

RECORD OF PROCEEDINGS
MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF

COLORADO NEW ENERGY IMPROVEMENT DISTRICT

HELD: Tuesday the 28th day of November, 2017, at 1:00 p.m. at 1580 Logan Street, Suite 100, Main Conference Room, Denver, Colorado 80203

ATTENDANCE:

A special meeting of the Board of Directors of the Colorado New Energy Improvement District was called and held as shown above and in accordance with the applicable statutes of the State of Colorado, with the following directors present and acting:

Paul Scharfenberger, Chair
Eric Blank, Secretary (via conference call)
Ronn Mack
Ken Myers (via conference call)
Jenifer Waller (absent, joined meeting at approximately 2:00 p.m. – noted below)
Iain Campbell (absent, absence excused)
Kim DeVoe (absent, joined meeting at approximately 1:20 p.m. – noted below)

Others present included the following:

Kim Burke, Colorado Energy Office
Marcus McAskin, Michow Cox & McAskin, LLP (via conference call)

CALL TO ORDER:

Chair Scharfenberger noted that a quorum was present for the purpose of conducting a meeting of the Board of Directors of the Colorado New Energy Improvement District and called the meeting of the Board of Directors of the District to order at approximately 1:09 p.m.

WELCOME TO NEW BOARD MEMBERS / INTRODUCTIONS:

Chair Scharfenberger welcomed the new members of the Board, including Ronn Mack, Iain Campbell and Kim DeVoe. Chair Scharfenberger provided an overview of each Board member's area of expertise and general introductions ensued.

CHAIR SCHARFENBERGER – C-PACE PROGRAM OVERVIEW:

Chair Scharfenberger provided a general overview of the C-PACE program for the benefit of the new Board members, highlighting the critical components of the C-PACE program

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including: (1) requirement to obtain mortgage holder consent; (2) statewide district; (3) counties have to “opt-in” to the program; (4) financing is provided by the private sector; and (5) the program allows new construction projects to participate.

Chair Scharfenberger noted that up to twenty (20) lenders have registered to participate in the C-PACE program and that there will be a need to redirect certain administrative tasks associated with the program away from the Colorado Energy Office (CEO) as the program grows in 2018 and future years.

Board member DeVoe joined the meeting at approximately 1:20 p.m.

Chair Scharfenberger noted that there are approximately 419 property owners that have filed applications with the District, and that deal flow is expected to substantially increase in 2018 and future years.

Chair Scharfenberger noted that a total of 19 counties have elected to opt-in to the C-PACE program to date, and that CEO is actively engaging with Larimer, Douglas, El Paso and Mesa counties. Counties on the eastern plains will also be a focus in 2018.

CONSIDERATION OF 2018 BUDGET:

Chair Scharfenberger declared the public hearing on the 2018 budget opened at 1:39 p.m. and noted for the record public notice of the budget hearing had been published in accordance with Colorado law, with publication occurring on November 17, 2017 in *The Denver Post*.

No written comments or questions on the proposed budget were received.

Chair Scharfenberger proceeded to review the proposed 2018 budget with the Board, including a review of the 2016 and 2017 budget year numbers.

Secretary Blank inquired as to whether another DOE grant would be likely. Chair Scharfenberger noted that it was unlikely, but the District would be eligible to apply for competitive grants or seek other funding sources.

Chair Scharfenberger closed the public hearing on the 2018 budget at 1:50 p.m.

Upon motion duly made, seconded, and unanimously approved by a vote of 5-0, the Board approved Resolution No. 2017-R-01 summarizing the District’s revenues and expenditures for 2018, adopting the 2018 budget as presented, appropriating sums of money, and authorizing Chair Scharfenberger or his designee to cause a certified copy of the 2018 budget to be filed with the Division of Local Government in the Department of Local Affairs on or before January 30, 2018.

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HOUSEKEEPING ITEMS

- (a) CONSIDERATION OF RESOLUTION NO. 2017-R-02, RATIFYING CERTAIN PRELIMINARY ASSESSMENT RESOLUTIONS AND FINAL ASSESSING RESOLUTIONS APPROVED BY THE AUTHORIZED OFFICERS OF THE DISTRICT IN ACCORDANCE WITH DELEGATION OF AUTHORITY SET FORTH IN DISTRICT RESOLUTION NO. 2016-R-07. Chair Scharfenberger reviewed the proposed resolution with the Board, highlighting the statutory two-step process to approve a preliminary assessment resolution (PAR) and schedule a public hearing to consider the final assessing resolution (FAR). Chair Scharfenberger also noted that all PARs and FARs referenced in the proposed Resolution confirm to the District's standard form and that all FARs approved were for projects on which no objections were received. Based on ANB Bank's participation in certain of the projects referenced in Exhibit 1 of the proposed Resolution, Director Myers noted that he would be abstaining from the vote on the proposed Resolution in order to avoid the appearance of impropriety. Upon motion duly made, seconded, and unanimously approved by a vote of 4-0, with Director Myers abstaining, the Board adopted Resolution No. 2017-R-02.

Director Jenifer Waller joined the meeting at approximately 2:00 p.m.

- (b) CONSIDERATION OF RESOLUTION NO. 2017-R-03, AUTHORIZING DELIVERY OF THE DISTRICT'S CERTIFIED SPECIAL ASSESSMENT ROLL TO BOULDER COUNTY, COLORADO AND THE CITY & COUNTY OF DENVER, COLORADO IN ACCORDANCE WITH THE REQUIREMENTS OF C.R.S. § 32-20-106(4). Chair Scharfenberger reviewed the proposed resolution with the Board, highlighting that the District is required, by statute, to certify the assessment roll by an annual December 1 deadline. Chair Scharfenberger reviewed the Boulder and Denver assessment rolls with the Board in detail. Upon motion duly made, seconded, and unanimously approved by a vote of 6-0, the Board adopted Resolution No. 2017-R-03.
- (c) CONSIDERATION OF RESOLUTION NO. 2017-R-04, AUTHORIZING EXTENSION OF PROFESSIONAL SERVICES AGREEMENT (PSA) WITH SUSTAINABLE REAL ESTATE SOLUTIONS, INC. (RE ADMINISTRATION OF COLORADO COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY C-PACE PROGRAM). Chair Scharfenberger highlighted the previous terms of the SRS PSA and noted that current negotiations are focused on having SRS rely solely on the 2.5% success fee. Chair Scharfenberger also noted that the District is negotiating with SRS to share back a quarter of one percent (0.025%) fee with the District to support the payment of ongoing District administrative and legal costs. Upon motion duly made, seconded, and unanimously approved by a vote of 6-0, the Board adopted Resolution No. 2017-R-04.

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- (d) DISCUSSION OF RESIDENTIAL PACE. The Board engaged in a discussion of the current state of Residential PACE and agreed to explore the possibility of expanding Colorado's PACE offerings into the residential sector. Several Board members expressed concerns about various provisions of typical Residential PACE programs. In response, Chair Scharfenberger agreed to compile information about Residential PACE program design features in order to provide the Board with a deeper understanding of the options available to them. The Board agreed to pick this discussion back up after the holiday season.
- (e) NEW BUSINESS/ADDITIONAL ITEMS FOR BOARD CONSIDERATION. Chair Scharfenberger noted that it may be his preference to schedule quarterly regular meetings of the Board, rather than monthly regular meetings, as currently contemplated in the District Bylaws ("Bylaws"). Attorney McAskin noted that Vice-Chair Christopher Shulken is no longer on the Board, and that there is a vacancy in the Vice-Chair position. Section 8(c) of the Bylaws requires that an election be held at the earliest convenience of the Board for the purposes of filling the vacancy. The Board agreed to take action on election of a Vice-Chair at the next regular or special meeting of the Board.

ADJOURNMENT:

There being no further business at said special meeting, the Board adjourned the regular meeting of the Board of Directors of the Colorado New Energy Improvement District at approximately 2:55 p.m.

Approved this 9th day of November, 2018.


Recording Secretary