

**RECORD OF PROCEEDINGS**

**MINUTES OF A SPECIAL MEETING  
OF THE BOARD OF DIRECTORS OF**

**COLORADO NEW ENERGY IMPROVEMENT DISTRICT**

**HELD:** Tuesday the 7<sup>th</sup> day of September, 2018, at 10:00 a.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  
Ronn Mack (via conference call)  
Ken Myers (via conference call)  
Jenifer Waller (via conference call)  
Iain Campbell (absent; absence excused)  
Kim DeVoe (via conference call)

Others present included the following:

Marcus McAskin, Michow Cox & McAskin, LLP  
Andrew Sand, Deputy Director of the Colorado Energy Office  
Jeffrey King, Program Manager of the Colorado Energy Office  
Tracy Phillips, Sustainable Real Estate Solutions  
Gail Schwartz, a member of the public

**1. 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.

**2. CONSENT AGENDA.**

Upon motion duly made and seconded, the Board unanimously approved the following, subject to the correction to item 2(c) noted below:

- (a) Resolution No. 2018-R-01: Ratifying Certain Professional Services Agreements.
- (b) Resolution No. 2018-R-02: Authorizing District to Join as a Participant in the Colorado Local Government Liquid Asset Trust to Pool Funds for Investment (ColoTrust).

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- (c) Resolution No. 2018-R-03: Approving Past Meeting Minutes and Authorizing Recording Secretary to Execute on Behalf of the District. Approved with following correction: change reference to Ken Sturm to Ken Myers on the meeting minutes of November 17, 2014 and January 6, 2015.
- (d) Resolution No. 2018-R-04: Approving Application for Audit Exemptions (2010 - 2015), Authorizing Board members to Execute Audit Exemption Application Forms and Authorizing District Accountant to File Audit Exemption Applications with the State Auditor's Office.

### 3. DISCUSSION OF C-PACE ITEMS.

- (a) Resolution No. 2018-R-05: Delegating Authority to District General Counsel to Execute FARs and AFAs on Behalf of District Prior to Recording.

The Board discussed the need to further delegate administrative authority as the District grows and the number of projects increases. Upon motion duly made and seconded, the Board unanimously approved the Resolution.

- (b) Discussion and policy direction on expansion of financing term (20 to 25 years).

The Board discussed expansion of financing terms going forward and discussed that duration of assessment repayment should not extend beyond the useful life of any retrofit. Board discussed general support for 25 year terms for new construction. Upon motion duly made, seconded, and unanimously approved, the Board instructed legal counsel to work with SRS to amend the CoPACE Program Guide to permit 25 year financing in appropriate circumstances.

- (c) Discussion and policy direction on lien package recording fees.

The Board discussed the long-term financial sustainability of the District and requiring reimbursement of recording fees by capital providers. Upon motion duly made, seconded, and unanimously approved, the Board SRS to amend the CoPACE Program Guide to reflect the requirement that capital providers be required to reimburse the District for recording fees.

- (d) Discussion of SAO Performance Audit (2019) and delegation of authority to execute SAO engagement letter for Performance Audit.

Mr. McAskin reviewed the engagement letter for a performance audit with the Board as prepared by the State Auditor's Office (SAO). The Board discussed the issue of the fee structure for quinquennial performance audits as problematic for long-term financial sustainability of the District. Upon motion duly made and seconded, the Board authorized Chair Scharfenberger to execute the SAO engagement letter for a performance audit in 2019.

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(e) Summary of projects closed to date in 2018.

Mr. Phillips reviewed a summary of projects closed to date in 2018 with the Board. Chair Scharfenberger and Director DeVoe noted that case studies and detailed presentations regarding projects would be helpful to the Board, as well as to potential program participants. No action was taken.

(f) Discussion of flow of funds for C-PACE projects in 2019 and future years utilizing ColoTrust.

The Board discussed flow of project funds as well as setting up sub-accounts associated with the ColoTrust fund. No action was taken.

Director Waller left the meeting at approximately 11:00 a.m.

#### 4. PUBLIC HEARING ITEMS.

Chair Scharfenberger opened the public hearing on the proposed 2010-2015 budgets and the amended 2016-2018 budgets at approximately 11:05 a.m. and noted for the record public notice of the budget hearings had been published in accordance with Colorado law, with publication of the Notice of Hearing on the Amended 2016-2018 Budgets occurring on September 5, 2018 in *The Denver Post*, and posting of the Notice of Hearing on the Proposed 2010-2015 Budgets occurring on September 4, 2018. Gail Schwartz commented on the budgets generally and requested a copy of the District's agreement with SRS. Chair Scharfenberger noted for the record that Ms. Schwartz formerly served as a Colorado State Senator and was helpful in getting the PACE legislation adopted in Colorado. Ms. Schwartz indicated that she is hopeful that C-PACE will continue to grow and that average costs per transaction are able to be reduced. Attorney McAskin responded that he would follow up offline with Ms. Schwartz to provide a copy of the SRS agreement. Chair Scharfenberger closed the public hearing on the proposed budgets and amended budgets at approximately 11:25 p.m.

(a) Resolution No. 2018-R-06: Resolution Adopting a \$-0 Budget for Each of Years 2010-2015.

Chair Scharfenberger proceeded to review the proposed 2010-2015 budgets with the Board. Upon motion duly made, seconded, and unanimously approved by a vote of 5-0, the Board approved Resolution No. 2018-R-06 summarizing that the District had no revenues and expenditures in 2010-2015, adopting the 2010-2015 budgets as presented, and authorizing Chair Scharfenberger or his designee to cause certified copies of the 2010-2015 budgets to be filed with the Division of Local Government in the Department of Local Affairs.

(b) Resolution No. 2018-R-07: Resolution Adopting Amended 2016 Budget.

Chair Scharfenberger reviewed the amended 2016 budget with the Board, and the Board discussed the incorporation of pass-through special assessment revenues and expenditures. Upon motion duly made, seconded, and unanimously approved by a vote of 5-0, the Board approved Resolution No. 2018-R-07

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adopting an amended 2016 budget, and authorizing Chair Scharfenberger or his designee to cause a certified copy of the amended 2016 budget to be filed with the Division of Local Government in the Department of Local Affairs.

(c) Resolution No. 2018-R-08: Resolution Adopting Amended 2017 Budget.

Chair Scharfenberger reviewed the amended 2017 budget with the Board, and the Board discussed the incorporation of pass-through special assessment revenues and expenditures. Upon motion duly made, seconded, and unanimously approved by a vote of 5-0, the Board approved Resolution No. 2018-R-08 adopting an amended 2017 budget subject to corrections discussed by the Board, and authorizing Chair Scharfenberger or his designee to cause a certified copy of the amended 2017 budget to be filed with the Division of Local Government in the Department of Local Affairs.

(d) Resolution No. 2018-R-09: Resolution Adopting Amended 2018 Budget.

Chair Scharfenberger reviewed the amended 2018 budget with the Board, and the Board discussed the incorporation of pass-through special assessment revenues and expenditures. Upon motion duly made, seconded, and unanimously approved by a vote of 5-0, the Board approved Resolution No. 2018-R-09 adopting an amended 2018 budget subject to corrections discussed by the Board, and authorizing Chair Scharfenberger or his designee to cause a certified copy of the amended 2018 budget to be filed with the Division of Local Government in the Department of Local Affairs.

### **5. DISCUSSION OF R-PACE ITEMS.**

Pat McGuckin facilitated the discussion of all R-PACE related items.

(a) Transferability Recommendation.

The Board discussed transferability. Upon motion duly made and seconded, the Board approved adopting the program guide policy subject to future revision of the transferability language.

Director Waller rejoined the meeting at 11:44 a.m.

(b) Consumer Protections Review.

Mimi Frusha provided an overview to the Board. The Board discussed but took no action.

(c) County Outreach Update.

Judy Padilla provided an update to the Board. No formal action was taken.

(d) Timeline Update.

The Board discussed with Mr. McGuckin but took no action.

**6. CHAIR OF THE BOARD OF DIRECTORS: RESIGNATION AND ELECTION.**

(a) Announcement of Paul Scharfenberger Resignation.

Chair Scharfenberger announced his resignation from the District Board. The Board members present thanked Mr. Scharfenberger for his dedication to PACE in Colorado.

(b) Introduction of Andrew Sand.

Mr. Scharfenberger introduced Andrew Sand, Deputy Director of the Colorado Energy Office. Mr. Sand addressed the Board and confirmed that he had been appointed to serve as a member of the Board of Directors by the Director of the Energy Office, pursuant to § 32-20-104(2)(a)(I), C.R.S.

(c) Motion to Elect a Chair of the Board of Directors.

Upon motion duly made and seconded, the Board unanimously approved the appointment of Director Sand as Chair of the Board.

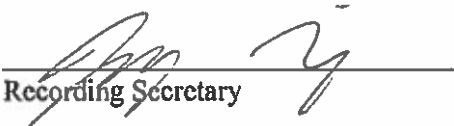
**7. DIRECTOR COMMENTS.**

The Board noted that upcoming meetings are scheduled for October 22, 2018 at 11:00 a.m., November 9, 2018 at 11:00 a.m., and December 4, 2018 at noon.

**8. ADJOURNMENT.**

There being no further business at said special meeting, Chair Sand adjourned the special meeting of the Board of Directors of the Colorado New Energy Improvement District at approximately 12:53 p.m.

Approved this 9<sup>th</sup> day of November, 2018.

  
Recording Secretary