

**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
EAGLE BEND METROPOLITAN DISTRICT
HELD
MARCH 15, 2019**

A special meeting of the Board of Directors of the Eagle Bend Metropolitan District was held on March 15, 2019 at 8:00 a.m. at the Heritage Eagle Bend Clubhouse, 23155 East Heritage Parkway, Aurora, Colorado 80016. The meeting was open to the public.

Attendance

In attendance were the following Directors:

Larry Moore
George Arellano
Will Schippers
Ed Malone

Director Rumlow was absent and excused.

Also in attendance were:

Denise Denslow; CliftonLarsonAllen LLP (“CLA”)
Casey K. Lekahal; White Bear Ankele Tanaka & Waldron (“WBA”)
Mark Chambers; Simmons & Wheeler

Call to Order

Director Moore called the meeting to order at 8:00 a.m.

Declaration of
Quorum / Director
Qualifications /
Disclosures of
Conflicts

Ms. Denslow declared that there was a quorum and that all Board members were qualified to serve. The Board discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors and to the Secretary of State. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with Statute. It was noted by the Board that disclosures of potential conflicts of interest statements for all directors have been filed with the Secretary of State’s office prior to this meeting and that no additional conflicts were disclosed at the meeting.

Approval of
Agenda

Agenda for March 15, 2019 Regular Board Meeting

Upon a motion duly made by Director Schippers, seconded by Director Arellano and, upon vote, unanimously carried, the Board approved the March 15, 2019 special Board meeting agenda, as presented.

Consideration of
Extraordinary
Redemption of the
Series 2016
General Obligation
Refunding Bonds

Ms. Denslow presented the Board with three options currently available to redeem a portion of the District's Series 2016 General Obligation Refunding Bonds. These options were created through an evaluation process between Director's Arellano and Schippers. The first option includes utilization of available funds to prepay the principal on the District's loan with Compass Bank. The second option is to use available funds for redemption of all or a portion of the 2016 Bonds maturing in 2032. The third option is to retain the available funds as is. Mr. Schippers informed the Board of the following pros and cons in regards to each option. Option one, prepaying the principal on the District's loan with Compass Bank, includes a penalty of \$48,750 for any prepayments prior to April 27, 2022, while saving the District \$55,088 a year in interest expenses. Option two, using available funds for redemption of all or a portion of the 2016 Bonds maturing in 2032, allows for the District to redeem up to \$2.115 million of the Series 2016 General Obligation Refunding Bonds, saving the District approximately \$50,781 per year in interest payments. Option three, retaining available funds as is, allows for the District to pay a portion of the operating expenses in the General Fund while also paying a portion of the debt service in the Debt Service Fund, resulting in the District's ability to lower the millage rate for a number of years, but not lower the District's interest expense. Options one, two and three are further detailed in Exhibits A and B of these minutes.

Following discussion, upon a motion duly made by Director Malone, seconded by Director Arellano and, upon vote, unanimously carried, the Board approved partial redemption of its General Obligation Refunding Bonds Series 2016, dated April 20, 2016, redeeming such Bonds maturing on December 1, 2032, in the principal amount of \$1,625,000 under the Optional Extraordinary Redemption provisions set forth in Section 5(c) of the authorizing Resolution governing the Bonds.

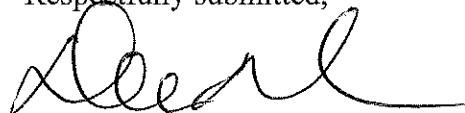
Public Comment

None.

Adjournment

Upon a motion duly made by Director Schippers, seconded by Director Malone, the Board adjourned the meeting at 8:05 a.m.

Respectfully submitted,



Secretary for the Meeting

Exhibit A

EAGLE BEND METRO DISTRICT

CURRENT FUNDS

As of March 8, 2019

	Total Funds	General Fund	Debt Fund	Water Ent. Fund
<u>Current Funds</u>				
Bank of the West - MM	\$183,000	\$183,000		
Compass Bank				
CD - 04/19/2019 - 2.200%	\$250,000	\$250,000		
CD - 7/19/2019 - 2.220%	\$250,000			\$250,000
CD - 10/19/19 - 2.230%	\$500,000			\$500,000
Sunflower Bank - MM	\$255,000	\$255,000		
Colorado Trust - MM - 2.6%	<u>\$4,400,000</u>	<u>\$1,615,000</u>	<u>\$1,530,000</u>	<u>\$1,255,000</u>
Total Funds	\$5,838,000	\$2,303,000	\$1,530,000	\$2,005,000

Exhibit B

**EAGLE BEND METRO DISTRICT
PROJECTED AVAILABLE REDEMPTION FUNDS
As of March 8, 2019**

Source & Use of Funds	General Fund	Debt Fund	Total Funds
Current Funds	\$2,303,000	\$1,530,000	\$3,833,000
Tax Revenue Projected - 2019	\$354,000	\$2,125,000	\$2,479,000
Less:			
2019 Tax Received	(\$122,000)	(\$730,000)	(\$852,000)
2019 Expense Budget	(\$350,000)		(\$350,000)
2019 Debt Service		(\$1,990,000)	(\$1,990,000)
Interest Savings - 2019: See Below		(\$31,033)	(\$31,033)
Pipeline	(\$815,000)		(\$815,000)
Reserve	(\$273,000)	(\$375,000)	(\$648,000)
Funds Available for Redemption	\$1,097,000	\$528,967	\$1,625,967

<u>Interest Savings - 2019: Calculation</u>	
Amount Redeemed - Example	\$1,625,000
Coupon Rate - 2032 Bonds	3.125%
Interest Savings - 2019	
April 21 - June 1 = 40 Days	\$5,642
June 1 - Dec. 1	<u>\$25,391</u>
Total Interest Savings - 2019	\$31,033