

# 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  
CENTERRA METROPOLITAN DISTRICT NO. 5

HELD  
January 17, 2013

The Boards of Directors of the 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 the office of McWhinney, 2725 Rocky Mountain Avenue, Loveland, Colorado 80538, at noon, Thursday, January 17, 2013. 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  
Jay Hardy, Vice President & Assistant Secretary  
Julie Den Herder, Assistant Secretary/Treasurer

Directors Absent and Excused:

Josh Kane, Treasurer & Assistant Secretary  
Tom Hall, Secretary

Also in Attendance:

Alan Pogue, Icenogle, Seaver & Pogue (arrived at 12:15)  
Jim Niemczyk, McWhinney  
Wendy Messinger, McWhinney  
Peggy Dowswell, Pinnacle Consulting Group, Inc.  
Carla Hawkins, Pinnacle Consulting Group, Inc.  
Jason Woolard, Pinnacle Consulting Group, Inc.  
Shana L. Allen, Pinnacle Consulting Group, Inc.  
Lillie Mearse, Pinnacle Consulting Group, Inc.

CALL TO  
ORDER

The meeting was called to order at 12:12 p.m. by Director Perry, President, 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, 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 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. Upon motion duly made by Director Hardy and seconded by Director Den Herder it was unanimously

**RESOLVED** to approve the agenda as presented.

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## APPROVAL OF MINUTES

The minutes of the November 15, 2012 regular meeting were presented. Upon motion duly made by Director Den Herder and seconded by Director Hardy it was unanimously

**RESOLVED** to approve the November 15, 2012 minutes as amended.

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

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## ITEMS FROM PROJECT MANAGER

### I25 & 34 Interchange Updates:

Mr. Niemczyk informed the Board that there are warranty concrete repairs that need to be performed. New Design is working on contract matters with ValleyCrest to install median irrigation. The concrete and irrigation work will be done at the same time to utilize the same traffic control plan and minimize road closures.

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### Parcel 505 and Lift Station Improvement Updates:

Mr. Niemczyk stated the traffic engineer is fine tuning the traffic report for submittal to the City of Loveland. Tetra Tech is not willing to comply with the District's contractual requirements for the lift station work. The District will solicit proposals from other design engineering firms to take on the re-permitting work.

### Consider Approval of Hydrozone Water Bank Agreement with City of Loveland:

Mr. Niemczyk requested that the Board consider the Hydrozone Water Bank Agreement with the City of Loveland which will give the District 61 Acre Feet of water. These shares are comprised primarily of Chubbick water. The District may need to purchase CBT shares in the future to enhance water requirements. Upon motion duly made by Director Hardy and seconded by Director Den Herder it was unanimously

**RESOLVED** to approve the Hydrozone Water Bank Agreement with the City of Loveland as described above.

### Discuss and Consider Approval of Parkway Products Centerra Parkway North Reimbursement Proposal:

Mr. Niemczyk informed the Board that Parkway Products is requesting a modification to the Parkway North Reimbursement payment in the amount of \$5,000 instead of \$210,000. After discussion and upon motion duly made by Director Hardy and seconded by Director Den Herder it was unanimously

**RESOLVED** to deny the request by Parkway Products to modify the Reimbursement amount and require the original amount be paid.

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### ITEMS FROM THE FINANCE DIRECTOR

### Financial Report and Approval of Payables:

Ms. Dowswell presented for ratification the December Schedule of Payables through December 31, 2012 in the amount of \$168,094.82; including checks 5029 through 5052.

Ms. Dowswell presented for approval the January Schedule of Payables through January 15, 2013 in the amount of 97,070.60 including checks 5053 through 5071 Upon motion duly made by Director Den Herder and seconded by Director Hardy it was unanimously

**RESOLVED** to ratify the December and approve the January Schedule of Payables, per the amounts and check numbers noted above.

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### THOMPSON SCHOOL DISTRICT REQUEST

#### Discuss and Consider Thompson School District R2-J Request for Preliminary School Design Funds:

Director Perry informed the Board that Thompson School District is moving forward with the design phase of a pre-kindergarten through 8<sup>th</sup> grade school, with plans for completion in the Fall of 2014. The School District would use the funds already in place pursuant to the Master Financing Agreement and the IGA with the School District. After review and discussion and upon motion duly made by Director Hardy and seconded by Director Den Herder it was unanimously

**RESOLVED** to approve the use of funds for design costs and direct the scope of work and monthly invoice approval to Director Perry on behalf of the District.

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### ITEMS FROM DISTRICT MANAGER

Mr. Woolard reported that the 2013 Landscape Maintenance contract has been awarded to Valley Crest for a one-year term, with continued oversight by OLM Management. Mr. Woolard and Ms. Hawkins are currently reviewing the Districts' other maintenance service contracts to assess if there is a need to re-bid for cost savings. Mr. Woolard and Ms. Hawkins will present the findings at the next Board Meeting along with the vendor organizational chart. Ms. Hawkins reported that the District has completed all of the compliance requirements that were due in the month of January and the budget filing is on track to be submitted by January 31<sup>st</sup>. Ms. Dowswell reported that year end financials will be presented at the next Board meeting.

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### ITEMS FROM LEGAL COUNSEL

#### Ratify Second Amended and Restated Collection Agreement:

Mr. Pogue presented for the Board's consideration and approval the Second Amended and Restated Collection Agreement with the City of Loveland. The Agreement will increase the total cost paid to the City for collecting the RSF, PIF, and Lifestyle RSF to \$113,000 in 2013. Audits of five retailers, annually, will be included in the annual price. After review and discussion and upon motion duly made by Director Hardy and seconded by Director Den Herder it was unanimously

**RESOLVED** to approve the Second Amended and Restated Collection Agreement with the City of Loveland.

#### Legislative Update:

Mr. Pogue updated the Board on the status of the pending IRS review of bonds issued by a development district in Florida. Mr. Pogue advised that the anticipated Technical Advice Memorandum has not yet been provided by the IRS. In addition, Mr. Pogue updated the Board on legislation that may impact special districts either pending or expected to be introduced in the

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2013 Colorado legislative session.

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BOARD MEMBER  
COMMENTS

Director Hardy informed the Board of the USA Pro Cycling Challenge which will hold the sixth stage of the race partly within the boundaries of the Districts on August 24, 2013. The course will either run along Centerra Parkway North or Rocky Mountain Ave.

Director Perry informed the Board that the City has received a grant for a sculpture which will be displayed at I25/Hwy 34 interchange. The applications for the sculpture are due by April 30<sup>th</sup>.

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PUBLIC COMMENTS

No public comments were received.

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EXECUTIVE SESSION

Mr. Pogue advised the Board that negotiations are underway with a company considering locating a new facility in Centerra. Mr. Pogue stated that it was appropriate, pursuant to the Colorado Open Meetings Law, for the board to discuss the matters subject to negotiation, to develop a negotiating strategy, and to instruct negotiators in an executive session, pursuant to Section 24-6-402(4)(e), C.R.S. Upon motion duly made by Director Den Herder and seconded by Director Hardy, it was unanimously

**RESOLVED** to convene an Executive Session, pursuant to § 24-6-402(4)(e), C.R.S., to discuss matters subject to negotiation, develop a negotiating strategy, and instruct negotiators, with respect to the potential location of a new facility in Centerra and what potential incentives might be available for the new facility.

It is the 17<sup>th</sup> day of January, 2013 and the time is 1:21 p.m. For the record, I, Kim Perry, am the presiding officer. This Executive Session is recorded pursuant to the requirements of the Colorado Open Meetings Law. Also present at this Executive Session are: Directors Jay Hardy and Julie Den Herder, legal counsel Alan Pogue, and Finance Director Peggy Dowswell.

This is an Executive Session for the following purpose: to discuss matters subject to negotiation, develop a negotiating strategy, and instruct negotiators, with respect to the potential location of a new facility in Centerra and what potential incentives might be available for the new facility.

The time is now 1:35 p.m. the Executive Session is concluded. The participants in the Executive Session were: Directors Jay Hardy and Julie Den Herder, legal counsel Alan Pogue, and Finance Director Peggy Dowswell.

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No decisions or actions were taken in the Executive Session.

For the record, if any person participating in the Executive Session believes any substantial discussion of any matters not included in the motion to go into Executive Session occurred during the Executive Session, or any improper action occurred during the Executive Session in violation of the Colorado Open Meetings Law, I ask you state your concerns for the record.

No objections were stated.

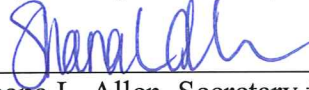
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### ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:36 p.m.

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

Respectfully Submitted,



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Shana L. Allen, Secretary for the Meeting