
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors of Sunlight Metropolitan District October 14, 2021

A Regular Meeting of the Board of Directors of Sunlight Metropolitan District, Routt County, Colorado, was held Thursday, October 14, 2021 at 8:30 a.m. Due to the pandemic the meeting was held virtually via Zoom.

Attendance The following Directors were present and acting:

- Todd Pedersen
- Bert Svendsen
- Jeremy MacGray
- Tom Fox
- Matt Tredway

Also in attendance were:

- Natalie Grove, Property Owner
- Karen Selden, Property Owner
- Timothy Hinde, Property Owner
- Jana & Ryan Bromwell, Property Owners
- Richard Johnston, Property Owner
- Randy Flint, Property Owner
- Ben Wilhelm, Andrea Wilhelm & Bryan Ayer, Commercial Property Group
- Alan Pogue, Icenogle Seaver Pogue
- 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 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.

Consideration of Agenda
No changes were made to the Agenda.

RECORD OF PROCEEDINGS

Sunlight Metropolitan District October 14, 2021 Meeting Minutes

Public Comment

No public comment.

Minutes

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

RESOLVED to approve the July 8, 2021 meeting minutes as presented.

Lot 61 Hillside Excavation

Director Pedersen stated Lot 61 construction cut into the District's property on the hillside. When they became aware of it they set up a meeting onsite with the contractor JSM Construction. JSM has agreed to restore the hill to its original condition but have been delayed because of the weather. Director Tredway stated because there is a lot of construction going on and now there is not a lot of room for construction. The District needs to be notified in advance of any spillover from construction sites that extend onto Metro property. Lots 59-62 are all on the hillside and will cut into the hill. Mr. Pogue stated he could draft a License Agreement which would outline requirements if they anticipate any spillover by contractors or equipment on District property. Director Svendsen stated any costs for such an agreement should not be the District's cost. Mr. Pogue agreed though the cost will not be much it should be paid by the Lot Owner. The Board agreed to this concept and Director MacGray will contact the owners of the lots mentioned above regarding the Agreement. The Board will consider this topic again at the next meeting.

Operations Manager Report

Mr. Wilhelm reported the landscaping, streetscape and weed spraying went well this year and the treatments to improve the clay soil helped. The irrigation lines are shut off and blown out so they are focusing their attention on overseeding, weed spraying and soil amendments. Director Pedersen agreed it was a vast improvement and the turf looked great considering the drought conditions. Director Svendsen reported on new owners making improvements in the streetscape and around their houses.

Commercial Property Group Contract

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

RECORD OF PROCEEDINGS

Sunlight Metropolitan District October 14, 2021 Meeting Minutes

RESOLVED to approve the contract with Commercial Property Group (CPG) for Operations Management, Snow Removal and Landscaping through December 31, 2022.

By Designs Landscape & Excavation Snow Plow Contract

There was agreement that the first year the skidsteer was used for snow removal on the sidewalks it resulted in a lot of damage. CPG said they feel it is more efficient and cost effective but there are challenges and it's hard on irrigation lines. They will discuss the Board's concerns with By Designs staff. After discussion of the amount of snow that would trigger plowing the Board agreed to maintain at four inches (4") and if there are areas of concerns then homeowners should contact CPG. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the contract for snow removal with By Designs Landscapes through April 30, 2022

Second Amended and Restated Meeting Resolution

Mr. Pogue stated due to Hose Bill 21-1278 the Board can designate the location of meetings as physical, telephonic, electronic or virtual or any combination where a meeting can be attended. Electronic meetings have seen an increase in public participation but Mr. Weaver stated hybrid meetings don't work well at all. The Board agreed to stay with Zoom meetings on the second Thursday of April, July and October at 8:30 for regular meetings so upon motion duly made and seconded it was unanimously

RESOLVED to adopt the Second amended and Restated Meeting Resolution.

May 3, 2022 Directors Election Resolution

Mr. Pogue stated the election cycle is every two years. The Resolution appoints the Designated Election Official (DEO) and lists compliance items according to state statutes for the conduct of the election. If there are no more candidates than seats available it authorizes the DEO to cancel the election. There was discussion of eligibility and Mr. Pogue reported that is governed by State Statute. Mr. Weaver reported on new legislation that will make the process more costly than in the past. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the Election Resolution.

Director Pedersen submitted his resignation effective at the end of today's meeting.

RECORD OF PROCEEDINGS

Sunlight Metropolitan District October 14, 2021 Meeting Minutes

2022 Annual Administrative Matters Resolution

Mr. Pogue stated the Resolution outlines State regulations and obligations and directs Marchetti & Weaver or his office to carry out those obligations to keep the District in good standing. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the 2022 Annual Administrative Matters Resolution.

Fifth Amendment to Operating Funding Agreement

Mr. Pogue and Mr. Weaver stated until the value of property in the District increases property tax revenues will not cover operational costs. For the past few years the shortfalls have been covered by developer advances and if all expenses included in the draft 2022 budget are approved another developer advance would be required in 2022. This would require an extension of the Operating Funding Agreement and since the original development group has now sold all of their property, they are no longer the developer. There was discussion of the developer loan in priority of the District's debt service obligations. The discussion was tabled.

Audit Engagement Letter

Mr. Weaver stated a couple of years ago a Request for Proposals was sent out to multiple audit firms. Chadwick Steinkirchner Davis LLP (CSD) was the lowest cost and performed the audit last year. For 2021 they are increasing their fee by \$100. He would recommend the Board continue with CSD because they do good work and the increase in fee is reasonable. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the Audit Engagement Letter with Chadwick Steinkirchner and Davis LLP to perform the 2021 audit.

Director Pedersen left the meeting.

Financial Statements, Public Hearings on the 2021 Amended Budget and 2022 Budget

Mr. Weaver presented the 2021 Amended and 2022 Preliminary Budget by fund. He stated today has been published as the public hearing on the 2021 Amended Budget and the 2022 Budget and opened the public hearing to public comment. He reviewed CPG's list of proposed landscape capital improvements. If the projects were approved this would create a budget deficit and would require a developer advance as discussed earlier in the meeting. He noted the

RECORD OF PROCEEDINGS

Sunlight Metropolitan District October 14, 2021 Meeting Minutes

2021 Budget needs to be amended primarily for accounting overages related to bond disclosures and the first year of the audit which caused additional accounting work and additional contingency in case the snow plowing or landscaping comes in over budget. Director Svendsen stated he would like to see the proposed capital improvements completed. Director Tredway thinks it would be appropriate to have a discussion between developers. The public hearings on the 2021 Amended and 2022 Budgets were closed and upon motion duly made and seconded it was unanimously

RESOLVED to Amend the 2021 Budget.

Accounts Payable

An Accounts Payable listing was provided to the Board prior to the meeting and upon motion duly made and seconded it was unanimously

RESOLVED to ratify the Accounts Payable.

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 October 14, 2021.

Respectfully Submitted,



Secretary to the Meeting