

FOREST HILLS METROPOLITAN DISTRICT

RESOLUTION NO. 2023-2

A RESOLUTION AUTHORIZING INTERFUND LOAN IN 2023

WHEREAS, the Forest Hills Metropolitan District (“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 Board of Directors of the District (the “Board”) adopted a resolution on July 13, 1995 (the “Enterprise Resolution”) to readopt and reestablish a Utility Activity Enterprise (the “Enterprise”) and to establish a related Enterprise Fund; and

WHEREAS, the Enterprise Resolution states the Enterprise shall be operated and maintained as an “enterprise” pursuant to Section 20, Article X of the State Constitution (“TABOR”) and shall be separate and distinct from the governmental activities of the District; and

WHEREAS, the current market interest rate for investments permitted by Colorado law for governmental entities is approximately 2.50% per year; and

WHEREAS, the Board desires to authorize a transfer of \$60,000 from the District’s General Fund to the Enterprise Fund in the form of a loan (the “Interfund Loan”) on the terms set forth herein; and

WHEREAS, the Board hereby finds and determines that the Interfund Loan is appropriate and necessary to the function and operation of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Forest Hills Metropolitan District as follows:

1. Authorization of Interfund Loan. The Board hereby authorizes a transfer of \$45,000 (the “Principal”) from the District’s General Fund to the Enterprise Fund in the form of a loan on the following terms:

(a) Interest shall accrue at the rate of 2.50% per year from the date the Principal is transferred from the District’s General Fund to the Enterprise Fund; and

(b) The Enterprise shall repay the Interfund Loan to the General Fund on December 31, 2032. Prepayments on the Interfund Loan may be made at any time without penalty.

(c) Repayment of the Interfund Loan by the Enterprise shall be made from any legally available funds that are not otherwise required for operations, capital improvements, and debt service costs and expenses, including without limitation payments due under the Loan Agreements dated September 30, 2020 and May 27, 2021 by and between the Colorado Water Resources and Power Development Authority (the "Authority") and the Enterprise (individually and collectively, the "Loan Agreement"). In no event shall the Enterprise make payment to the General Fund if such payment would cause an event of default under the Loan Agreement. The Interfund Loan has no lien on the Pledged Property, as defined in the Loan Agreement.

(d) By adopting this Resolution, the District does not intend to create, and shall not be deemed to have created, "debt" or a multiple-fiscal year financial obligation under Colorado law.

2. 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.

3. Effective Date. This Resolution shall take effect and be enforced immediately upon its approval by the Board.

ADOPTED this 18th day of October 2023.

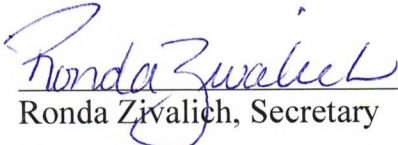
Forest Hills Metropolitan District

By



Craig Weinberg, Chairman

Attest:



Ronda Zivalich, Secretary