
RECORD OF PROCEEDINGS

Minutes of the Special Meeting of the Board of Directors of Siena Lake Metropolitan District November 14, 2023

A Special Meeting of the Board of Directors of Siena Lake Metropolitan District, Town of Gypsum, Eagle County, Colorado, was held Tuesday, November 14, 2023 at 10:00 am. This meeting was held via Zoom.

Attendance The following Directors were present and acting:

- George Roberts
- David Young
- Rick MacCutcheon
- Alison Perry

Absent and Excused:

- Bruce Lewis

Also in attendance were:

- Jim Froehlich, Jen Hunt and Jim Cooper, Peritus Ventures, Developer Representatives
- Trish Harris, White Bear Ankele Tanaka & Waldron
- Eric Weaver, Marchetti & Weaver, LLC
- Debbie Braucht, Marchetti & Weaver, LLC, Secretary for the Meeting

Call to Order

The Meeting of the Board of Directors of Siena Lake Metropolitan District was called to order, noting a quorum was present.

Conflicts of Interest

Ms. Harris stated the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors 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 legal counsel that disclosures of potential conflicts of interest were filed with the Secretary of State for all Directors.

Consideration of Changes to the Agenda

No changes were made to the Agenda.

Minutes

Upon motion duly made and seconded it was unanimously

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RESOLVED to approve the April 25, 2023 special minutes as presented.

Developer Update

Mr. Cooper updated the Board on the percentages of completion of the various projects within the District.

- Paving-100% after today
- Raw Water Main Lines-will be 75% in the next week to week and a half. They will be testing the pump from the lake one week from today.
- Potable Water-100%
- Sanitary Sewer-100%
- Street Lights-all but seventeen (17) are finished.
- Sidewalks-70% are finished now and they expect to have 100% next week.
- Electricity has been pulled to the model homes.
- Gas Lines are charged.
- Landscaping-is not allowed yet but that ties into the housing on the lots.

The Town of Gypsum and Eagle County are jointly going to widen Cooley Mesa Drive to four lanes all the way. The entryway to Siena Lake will be affected because there will be a round-a-bout at the entrance which will also affect the landscaping in that area. Boundaries Unlimited designed the ingress and egress lanes and Developer Letter of Credit funds, held in escrow, will be used for the Cooley Mesa road improvements. Those improvements are expected to start in the spring of 2024. Mr. Weaver asked if they expect to have their escrow funds released by the end of the year and Mr. Cooper confirmed they should. Mr. Weaver also asked if they had reached out to Schedio regarding a cost certification and reminded them all lien waivers must accompany a cost certification request.

Legal Matters

Ms. Harris asked on the status of the option contracts that qualify the Board members because they expire at the end of the month. Mr. Froelich stated they are working on them and will email her this week. Ms. Harris reminded them time is of the essence because upon expiration those Directors will no longer be qualified to sit on the Board.

Additionally, Mr. Froelich stated to minimize legal activity and therefore fees, they would like to take up the matter of the Tri Party Agreement again.

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Audit Engagement Letter

Mr. Weaver stated the auditors did a good job on the 2022 audit and are increasing their fees only two-hundred and fifty dollars (\$250) which he thinks is very reasonable. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the Audit Engagement Letter for Fiscal Focus Partners to perform the 2023 audit.

Financial Statements

Mr. Weaver reviewed the September 30, 2023 financial statements and the preliminary 2024 budget with the Board. He noted housing units are behind by 300-400 units compared to the financial model created for the bonds and what had been anticipated at this stage of development. Based on that information he increased the debt service mill levy to its maximum. Additionally, he basically doubled the operations mill levy for lack of developer advances. The increase in the operations mill levy will not cover all the operations and maintenance costs but it will cover much more than it currently does. There was discussion of the increase in mill levies with Director Perry expressing her concerns regarding sales of units with such a high combined mill levy. Mr. Weaver stated it can come back down as the assessed value increases. He noted assessed values lag 2-years behind. The restricted bond funds have a mandatory redemption date of August 19, 2024 so those funds will be used to pay down the bonds as required. He considered paying down the bonds early with little to no chance of the 10 acres, belonging to Eagle County, included into the District but in this current interest rate environment it doesn't pay to do that. The paydown will be applied to the oldest bonds first and the debt will be paid off early. This will reduce the overall principal and therefore reduce the accrued interest. Mr. Weaver stated the operations mill levy could be lowered with a funding guarantee from the developer but not the debt service mill levy. He stated he already has concerns over the debt service mill levy for future years. This year's increase in the debt service mill levy will not alleviate those but it will help. Mr. Cooper stated they advanced the District funds last week. They have new bankers now and the developer put in what's already in the project. They are two weeks from completion so they will be able to get the Letter of Credit escrow released. They can repay the lenders and use the loan. Once the Town of Gypsum releases the Letter of Credit they will be able to make payments. Director MacCutcheon stated maybe then the mill levy should be scaled back to a total of 70.000 mills. There was discussion on the mill levy.

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Mr. Weaver opened the public hearing on the 2024 budget. There being no public comment he closed the public hearing. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the resolution to adopt the 2024 budget;

FURTHER RESOLVED to approve the resolution to certify the mill levy at 18.029 Mills for Operations and 51.971 Mills for Debt Service for a total of 70.000 mills; and

FURTHER RESOLVED to approve the resolution to appropriate funds for spending in 2024.

Accounts Payable

There was discussion of the unfunded developer advance request from April and the accounts payable listing with outstanding invoices in the amount of fifty-nine thousand dollars (\$59,000). In addition to the Developer Advance Request in April of forty-nine thousand dollars (\$49,000) the Board is requesting twenty-five thousand dollars (\$25,000) which includes the latest invoice on the updated Accounts Payable list from Marchetti & Weaver. Mr. Cooper once again stated they wired an advance on Friday and will forward the details. Based on a developer advance wired on Friday the Board will send an additional Developer Advance request of \$25,000. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the Updated Accounts Payable Listing as presented and request an additional amount of twenty-five thousand dollars (\$25,000) from the developer.

Adjournment

There being no further business to come before the Board, upon motion duly made and seconded it was unanimously

RESOLVED to adjourn the meeting of the Siena Lake Metropolitan District Board of Directors held November 14, 2023.

Respectfully Submitted,



Secretary to the Meeting