

RECORD OF PROCEEDINGS

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
CENTERRA METROPOLITAN DISTRICT NO. 5

HELD
March 19, 2015

The Board of Directors of Centerra Metropolitan District No. 1, Centerra Metropolitan District No. 2, Centerra Metropolitan District No. 3, Centerra Metropolitan District No. 4, and Centerra Metropolitan District No. 5 held a coordinated regular meeting, open to the public, at 2725 Rocky Mountain Avenue, Loveland, Colorado 80538, at 12:00 p.m., Thursday, March 19, 2015. 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:

Tom Hall, Secretary
Julie Den Herder, Assistant Secretary & Assistant Treasurer
Josh Kane, Treasurer & Assistant Secretary

Directors Absent but Excused:

Kim Perry, President
Jay Hardy, Vice President & Assistant Secretary

Also in Attendance:

Alan Pogue; Icenogle Seaver Pogue, P.C.
Brendan Campbell, Peggy Dowswell, Jim Worley, Carla Hawkins & Jason
Woolard; Pinnacle Consulting Group, Inc.
Jim Niemczyk; McWhinney
Will Welch, William T. Welch Company (left meeting at 1:00 p.m.)
Ralph Trenary, City of Loveland, Ward IV Council Member (in attendance from
12:11 -1:10 p.m.)

CALL MEETING TO
ORDER

The meeting was called to order at 12:05 p.m. by District Manager Jim Worley, noting that a quorum was present. The directors in attendance confirmed their qualifications to serve.

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, 4, and 5.

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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 Districts. Mr. Pogue advised the Boards that pursuant to Colorado law, certain disclosures by the Board Members might be required prior to taking official action at a meeting. The Boards 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 Boards determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Boards to act.

AGENDA

The Boards reviewed the agenda. Upon motion duly made by Director Kane, and seconded by Director Den Herder, it was unanimously

RESOLVED to approve the agenda as amended tabling item IV.C.

APPROVAL OF MINUTES

The minutes of the February 19, 2015 regular meeting were presented. Upon motion duly made by Director Hall, and seconded by Director Den Herder, it was unanimously

RESOLVED to approve the February 19, 2015 minutes as amended.

The minutes of the March 6, 2015 special meeting were presented. Upon motion duly made by Director Hall, and seconded by Director Den Herder, it was unanimously

RESOLVED to approve the March 6, 2015 minutes as presented.

There were no actions or representations of the Districts by the District Manager to ratify since the last Board Meeting.

PUBLIC COMMENT

There were no comments made by members of the public.

CAPITAL PROJECTS

Parcel 505 Improvements

Lift Station Activities: Mr. Pogue stated that the City of Loveland has requested more involvement in the construction of the lift station. They have requested that they be designated as the project manager using their consultant, Ditesco, for a fee not to exceed \$80,000. Upon motion duly made by Director Den Herder, and seconded by Director Kane, it was unanimously

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RESOLVED to approve the City of Loveland managing the lift station project for a fee not to exceed \$40,000, impacting the District in a neutral project management expense.

Mr. Welch noted that Connell is advancing on the schedule due to favorable weather conditions. The anticipated turn over date of the pad has been moved from April 15, 2015 to April 1, 2015.

Parcel 601
Improvements

Mr. Welch noted that the user has cancelled their contract to build on Parcel 601 due to their building costs being more than budgeted. The user is continuing to explore alternate locations. Mr. Niemczyk noted that the design for Parcel 601 was at 60%. Discussions are underway as to whether or not to complete the design for this parcel.

Motorplex Landscaping
Improvements

There were no updates to report.

Hahn's Peak Extension
Improvements

Mr. Niemczyk noted that the team continues to work on designs for submittal to the City.

Parcel 206
Improvements

There were no updates to report.

Boyd Lake Avenue
Water Meter Vault
Relocation

Mr. Niemczyk presented the budget for the water meter vault relocation project noting that the costs are anticipated to be \$233,000. Upon motion duly made by Director Den Herder, and seconded by Director Hall, it was unanimously

RESOLVED to authorize President Perry to sign the IGA for an amount not to exceed \$250,000, for reimbursement to the City of Loveland.

Parcel 222
Improvements

Mr. Niemczyk noted that the cost to complete the civil engineering design on the industrial sites is \$47,000. Upon motion duly made by Director Kane, and seconded by Director Den Herder, it was unanimously

RESOLVED to approve the Professional Services Agreement with CWC Consulting Group, for civil engineering design services, as noted above, in an amount not to exceed \$47,000.

ITEMS FROM THE
FINANCE DIRECTOR

Ratification of Payables: Mr. Campbell presented for ratification the Payables Listing from February 1, 2015 through March 11, 2015 in the amount of \$1,259,417.53; including checks 5773 through 5813. Mr. Campbell noted check number 5772 was voided. Upon motion duly made by Director Den Herder, and seconded by Director Kane, it was unanimously

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RESOLVED to ratify the February 1, 2015 through March 11, 2015 Payables Listing in the amounts and the check numbers noted above.

Approval of Payables: Mr. Campbell presented for approval the Payables Listing as of March 17, 2015, in the amount of \$181,335.95; including checks 5814 through 5842. Upon motion duly made by Director Kane, and seconded by Director Den Herder, it was unanimously

RESOLVED to approve the March 17, 2015 Payables Listing in the amounts and the check numbers noted above.

Capital Fund Summary: Mr. Campbell distributed and reviewed the Capital Fund Summary as of March 18, 2015, summarizing all capital project budget and expense totals.

PROPOSED AMENDED 2015 BUDGET HEARING

Director Kane opened the 2015 Amended Budget Hearing to the public. Ms. Hawkins reported that notice of the hearing had been published on March 14, 2015 in accordance with state budget law. Mr. Campbell reviewed the projected budget for District No. 1, as noted on the Capital Summary, and answered questions.

District No. 1, Service District:
Capital Fund Expenditures: \$4,798,892

There being no public input, the public portion of the budget hearing was closed. After further review and discussion, and upon motion duly made by Director Kane, and seconded by Director Den Herder, it was unanimously

RESOLVED to approve the Resolution to Adopt the Amended 2015 Capital Budget for District No. 1 and appropriate budgeted funds.

2014 AUDIT EXEMPTIONS

Mr. Campbell presented for the Boards' approval the 2014 Audit Exemption's for District Nos. 2-5. Upon motion duly made by Director Den Herder, and seconded by Director Kane, it was unanimously

RESOLVED to approve the 2014 Audit Exemptions for District Nos. 2-5.

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ITEMS FROM DISTRICT MANAGER

Service Agreement – EDI, Inc. – Landscape Services: Mr. Worley presented the Service Agreement with EDI, Inc. for landscape services, for the Board's consideration. Following discussion, and upon motion duly made by Director Den Herder, and seconded by Director Kane, it was unanimously

RESOLVED to ratify the Services Agreement between District No. 1 and EDI, Inc., for landscape services.

Addendum – Gregory Electric: Mr. Worley presented the Addendum to the Service Agreement with Gregory Electric for the Board's consideration. Following discussion, and upon motion duly made by Director Kane, and seconded by Director Hall, it was unanimously

RESOLVED to approve the Addendum to the Service Agreement between District No. 1 and Gregory Electric.

Service Agreement – Backbone Fiber Systems, LLC – Conduit Repair: Mr. Worley presented the Service Agreement with Backbone Fiber Systems, LLC for conduit repair for the Board's consideration. Following discussion, and upon motion duly made by Director Kane, and seconded by Director Hall, it was unanimously

RESOLVED to approve the Service Agreement between District No. 1 and Backbone Fiber Systems, LLC for conduit repair.

Board Meeting Schedule for April and May Regular Meetings: Manager Worley noted that due to anticipated capital infrastructure contracts for Parcel 505, the April regular Board meeting date will likely be rescheduled to early May. The Board discussed combining the April and May regular meetings, pending agenda items.

ITEMS FROM LEGAL COUNSEL

Public Hearing for Exclusions: Mr. Pogue reported that the Board has received a petition from The Flats at Centerra, LLC for exclusion from Centerra Metropolitan District No. 2 and Centerra Metropolitan District No. 4 boundaries for real property generally described as a parcel of land being Lot 3, Block 1 and Outlet B, Rocky Mountain Village 16th Subdivision, all in the City of Loveland, Colorado. Director Den Herder opened the public hearing to the public. Mr. Pogue confirmed that notice of the hearing had been published in the Reporter Herald in accordance with state law. Upon receiving no comments, the public hearing was closed. Upon review of the inclusion petition, and upon motion duly made by Director Den Herder, and seconded by Director Hall, it was unanimously

RESOLVED to approve a Resolution concerning the exclusion from the boundaries of Centerra Metropolitan District No. 2 and Centerra Metropolitan District No. 4. The Board further directed Mr. Pogue to complete the exclusions as described in the approving resolution.

Legal Report: Mr. Pogue gave a brief update regarding legislation and the

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condemnation proceedings.

Ms. Dowswell noted that a records request was received from the IRS and in accordance with CORA documentation had been sent to the IRS. Ms. Dowswell noted that they will be on site at some point, but has not yet received communication back regarding the site visit.

OTHER MATTERS

Director Kane noted that he and Ms. Dowswell continue efforts to meet with DA Davidson, on financing options for the District, and thanked everyone for their efforts.

ADJOURNMENT

There being no further business to come before the Boards, the meeting was adjourned at 1:26 p.m.

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

Respectfully Submitted,



Carla Hawkins, Secretary for the Meeting