

# RECORD OF PROCEEDINGS

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## MINUTES OF THE COORDINATED REGULAR MEETING OF

CENTERRA METROPOLITAN DISTRICT NO. 1  
CENTERRA METROPOLITAN DISTRICT NO. 2  
CENTERRA METROPOLITAN DISTRICT NO. 3  
CENTERRA METROPOLITAN DISTRICT NO. 4

HELD  
September 18, 2008

The Boards of Directors of the Centerra Metropolitan District No. 1, Centerra Metropolitan District No. 2, Centerra Metropolitan District No. 3, and Centerra Metropolitan District No. 4, held a coordinated regular meeting, open to the public, at the office of McWhinney, 2725 Rocky Mountain Avenue, Loveland, Colorado 80538, at 12:00 Noon Thursday, September 18, 2008. Notice of the meeting has been duly posted with the Larimer County Clerk and Recorder and posted in three public places within the boundaries of each District.

ATTENDANCE:

Directors in Attendance:

Kim Perry, President  
Dan Herlihey, Secretary  
Joe Knopinski, Vice President & Assistant Secretary  
Phil Hodgkinson, Assistant Secretary  
Doug Hill, Treasurer & Assistant Secretary

Directors Absent:

Also in Attendance:

Bret Boulter, McWhinney  
Jim Niemczyk, McWhinney  
Jay Hardy, McWhinney  
Christine Harpel, McWhinney  
Wendy Messinger, McWhinney  
Alan Pogue, Icenogle, Norton, Smith, Blieszner, Gilida, & Pogue  
Peggy Dowswell, Pinnacle Consulting Group, Inc.  
Rich Shannon, Pinnacle Consulting Group Inc.  
Diane Lunt, Pinnacle Consulting Group Inc.  
Dwayne Walker, Empire Management, Inc.  
John Tufte, Northern Engineering  
Bonnie Steel, City of Loveland  
Dave Klockman, City of Loveland  
Phil Weisbach, SEH (Short Elliott Hendrickson, Inc.)  
Scott Waterman, Wilson & Company

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## CALL TO ORDER

The meeting was called to order at 12:15 p.m. by Director Perry, President of the Board, noting that a quorum was present. The directors in attendance confirmed their qualifications to serve.

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## COMBINED MEETING

The Districts are meeting in a combined Board Meeting. Unless otherwise noted, the matters set forth below shall be deemed to be the actions of the Centerra Metropolitan District No. 1, with concurrence by the Centerra Metropolitan Districts Nos. 2, 3, and 4.

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## CONFLICT OF INTEREST DISCLOSURE

Mr. Pogue, legal counsel, noted that notices of potential conflicts of interest for all Board Members were filed with the Colorado Secretary of State's Office, disclosing potential conflicts as all Board Members are employees of McWhinney Real Estate Services, Inc., which is associated with the primary landowners and developer within the District. Mr. Pogue advised the Board that pursuant to Colorado law, certain disclosures by the Board Members might be required prior to taking official action at a meeting. The Board reviewed the agenda for the meeting, following which each Board Member present confirmed the contents of the written disclosures previously made stating the fact and summary nature of any matters as required under Colorado law to permit official action to be taken at the meeting. Additionally, the Board determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Board to act.

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## AGENDA

The Board reviewed the agenda and decided to move item "Consideration and Approval of Amendment to I-25/34 Design IGA" after item "Approval of August 21, 2008 Minutes". Upon motion duly made by Director Herlihey, seconded by Director Knopinski, it was unanimously

**RESOLVED** to approve the agenda as noted above.

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## APPROVAL OF MINUTES

The Minutes of the August 21, 2008 meeting were presented and approved. Upon motion duly made by Director Knopinski and seconded by Director Herlihey, it was unanimously

**RESOLVED** to approve the minutes from August 21, 2008 as presented.

There were no actions or representations of the District by the District Manager to ratify since the August 21, 2008 Board Meeting.

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## AMENDMENT TO I-25/34 DESIGN IGA

Mr. Shannon presented for the Board's consideration an explanation of the Amendment to the I-25/US34 Final Design IGA. Mr. Klockman, Mr. Weisbach, and Mr. Waterman were present and presented project history and support for the Wilson & Company Request for Additional Services in the amounts of \$277,035 and \$79,860 and answered

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questions from the Board. Upon motion duly made by Director Herlihey and seconded by Director Knopinski, it was unanimously

**RESOLVED** to ratify and accept the explanation for the Wilson change order and the Amendment to the I-25/US34 Final Design IGA for Additional Services in the amounts of \$277,035 and \$79,860.

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## FINANCIAL REPORT AND APPROVAL OF PAYALBES

Ms. Dowswell presented the Schedule of Payables for September 18, 2008, in the amount of \$471,381.25 including checks 3446 through 3481. Upon motion duly made by Director Hill and seconded by Director Hodgkinson, it was unanimously

**RESOLVED** to approve the September 18, 2008 Schedule of Payables as noted above, in the amounts and check numbers noted above.

Ms. Dowswell presented the Cash Position as of August 31, 2008 and updated as of September 17, 2008. Ms. Dowswell reviewed current investment security and answered questions from the Board.

Ms. Dowswell presented a draft of the District's Financial Policies and noted the compliance with the MFA requirements and statutory requirements.

Mr. Shannon reminded the Board that if bonds are issued for mixed use public parking such as in Parcel 505, it could trigger payment of the required regional contribution per the Master Financing Agreement.

Ms. Dowswell presented projected mill levies, property tax revenue, debt service, and operations and administration schedules for 2008-2012. Ms Dowswell presented the expected trend in TIF and District mill levies and noted the significant increase in debt service beginning in 2011. Ms. Dowswell received preliminary direction from the Board to lower the Centerra Metropolitan District No. 2 mill levy by approximately 10 mills for 2009 collection.

Mr. Shannon reviewed the 2009 budget strategy and increased levels of expense with respect to operations and maintenance. A subcommittee of the Board was created to review 2009 expenses prior to the October Board Meeting.

Ms. Dowswell noted that the amendment to the 2008 budget would be addressed at the next Board meeting.

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## MONTHLY PAYMENT CERTIFICATION

Ms. Dowswell noted the standard procedure of submitting a monthly payment request to the trustee to fund August 2008 administrative and operation costs from the September Schedule of Payables, in the amount of \$167,000; although this amount is more than is needed for the month, the addition allows for a reserve when expenses will likely be greater than the \$167,000/mo. cap. Upon motion duly made by Director Hodgkinson and seconded by Director Knopinski, it was unanimously

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**RESOLVED** to approve the monthly payment request in the amount noted above and authorize Ms. Dowswell to execute the Certificate.

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## DISTRICT MANAGER'S REPORT

Mr. Shannon noted that Ms. Carla Hawkins contacted Chapungu Heritage Trust to assist them on obtaining insurance for the sculptures contingent upon them executing the management agreement and providing an independent appraisal for each piece of sculpture.

Mr. Shannon delayed full discussion regarding the Chapungu Sculpture Park security strategy until the next Board meeting, pending a report and recommendations from MRES.

Mr. Shannon presented for the Board's consideration the availability of increased liability coverage of up to an additional 5 million dollars for District Nos. 1, 2, 3, and 4. Upon motion duly made by Director Hill and seconded by Director Hodgkinson, it was unanimously

**RESOLVED** to approve the additional 5 million dollars of liability coverage for District Nos. 1, 2, 3, and 4.

Mr. Shannon presented the District's Organizational Chart, the Maintenance Responsibility Diagram, and Landscape Maintenance Maps, and answered questions from the Board regarding how the duties are assigned and managed.

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## PROJECT MANAGER'S REPORT

Mr. Boulter presented for the Board's ratification the Myers Group 3<sup>rd</sup> Subdivision CW-808MP2 deceleration lane change order in the amount of \$71,016.83. Upon motion duly made by Director Knopinski and seconded by Director Herlihey, it was unanimously

**RESOLVED** to ratify the Myers Group 3<sup>rd</sup> Subdivision CW-808MP2 deceleration lane change order in the amount noted above.

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## LEGAL REPORT

Mr. Pogue presented for the Board's consideration the Public Improvements Operation and Maintenance Agreement (Lifestyle Center). Upon motion duly made by Director Knopinski and seconded by Director Hill, it was unanimously

**RESOLVED** to approve the Public Improvements Operation and Maintenance Agreement (Lifestyle Center).

Mr. Pogue presented for the Board's acceptance the Assignment of Improvement Easement (Lifestyle Center). Upon motion duly made by Director Herlihey and seconded by Director Knopinski, it was unanimously

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**RESOLVED** to accept the Assignment of Improvement Easement (Lifestyle Center).

Mr. Pogue presented for the Board's acceptance the Bill of Sale for Public Improvements (Lifestyle Center). Upon motion duly made by Director Hill and seconded by Director Hodgkinson, it was unanimously

**RESOLVED** to accept the Bill of Sale for Public Improvements (Lifestyle Center).

Mr. Pogue presented for the Board's ratification of approval the Chapungu Sculpture Park Management Agreement. Upon motion duly made by Director Knopinski and seconded by Director Herlihey, it was unanimously

**RESOLVED** to ratify the approval of the Chapungu Sculpture Park Management Agreement.

Mr. Pogue noted that the Centerra Metropolitan District No. 5 Service Plan was approved by the City of Loveland.

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## CONSTRUCTION MANAGER'S REPORT

Mr. Walker noted that Empire Management, Inc. is in the plan review stage with Wilson & Co. on the I-25/US34 Interchange.

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## ENGINEER'S REPORT

Mr. Tufte reported that he continues to work with the District on developing and refining the 2009 District Operations and Maintenance maps.

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## OTHER MATTERS

Mr. Boulter noted that the newly constructed restrooms at the Chapungu Sculpture Park will open to the public on September 19, 2008.

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## EXECUTIVE SESSION

Mr. Pogue advised the Board that he has received a request for information. Mr. Pogue advised the Board that it was permitted, upon compliance with requisite statutory procedures, for the Board to discuss a request for information in Executive Session for the purpose of receiving legal advice on specific legal questions, pursuant to Section 24-6-402(4)(b), C.R.S.

Upon motion by Director Hill, seconded by Director Herlihey, it was unanimously

**RESOLVED** to convene an Executive Session to discuss a request for information for the purpose of receiving legal advice on specific legal questions, pursuant to Section 24-6-402(4)(b), C.R.S., related to a pending open Records Act request.

Vice President Perry reported: "It is September 18, 2008 and the time is 2:20 p.m. I am the presiding officer of the Regular Meeting of the Board of Directors of the Centerra

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Metropolitan Districts Nos. 1-4. As required by the Colorado Open Meetings Law, the Executive Session is being recorded.”

Present at the Executive Session:

Kim Perry, Dan Herlihey, Doug Hill, Joe Knopinski, Alan Pogue, Rich Shannon, and Peggy Dowswell.

This is an Executive Session for the following purposes:

To receive legal advice on specific legal questions pursuant to Section 24-6-402(4)(b), C.R.S.

The Board was advised to confine all discussions to the stated purpose of the Executive Session. The Board was further advised that if at any point in the Executive Session, any participant believes that the discussion is beyond the proper scope of the Executive Session, such participant should interrupt the Executive Session and make an objection.

The Executive Session was recorded, pursuant to the Colorado Open Meetings Law.

The Executive Session concluded at 2:30 p.m.

Present at the Executive Session at conclusion: Kim Perry, Dan Herlihey, Doug Hill, Joe Knopinski, Alan Pogue, Rich Shannon, and Peggy Dowswell.

Mr. Pogue advised the Board that if any person who participated in the Executive Session believes that any substantial discussion of any matters not included in the motion to convene the Executive Session occurred during the Executive Session, or that any improper action occurred during the Executive Session in violation of the Colorado Open Meetings Law, that such participant should state their concerns for the record.

No objections were stated.

### ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 2:35 p.m.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.

Respectfully Submitted,



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Diane Lunt, Secretary for the Meeting