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# RECORD OF PROCEEDINGS

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## **Minutes of the Regular Meeting of the Board of Directors of Sunlight Metropolitan District March 12, 2020**

A Regular Meeting of the Board of Directors of Sunlight Metropolitan District, Routt County, Colorado, was held Thursday, March 12, 2020 at 8:30 a.m., at Yampa Valley Bank, 600 South Lincoln Ave., Basement Board Room, Steamboat Springs, Routt County, Colorado.

**Attendance**           The following Directors were present and acting:

- Todd Pedersen
- Bert Svendsen
- Matt Tredway
- Nick Metzler
- Tom Fox

Also in attendance were:

- Kim Crawford, Butler and Snow, LLP (via telephone)
- Laci Knowles, DA Davidson (via telephone)
- Alan Pogue, Icenogle Seaver Pogue (via telephone)
- Eric Weaver, Marchetti & Weaver, LLC (via telephone)
- Debbie Braucht, Marchetti & Weaver, LLC, Secretary for the Meeting (via telephone)

**Call to Order**           The Meeting of the Board of Directors of Sunlight Metropolitan District was called to order by Chairman Pedersen, noting a quorum was present.

**Conflicts of Interest**   The requirements of Colorado law are 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 that disclosures of potential conflicts of interest were filed with the Secretary of State for all Directors.

Director Pedersen stated updates to the disclosure of potential conflicts statements have been made with legal counsel.

**Meeting Location**       Because there is no suitable or convenient location within the District's boundaries it was determined to conduct the meeting at the location listed at the beginning of these minutes. The meeting notice was duly

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posted and the location is within a 20-mile radius of the District's boundaries.

### Minutes

Upon review and by motion duly made and seconded it was unanimously

**RESOLVED** to approve the October 10, 2019 meeting minutes as presented.

### 24-Hour Posting Location

Last year the District adopted a posting resolution which per new state statute allows for posting all meeting notice/agendas on the District's website. In the event the internet is down or the District is unable to post notices on the website the cluster mailboxes will serve as the 24-hour alternate posting location. By motion duly made and seconded it was unanimously

**RESOLVED** to approve the 24-Hour posting location as the District's website and the alternate as the cluster mail boxes.

### 2020 Meeting Calendar

A proposed meeting calendar was included in the Board packet calling meetings on the 2nd Thursday of March, July and October at 8:30 am. By motion duly made and seconded it was unanimously

**RESOLVED** to approve the 2020 meeting calendar.

### May Director's Election

Because there were no more nominees than there were seats available the May Directors election has been cancelled and all candidates were elected by acclamation.

### Colotrust Bank Account

Mr. Weaver stated the District has funds on hand now and they are in a non-interest bearing account. He would recommend opening an account with Colotrust. Colotrust is a pool of governmental entities which yields about the same as certificates of deposit yet remain liquid. He reviewed the Colotrust investments with the Board and by motion duly made and seconded it was unanimously

**RESOLVED** to open a Colotrust Plus+ account.

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## **District Maintenance Contractor**

Director Pedersen stated Commercial Property Group has been working on Association items in the development and he believes combining the work they are currently doing with work for the Metro District has advantages for enhancing the service level. Additionally, having one single point of contact for the community will allow them to be more responsive to resident's issues. Upon motion duly made and seconded it was unanimously

**RESOLVED** to authorize Directors Pedersen and Fox to be on the Committee to work with Commercial Property Group on a contract and services.

Kim Crawford and Laci Knowles joined the meeting.

## **Ratification of Engagement Letters with Butler and Snow and DA Davidson**

Butler and Snow as Bond/Disclosure Counsel and D.A. Davidson as underwriter have been working again on the District's bond issuance. Formal engagement letters were provided in the meeting packet for review and approval. Upon motion duly made and seconded it was unanimously

**RESOLVED** to ratify the engagement letters with Butler and Snow and D.A. Davidson.

## **Bond Resolution**

Ms. Knowles reviewed the Bond Resolution and the potential market rates for the bonds plus the difficulty of assessing the market right now. The Resolution approves, in form, a number of documents and sets parameters and limits for rates and the amount of bonds to be issued. Approving the resolution does not in any way obligate the District to issue bonds if they are not going to get what they want but allows the District to move forward without having to come back to the full Board for approval. After discussion and by motion duly made and seconded it was unanimously

**RESOLVED** to approve the Bond/Parameters Resolution with a maximum interest rate of 7.5% and authorized any Board member to sign documents with Chairman Pedersen approving pricing.

Ms. Knowles and Ms. Crawford left the meeting.

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## Phase I and Phase II Cost Certifications and Acceptance of Infrastructure

Director Pedersen stated late in 2017 Independent District Engineering Services, LLC (IDES) reviewed and inspected all the invoices, documents and improvements in the development and compared them to market prices to prepare a cost certification for Phase I. During the summer of 2018 the landscaping was delayed and the developer was working on Phase II so the final certification was delayed. During that time the engineer working on the cost certification retired and late in 2019 another engineer completed the certification. The final cost certification has been issued with a couple of outstanding items.

- It is recommended that the Landscape Designer provide a letter stating that all open space improvements and punchlist items are complete and built in accordance with their design.
- It is recommended that the Developer provide as-built drawings for the irrigation.
- It is recommended that the Developer provide a Bill of Sale for all improvements in the open space tracts.

The items listed above have been received or addressed except for the As-Built as only design plans were prepared with installation being relatively accurate to actual installation. The Board agreed that the design drawings would be acceptable. Mr. Pogue's office will finalize the Bill of Sale for Board signature. Mr. Weaver stated the District is accepting \$3,935,332.72 of infrastructure which gets recorded as a Developer Advance and when the bonds are issued the funds can be released to repay the developer for a portion of the balance owed. Upon motion duly made and seconded it was unanimously

**RESOLVED** to accept the Cost Certifications with modifications for the As-Built drawings.

## Financial Statements

Mr. Weaver reviewed the December 31, 2019 financial statements with the Board.

## 2019 Application for Exemption from Audit

Mr. Weaver stated no audit was required in 2019 because neither the District's revenue nor expenses exceed \$750,000. The Application for Exemption from Audit was prepared with the numbers from the December 31, 2019 Financial Statements. Upon motion duly made and seconded it was unanimously

**RESOLVED** to approve the 2019 Application for Exemption from Audit and filing before the deadline.

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## Accounts Payable

An accounts payable listing was included in the meeting packet and an updated listing was provided to the Board prior to the meeting. Upon review and by motion duly made and seconded it was unanimously

**RESOLVED** to approve and ratify the accounts payable listing as presented.

## 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 Sunlight Metropolitan District Board of Directors held March 12, 2020.

Respectfully Submitted,



Secretary to the Meeting