     |
| Total funds available   | <u>1,014,093</u>  | <u>1,066,282</u>  | <u>1,161,064</u>  |
| EXPENDITURES  |                   |                   |                   |
| General and administrative                                      |                   |                   |                   |
| District management   | 11,819            | 15,600            | 18,000            |
| Legal   | 11,471            | 17,000            | 18,000            |
| Water operations management                                     | 31,876            | 16,500            | 25,000            |
| Operations and maintenance                                      |                   |                   |                   |
| Repairs and maintenance - Wells                                 | 101,652           | 14,000            | 25,000            |
| Water - North & South   | 517               | -                 | 500               |
| Electricity - North & South                                     | 17,265            | 20,000            | 20,000            |
| Fixed Capital - Pipeline  | 39,308            | 41,926            | 41,926            |
| Water - Pipeline  | 198,361           | 265,000           | 280,000           |
| Water - Buchanan tap  | 842               | 842               | 850               |
| Contingency   | -                 | -                 | 13,231            |
| Total expenditures  | <u>413,111</u>    | <u>390,868</u>    | <u>442,507</u>    |
| Total expenditures and transfers out<br>requiring appropriation | <u>413,111</u>    | <u>390,868</u>    | <u>442,507</u>    |
| ENDING FUND BALANCE   | <u>\$ 600,982</u> | <u>\$ 675,414</u> | <u>\$ 718,557</u> |
| ENTERPRISE FUND RESERVE   | <u>\$ 600,982</u> | <u>\$ 675,414</u> | <u>\$ 718,557</u> |
| TOTAL RESERVE   | <u>\$ 600,982</u> | <u>\$ 675,414</u> | <u>\$ 718,557</u> |

No assurance provided. See summary of significant assumptions.

**EAGLE BEND METRO DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The Eagle Bend Metropolitan District (“the District”) was organized on November 5, 1998 in the City of Aurora (“the City”), Colorado as a quasi-municipal organization established under the State of Colorado Special District Act. The District was established to develop and provide streets, water and sanitation, safety controls, television relay, translator and parks and recreation services to users in the service area.

The Eagle Bend Metropolitan District Water Activity Enterprise (“the Enterprise”) was established in 2008 as a “water activity enterprise” of the District pursuant to Title 37, Article 45.1, Part 1, Colorado Revised Statutes (“the Act”). The Enterprise will continue all of the District’s water activities, including but not limited to water acquisition or water projects or facility activities, including the construction, operation, repair and replacement of water, wastewater or storm water facilities, using revenues generated by such water activities and held and managed in the District’s water enterprise fund. Pursuant to the Act, the Enterprise is excluded from the provisions of Article X, Section 20 of the Colorado Constitution.

The District has entered into an intergovernmental agreement with the City detailing the covenants and mutual agreements the District will follow as regards to any inclusion of property in or exclusion of property from the boundaries of the District, any refunding of the bonds of the District and any consolidation with any other special district.

Pursuant to the Consolidated Service Plan, the aggregate combined debt for funding costs of improvements shall not exceed \$40,500,000 of which \$12,670,000 shall be Senior Bonds and the remaining \$27,830,000 as Subordinate Bonds.

The District has no employees and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting, in accordance with requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**EAGLE BEND METRO DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues**

**Property Taxes**

Property taxes are levied by the District. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.40% from 29.00%. Producing oil and gas remains at 87.50%. All other nonresidential property stays at 29.00%.

The calculation of the taxes levied is displayed on Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 6.00% of the property taxes collected by the General and Debt Service Fund.

**HOA Water Sales – Fixed**

As authorized by the Service Plan, the District is authorized to impose fees for services related to water usage. Related to these services, the District charges a monthly Water Operation Fee to Heritage Eagle Bend HOA ("the Association").

**HOA Water Sales – Variable**

As authorized by the Service Plan, the District is authorized to impose fees for services related to water usage. The District delivers water to the Association for irrigation of a golf course and certain other landscaped areas. The amounts charged to the Association are variable and depend on the volume of water used and consumed by the Association and the rates charged by the City of Aurora.

**EAGLE BEND METRO DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures**

**Administrative and Operating Expenses**

Operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, insurance, banking, meeting expense and other administrative expenses.

**County Treasurer's Fees**

County Treasurer's fees have been computed at 1.50% of property tax collections.

**Capital Outlay**

The budget anticipates no capital outlay activity during 2023.

**Debt and Leases**

On April 20, 2016, the District issued \$15,030,000 of General Obligation Refunding Bonds Series 2016 ("Series 2016 Bonds") to defease the District's Series 2005 Bonds. The Series 2016 Bonds bear interest at rates ranging from 3.125% to 5.00%, payable semiannually on each June 1 and December 1, commencing on June 1, 2016. The bonds are subject to a mandatory sinking fund redemption commencing on December 1, 2032. The Bonds are subject to an early redemption at the option of the District commencing December 1, 2026, at a price equal to the principal amount plus accrued interest without redemption premium. The Series 2016 Bonds are rated by S&P at an underlying credit rating of "A-" with bond insurance from Build America Mutual with a rating of "AA" by S&P. On April 20, 2019, the District redeemed \$1,625,000 in principal under the extraordinary redemption provisions as allowed per the terms of the Series 20216 Bond.

On October 1, 2021, the District issued \$12,235,000 of General Obligation Refunding Loan Series 2021 ("Series 2021 Loan") to amend the District's G.O. Refunding Loan dated April 27, 2012 totaling \$19,000,000. The Series 2021 Loan bears interest at 2.20%, payable semiannually on each June 1 and December 1, commencing on December 1, 2021. The Series 2021 Loan is scheduled to mature on December 1, 2033. The District shall have the option to prepay the Series 2021 Loan, subject to a prepayment fee as defined in the 2012 Loan Resolution through April 27, 2032, after which the District will have the option to prepay the Series 2021 Loan without penalty. The refunding resulted in a nominal value savings and a present value savings to the District of over \$833,000 and \$751,000, respectively.

The District has no operating or capital leases.

**EAGLE BEND METRO DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Reserves**

**Emergency Reserve**

The District has provided for an Emergency Reserve fund equal to at least 3.00% of fiscal year spending for 2023, as defined under TABOR.

**Reserve for Future Debt Service**

The District has provided for reserve for future payment of the debt service costs associated with the General Obligation Refunding Bonds.

**This information is an integral part of the accompanying budget.**

**EAGLE BEND METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

| <b>Bonds and<br/>Interest<br/>Maturing<br/>in the<br/>Year Ending<br/>December 31,</b> | <b>\$15,030,000 General Obligation Refunding<br/>Bonds, Series 2016<br/>Interest Rate 3.125% to 5.00%<br/>Dated April 20, 2016<br/>Interest Payable June 1 and December 1<br/>Principal Payable December 1</b> |                     |                      |
|--|--|---------------------|----------------------|
|  | <b>Principal</b>   | <b>Interest</b>     | <b>Total</b>         |
| 2023   | \$ -   | \$ 573,088          | \$ 573,088           |
| 2024   | -  | 573,088             | 573,088              |
| 2025   | -  | 573,088             | 573,088              |
| 2026   | -  | 573,088             | 573,088              |
| 2027   | -  | 573,088             | 573,088              |
| 2028   | -  | 573,088             | 573,088              |
| 2029   | -  | 573,088             | 573,088              |
| 2030   | -  | 573,088             | 573,088              |
| 2031   | -  | 573,088             | 573,088              |
| 2032   | 490,000  | 573,088             | 1,063,088            |
| 2033   | 615,000  | 557,775             | 1,172,775            |
| 2034   | 1,475,000  | 527,025             | 2,002,025            |
| 2035   | 1,550,000  | 453,275             | 2,003,275            |
| 2036   | 1,665,000  | 375,775             | 2,040,775            |
| 2037   | 1,745,000  | 292,525             | 2,037,525            |
| 2038   | 1,875,000  | 205,275             | 2,080,275            |
| 2039   | 1,940,000  | 139,650             | 2,079,650            |
| 2040   | 2,050,000  | 71,750              | 2,121,750            |
|  | <b>\$ 13,405,000</b>   | <b>\$ 8,353,930</b> | <b>\$ 21,758,930</b> |

This supplementary information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.



**EAGLE BEND METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

| <b>Bonds and<br/>Interest<br/>Maturing<br/>in the<br/>Year Ending<br/>December 31,</b> | <b>\$12,235,000 General Obligation Refunding<br/>Loan, Series 2021<br/>Interest Rate 2.20%<br/>Dated October 1, 2021<br/>Interest Payable June 1 and December 1</b> |                     |                      |                          |                     |                      |
|--|---|---------------------|----------------------|--------------------------|---------------------|----------------------|
|  | <b>Principal Payable December 1</b>   |                     |                      | <b>Total of All Debt</b> |                     |                      |
|  | <b>Principal</b>  | <b>Interest</b>     | <b>Total</b>         | <b>Principal</b>         | <b>Interest</b>     | <b>Total</b>         |
| 2023   | \$ 931,000  | \$ 228,008          | \$ 1,159,008         | \$ 931,000               | \$ 801,096          | \$ 1,732,096         |
| 2024   | 953,000   | 207,526             | 1,160,526            | 953,000                  | 780,614             | 1,733,614            |
| 2025   | 973,000   | 186,560             | 1,159,560            | 973,000                  | 759,648             | 1,732,648            |
| 2026   | 994,000   | 165,154             | 1,159,154            | 994,000                  | 738,242             | 1,732,242            |
| 2027   | 1,017,000   | 143,286             | 1,160,286            | 1,017,000                | 716,374             | 1,733,374            |
| 2028   | 1,040,000   | 120,912             | 1,160,912            | 1,040,000                | 694,000             | 1,734,000            |
| 2029   | 1,062,000   | 98,032              | 1,160,032            | 1,062,000                | 671,120             | 1,733,120            |
| 2030   | 1,086,000   | 74,668              | 1,160,668            | 1,086,000                | 647,756             | 1,733,756            |
| 2031   | 1,110,000   | 50,776              | 1,160,776            | 1,110,000                | 623,864             | 1,733,864            |
| 2032   | 634,000   | 26,356              | 660,356              | 1,124,000                | 599,444             | 1,723,444            |
| 2033   | 564,000   | 12,408              | 576,408              | 1,179,000                | 570,183             | 1,749,183            |
| 2034   | -   | -                   | -                    | 1,475,000                | 527,025             | 2,002,025            |
| 2035   | -   | -                   | -                    | 1,550,000                | 453,275             | 2,003,275            |
| 2036   | -   | -                   | -                    | 1,665,000                | 375,775             | 2,040,775            |
| 2037   | -   | -                   | -                    | 1,745,000                | 292,525             | 2,037,525            |
| 2038   | -   | -                   | -                    | 1,875,000                | 205,275             | 2,080,275            |
| 2039   | -   | -                   | -                    | 1,940,000                | 139,650             | 2,079,650            |
| 2040   | -   | -                   | -                    | 2,050,000                | 71,750              | 2,121,750            |
|  | <u>\$ 10,364,000</u>  | <u>\$ 1,313,686</u> | <u>\$ 11,677,686</u> | <u>\$ 23,769,000</u>     | <u>\$ 9,667,616</u> | <u>\$ 33,436,616</u> |

This supplementary information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.