

# 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  
January 15, 2009

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, January 15, 2009. 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  
Doug Hill, Treasurer & Assistant Secretary  
Phil Hodgkinson, Assistant Secretary

Directors Absent:

None

Also in Attendance:

Bret Boulter, McWhinney  
Jay Hardy, McWhinney  
Christine Harpel, McWhinney  
Wendy Messinger, McWhinney  
Alan Pogue, Icenogle, Norton, Smith, Gilida, & Pogue  
Peggy Dowswell, Pinnacle Consulting Group, Inc.  
Rich Shannon, Pinnacle Consulting Group, Inc.  
Diane Lunt, Pinnacle Consulting Group, Inc.  
Bonnie Steel, City of Loveland  
Dwayne Walker, Empire Management, Inc.  
Larry Bromfield, Larry Bromfield and Associates, Inc.

CALL TO  
ORDER

The meeting was called to order at 12:08 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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## APPROVAL OF AGENDA

The Board reviewed the agenda and decided to add item 11) e. "Discussion of Amendment 54 and Legislative Updates", 11) f. "Discussion of Reimbursements", 11) g. "Consider Acceptance of Craig Realty Easement". Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, it was unanimously

**RESOLVED** to approve the agenda with the additions noted above.

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## APPROVAL OF MINUTES

The Minutes of the November 20, 2008 meeting were presented and approved, subject to the following revisions:

Located on page 2, section Approval of Minutes - the last paragraph was revised to read "There were no actions or representations of the District by the District Manager to ratify since the October 16, 2008 Board Meeting".

Located on page 3, section 2008 Amended Budget hearing and Adoption of Resolutions - the ninth line of the first paragraph was revised to read "and the capital fund appropriations need to be increased to \$110,384,433".

Located on page 3, section 2009 budget hearing and Adoption of Resolutions - the first line of the fourth paragraph was revised to read "District No. 2, Bond (only)".

Located on page 4, section 2009 budget hearing and Adoption of Resolutions - the third line of the last paragraph was revised to read "received from the County".

Located on page 4, section Approval for 2008 Auditor - the first line of the first paragraph was revised by removing "formerly Reynolds, Henrie & Associates, P.C.".

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Located on page 5, section Acceptance of Capital Costs – the third line of the fifth paragraph and the first line of the sixth paragraph were revised to read “for Boyd Lake Avenue & Hwy 34”.

Upon motion duly made by Director Herlihey and seconded by Director Knopinski, it was unanimously

**RESOLVED** to approve the minutes from November 20, 2008 as presented, subject to the revisions noted above.

There were no actions or representations of the District by the District Manager to ratify since the November 20, 2008 Board Meeting.

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## PRESENTATION OF ASLA LANDSCAPE HONOR AWARDS

Director Perry presented the ASLA Landscape Honor Awards related to the landscape designs created by DTJ Design, Inc. at Centerra East and the I-25 corridor. The awards were presented to Mr. Dwayne Walker with Empire Management, Inc., to Mr. Larry Bromfield with Larry Bromfield and Associates, Inc., and to the Centerra Metropolitan District. Director Perry thanked DTJ Design, Inc. for their creative ideas. Mr. Walker and Mr. Bromfield asked that Director Perry’s management and vision also be acknowledged in the minutes.

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## FINANCIAL REPORT AND APPROVAL OF PAYABLES

Ms. Dowswell presented the Schedule of Payables for December 1, 2008 in the amount of \$576,341.52 including checks 3569 through 3578, the Schedule of Payables for December 10, 2008 in the amount of \$5,000.00 including check number 3579, the Schedule of Payables for December 18, 2008 in the amount of \$235,771.15 including checks 3580 through 3609, and the Schedule of Payables for January 15, 2009 in the amount of 339,259.70 including checks 3610 through 3642. Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, it was unanimously

**RESOLVED** to ratify the Schedule of Payables for December 1, 2008, December 10, 2008, and December 18, 2008, and to approve the Schedule of Payables for January 15, 2009 in the amounts and check numbers noted above.

Ms. Dowswell presented the Cash Position as of December 31, 2008 and updated as of January 14, 2009, and answered questions from the Board.

Mr. Pogue was directed to discuss the status of reimbursement for original URA formation costs and Flex URA costs with the City Attorney and report to the Board at the next Board Meeting.

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## MONTHLY PAYMENT CERTIFICATIONS FOR 2009

Ms. Dowswell brought forward a motion to authorize all of the 2009 monthly payment requests for administration and operational costs. The payment requests will not exceed \$167,000 per month and will be consistent with the existing bond covenants.

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Upon motion duly made by Director Knopinski and seconded by Director Herlihey, it was unanimously

**RESOLVED** to approve all of the 2009 monthly payment requests for administration and operational costs as noted above and to authorize Ms. Dowswell to execute the Certificates.

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2009 BOXELDER  
TREE FARMS, LLC  
SERVICE AGREEMENT

Mr. Shannon presented for the Board's approval the 2009 Boxelder Tree Farms, LLC Service Agreement for grass mowing and weed control on undeveloped District property in the amount of \$28,450. Upon motion duly made by Director Hodgkinson and seconded by Director Knopinski, it was unanimously

**RESOLVED** to approve the 2009 Boxelder Tree Farms, LLC Service Agreement.

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2009 VALLEYCREST  
LANDSCAPE  
MAINTENANCE, INC.  
SERVICE AGREEMENT

Mr. Shannon presented for the Board's approval the 2009 ValleyCrest Landscape Maintenance, Inc. Service Agreement in the amount of \$496,650. The 2009 agreement keeps the same unit prices as in 2008. The District has the option of two extensions of one year each in 2010 and 2011. If extended, the unit prices in 2010 will be the same as in 2009. In 2011, the unit prices will increase 3%. Upon motion duly made by Director Hodgkinson and seconded by Director Knopinski, it was unanimously

**RESOLVED** to approve the 2009 ValleyCrest Landscape Maintenance, Inc. Service Agreement.

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I-25 INTERCHANGE  
PROJECT UPDATE  
AND STATUS REPORT

Mr. Shannon updated the Board on the Crossroads Interchange project with respect to local and federal funding and the mandatory out-to-bid date of no later than April 21, 2009. Upon motion duly made by Director Herlihey and seconded by Director Knopinski, it was unanimously

**RESOLVED** to direct Mr. Pogue and Mr. Shannon to proceed with the intention of establishing a construction IGA and funding for the I-25/US 34 Interchange Project.

The Board also discussed the timing and different scenarios for the bidding of I25/US 34.

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GLIC BORING  
LICENSE AGREEMENT

Mr. Pogue presented to the Board for ratified approval the (GLIC) Greeley and Loveland Irrigation Ditch Company Boring License Agreement in connection with the sanitary force main to be bored beneath the Greeley and Loveland Irrigation Canal at the Kennedy and Coe project located on the north/west corner of Centerra Parkway and

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Sky Pond Drive. Upon motion duly made by Director Knopinski and seconded by Director Herlihey, it was unanimously

**RESOLVED** to ratify the approval of the (GLIC) Greeley and Loveland Irrigation Ditch Company Boring License Agreement.

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## PROJECT MANAGER

Mr. Boulter noted that the phase 1 updates of the White Book would be forthcoming for review. In addition, Mr. Boulter noted the second quarter report for the Storm Water Excellence program was ready to be sent to the State.

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## 2009 MANAGEMENT AGREEMENT WITH CHAPUNGU HERITAGE TRUST

Mr. Hardy noted that the Chapungu Heritage Fund had agreed to the content of the management agreement for the Chapungu Sculpture Park at Centerra.

Mr. Pogue presented for the Board's consideration the 2009 Management Agreement with Chapungu Heritage Fund. Upon motion duly made by Director Herlihey and seconded by Director Hodgkinson, it was unanimously

**RESOLVED** to approve of the 2009 Management Agreement with Chapungu Heritage Fund.

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## CHAPUNGU SCULPTURE PARK 2009 RENTAL RATES

Mr. Hardy presented for the Board's consideration the 2009 Chapungu Sculpture Park Rental Rates. The rental rates are to be paid to the Centerra Metropolitan District No. 1 and are as follows: not for profit entities shall pay a rate of \$250 per day, and for profit entities shall pay a rate of \$500 per day. Upon motion duly made by Director Hodgkinson and seconded by Director Herlihey, it was unanimously

**RESOLVED** to approve the 2009 Chapungu Sculpture Park Rental Rates as noted above.

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## CHAPUNGU SCULPTURE PARK MARKETING PLAN

Mr. Hardy presented for the Board's consideration the Chapungu Sculpture Park Marketing Plan. Upon motion duly made by Director Hill and seconded by Director Knopinski, it was unanimously

**RESOLVED** to approve the Chapungu Sculpture Park Marketing Plan with a budget in an amount not to exceed \$10,000 for 2009.

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## LEGAL REPORT

### Annual Administrative Matters Resolution:

Mr. Pogue presented for the Board's consideration the Annual Administrative Matters Resolution; noting that it outlines the operations of the Board, directs District's legal counsel and consultants in their administration of the District and directs them to make

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all necessary filings. Upon motion duly made by Director Hill and seconded by Director Knopinski, it was unanimously

**RESOLVED** to approve the Annual Administrative Resolution; to reaffirm the current slate of officers; to authorize the District to pay Director fees; to ratify approval of all the Board Meeting Minutes in 2008; to appoint Icenogle, Norton, Smith, Gilda, & Pogue as counsel; and to appoint Pinnacle Consulting Group Inc. as District Manager and Financial Manager.

### Exclusion of Worker's Compensation Insurance Resolution:

Mr. Pogue noted for the Board's consideration that the Division of Local Government as well as the insurance pool is requiring that a Resolution to Exclude from Worker's Compensation be adopted by the District if the Board elects not to have worker's compensation coverage on the board members. Upon motion duly made by Director Knopinski and seconded by Director Hodgkinson, it was unanimously

**RESOLVED** to approve the Resolution to Exclude from Worker's Compensation and the State of Colorado Worker's Compensation Exclusion and direct Pinnacle Consulting Group Inc. to file them with the appropriate parties.

### Records Retention and Inspection Policy Resolution:

Mr. Pogue presented for the Board's consideration the Records Retention and Inspection Policy Resolution. Upon motion duly made by Director Knopinski and seconded by Director Hodgkinson, it was unanimously

**RESOLVED** to approve the Records Retention and Inspection Policy Resolution.

### Discussion of MFA Amendment to Bring District No. 5 into the MFA:

Mr. Pogue presented for the Board's consideration the need for an MFA Amendment to bring District No. 5 into the MFA. Upon motion duly made by Director Hill and seconded by Director Hodgkinson, it was unanimously

**RESOLVED** to formally direct Mr. Pogue and Pinnacle Consulting Group, Inc. to proceed with the MFA Amendment and to work with City Staff to set the matter on the Council agenda in March or April.

### Discussion of Amendment 54 and Legislative Updates:

Mr. Pogue presented to the Board an update on Amendment 54; information on House Bill 1005 which would give metropolitan districts the power to create special improvement districts; and Senate Bill 087, related to a higher level of notice for board member elections.

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### Discussion of Multiple Reimbursements:

Mr. Knopinski presented for the Board's consideration the adoption of a multiple reimbursement policy to prevent duplicate reimbursements and repayments. Mr. Pogue advised the Board that such duplicate reimbursements have not occurred to date, and would be precluded by State law. Upon motion duly made by Director Hill and seconded by Director Herlihey, it was unanimously

**RESOLVED** to formally direct Mr. Pogue to include in all reimbursement agreements and infrastructure acquisition agreements language to prevent duplicate reimbursements and repayments.

### Consider Approval of Craig Realty Easement:

Mr. Pogue presented for the Board's consideration the acceptance of the Craig Realty Easement associated with a water tap for I-25/US 34 landscape improvements. Upon motion duly made by Director Knopinski and seconded by Director Herlihey, it was unanimously

**RESOLVED** to accept the Craig Realty Easement and to direct Director Perry and Director Herlihey to execute the applicable documents.

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### ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 2:18 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