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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 October 10, 2019

A Regular Meeting of the Board of Directors of Sunlight Metropolitan District, Routt County, Colorado, was held Thursday, October 10, 2019 at 8:30 a.m., at Mountain Valley Bank, 2220 Curve Plaza, Steamboat Springs, Routt County, Colorado.

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

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

The following Director was absent and excused:

- Tom Fox

Also in attendance were:

- 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 March 14, 2019 Meeting minutes as presented.

### Annual Administrative Matters Resolution

Mr. Pogue stated the annual Resolution provides direction to Marchetti & Weaver LLC (MWLLC) and his office to do what is required so the District remains in compliance. Mr. Pogue briefly reviewed the Resolution with the Board. Upon motion duly made and seconded it was unanimously

**RESOLVED** to approve the 2020 Annual Administrative Matters Resolution.

Director Metzler joined the meeting.

### May 2020 Directors Election

Mr. Weaver reviewed the May 2020 Directors Election Resolution which calls the election for three (3) Directors for three (3) year terms. Mr. Weaver explained the legislature is moving Special District elections to odd numbered years so they are not the same years as general elections. Because of this change the terms are only for three(3) years this time. The Resolution names Mr. Weaver's office (MWLLC) as the Designated Election Official (DEO) and authorizes the DEO to conduct and cancel the election if there are no more self-nomination forms than there are seats available. Upon motion duly made and seconded it was unanimously

**RESOLVED** to adopt the May 2020 Directors Election Resolution.

### Online Posting Resolution

House Bill 19-1087 allows and encourages meeting notices to be posted on a website at least 24-hours in advance of a meeting instead of paper posting 72-hours in advance. Mr. Weaver stated they have created a cost-effective website so the District can participate without having its own website. This website can be used to not only post notices but Budgets and Minutes if the Board chooses. In case of an

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emergency where there is no access to the internet, meeting notices will be posted at the cluster mail boxes. Upon motion duly made and seconded it was unanimously

**RESOLVED** to adopt the Online Meeting Posting Resolution.

### **Maintenance Contractor**

Director Pedersen stated there is more activity in the District and up until now Board members have been taking care of managing it but the time has come to bring someone in. He's interviewed home and ranch mangers and walked the site with them. The Home Owners Association has hired Commercial Property Group and having one point of contact would cause less confusion. He would propose they work on an on-call basis and would like to talk to them for the 2020 season. He will report back to the Board.

### **Snowplowing Contractor**

Director Pedersen said it has been a challenge to find a qualified snowplowing contractor that wants to plow in the District. After discussion and by motion duly made and seconded it was unanimously

**RESOLVED** to approve a snowplowing contract with All Weather Services for the 2019-2020 winter season.

### **Cost Certification**

Director Pedersen reported the person who created the initial cost certification has retired. His replacement was doing a site tour on Monday but he hasn't heard back from her.

### **Third Amendment to Operations Funding Agreement**

The Amendment will provide for advances from the Developer to fund any shortfalls in Operations. Mr. Weaver stated there anticipated to be a surplus in 2019 but there is deficit spending for operations in 2020. Upon review and by motion duly made and seconded it was unanimously

**RESOLVED** to approve the Third Amendment to the Operations Funding Agreement.

### **Interim Maintenance Agreement**

Mr. Pogue stated there are improvements in Phase II that are not ready for the District to accept but are operable. Until they are accepted it would be easier if the District were responsible for all maintenance. The Board reviewed the agreement and discussed changes to the

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insurance requirements. Upon motion duly made and seconded it was unanimously

**RESOLVED** to approve the Phase 2 Public Improvements Maintenance Agreement as amended.

## **2020 Budget Hearing**

Mr. Weaver reviewed the financial statements and the Draft 2020 Budget with the Board. There was discussion of infrastructure acceptance and a bond issuance. Mr. Weaver stated splitting the mill levy for operations and debt service created deficit spending in the General Fund. In 2020 the deficit was covered by the prior year fund balance but 15.000 mills gallagherized may be not be enough for operations. Director Pedersen stated it will take a couple of years but Phase III is critical in raising the Assessed Value of the District. The Developer always anticipated the mill levy would remain at 35.000 mills gallagherized. Mr. Weaver stated today has been published as the public hearing for the 2020 budget. He opened the public hearing to public comment. 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 2020 budget, subject to minor adjustments which may result from the final certification of assessed values;

**FURTHER RESOLVED** to approve the resolution to certify the mill levy at 15.024 mills for operations and 20.031 mills for debt service;

**FURTHER RESOLVED** to approve the resolution to appropriate funds for spending in 2020;

Copies of the formal resolutions adopting the budget, certifying the mill levy and appropriating funds are incorporated herein by reference and shall be retained in the District's permanent records.

## **2019 Amended Budget Hearing**

Today's meeting was published as the Public Hearing for the 2019 Amended Budget but it is not needed. If the District accepts the infrastructure before the end of the year it will be less than the budgeted amount per the draft cost certification from Independent District Engineering Services (IDES).

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## Audit Engagement Letter

Chadwick Steinkirchner Davis and Co submitted a bid to conduct an audit for 2019. An audit will be required if the District accepts infrastructure in 2019. After discussion and by motion duly made and seconded it was unanimously

**RESOLVED** to accept the engagement letter from Chadwick Steinkirchner Davis and Co with the understanding that if infrastructure is not accepted then the District is not committed to having an audit.

## Accounts Payable

A list 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 October 10, 2019.

Respectfully Submitted,



Secretary to the Meeting