

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
October 19, 2017

The Boards 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, October 19, 2017. 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
David Crowder, Assistant Secretary & Assistant Treasurer
Tom Hall, Secretary

Directors Absent but Excused:

Josh Kane, Treasurer & Assistant Secretary

Also in Attendance:

Alan Pogue; Icenogle Seaver Pogue, P.C. (via teleconference)
Jim Niemczyk, Dave Betley, Jon Ruberts and Celeste Smith; McWhinney
Shana Morgan, Brendan Campbell, Kirsten Starman, Jason Woolard, and
Kammy Tinney; Pinnacle Consulting Group, Inc.

CALL MEETING TO
ORDER

The meeting was called to order at 12:05 p.m. by President Perry, 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

Alan Pogue, legal counsel, stated 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.

APPROVAL OF AGENDA

The Boards considered the agenda as amended to add one item:

1. III.C.ii. Consider Approval of Third Amendment with HKS for design work related to public improvements at parcel 504– NTE \$15,500

Upon motion duly made by Director Crowder, seconded by Director Hall, and upon vote, unanimously carried, it was

RESOLVED to approve the agenda, as amended.

PUBLIC COMMENT

There were no comments made by members of the public.

CONSENT AGENDA ITEMS

The Boards considered the consent agenda items:

- A. Approval of Minutes – September 21, 2017,
- B. Ratification of Payables: September 1, 2017 through September 30, 2017,
- C. Ratification of Contract Modifications, and
- D. Capital Fund Summary.

Upon motion duly made by Director Hall, seconded by Director Kane, and upon vote, unanimously carried, it was

RESOLVED to approve and ratify the consent agenda items, as presented.

DISTRICT CAPITAL INFRASTRUCTURE REPORT

Mr. Woolard presented the Capital Infrastructure report to the Boards and answered questions. Mr. Woolard noted that there are currently several projects out to bid and bid results will be presented at upcoming meetings.

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DISTRICT PROJECT MANAGER UPDATE

Mr. Niemczyk provided a brief overview of ongoing Districts projects.

Director Crowder noted that he attended a meeting with the City of Loveland last week and the City will be setting up a follow up meeting with stakeholders related to south Boyd Lake Avenue public improvement projects, from Hwy 34 to just north of the ditch.

BIDDING AND CONTRACTING

Parcel 504: Mr. Niemczyk distributed renderings and cost estimates for Parcel 504 and discussed the project with the Boards. Following discussion and upon motion duly made by Director Crowder, seconded by Director Hall, and upon vote, unanimously carried, it was

RESOLVED to authorize the design and construction of internal public amenities for phase 1, subject to verification of proposed on-street parking, and subject to the execution of a maintenance agreement with the developer for operations and maintenance of the internal public amenities.

Third Amendment – HKS: Mr. Niemczyk presented the Third Amendment to the Professional Services Agreement with HKS, Inc. for engineering work related to public amenities at Parcel 504. Following discussion and upon motion duly made by Director Hall, seconded by Director Crowder, and upon vote, unanimously carried, it was

RESOLVED to approve the Third Amendment to the Professional Service Agreement with HKS, Inc. for engineering, in an amount not to exceed \$15,500.

FINANCIAL ITEMS

2018 Budget Draft: Mr. Campbell presented the 2018 draft budget to the Boards and answered questions. The Boards discussed the District No. 2 mill levy and related revenue and impacts to the 2018 budget.

ITEMS FROM LEGAL COUNSEL

Lift Station Dedication Agreement: Mr. Pogue presented the Lift Station Dedication Agreement between Centerra Metropolitan District No. 1, Centerra Properties West, and the City of Loveland. Following discussion and upon motion duly made by Director Crowder, seconded by Director Hall, and upon vote, unanimously carried, it was

RESOLVED to approve the Lift Station Dedication Agreement between Centerra Metropolitan District No. 1, Centerra Properties West, and

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the City of Loveland, subject to final approval by the Board President and legal counsel, and authorize the Board President to execute the agreement.

Celeste Smith arrived at this time.

ITEMS FROM
DISTRICT MANAGER

Manager's Report: Ms. Morgan provided a summary of current operations throughout the District. She noted that inspections were conducted on October 18th and all areas passed. The scores were: Chapungu Park, 91%, Boyd Lake 95%, and General District Areas 90%.

Ms. Morgan reported that the systems have been winterized for the season and Pinnacle is working with contractors and other District partners to clarify snow removal areas and tolerances. Holiday lighting installation is underway and lights will be turned on the day before Thanksgiving. The Board requested the lights be turned off in conjunction with the CCOA lights early to mid-January.

Ms. Morgan reported that a list of City assets, needing repair, was provided to the City. The list is under review.

Ms. Morgan reported that during the recent OLM inspection a potential issue with the pond linings in Chapungu was identified. Plant material has grown between the lining and ground, causing the lining to lift. An assessment will need to be conducted to determine the extent of the issue and possible solutions. Saturday's wind storm caused heavy damage to trees in the park and the tree assessment, scheduled for 2018, will need to be conducted now.

Ms. Smith reported on the Winter Wonderlights event and discussed utilizing the hill for a large lighted tree and snowflakes. Ms. Smith reported that to secure the feature, a caisson would need to be installed. The Board approved subject to clarification with the contractor as to the specification and approval by the Board President.

Usage Agreement: Ms. Morgan presented a Single Use Agreement between the District and Winter Wonderlights for use of Chapungu Park. Following discussion and upon motion duly made by Director Crowder, seconded by Director Hall, and upon vote, unanimously carried, it was

RESOLVED to approve the Single Use Agreement with Winter Wonderlights, subject to final review by District legal counsel.

ADJOURNMENT

There being no further business to come before the Boards and upon motion and second, the meeting was adjourned at 2:00 p.m.

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

Respectfully Submitted,



Shana L. Morgan, Secretary for the Meeting