

# 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  
May 16, 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, May 16, 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  
Julie Den Herder, Assistant Secretary/Treasurer  
Josh Kane, Treasurer & Assistant Secretary  
Tom Hall, Secretary

Directors Absent and Excused:

Jay Hardy, Vice President & Assistant Secretary

Also in Attendance:

Alan Pogue, Icenogle, Seaver & Pogue  
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.

CALL TO  
ORDER

The meeting was called to order at 12:04 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 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.

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### AGENDA

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

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

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### APPROVAL OF MINUTES

The minutes of the March 14, 2013 regular meeting were presented. Upon motion duly made by Director Den Herder and seconded by Director Hall it was unanimously

**RESOLVED** to approve the March 14, 2013 minutes as presented.

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### ITEMS FROM PROJECT MANAGER

Update on Boyd Lake Improvements: Mr. Niemczyk reported that a full level multi-phased traffic impact study has been solicited from Permontes Group, Inc. to determine the future school's impact on Boyd Lake. The traffic study will include both the residential and commercial development parcels and should be completed by the end of the month.

Hydrozone: Hines Irrigation is preparing signed stamped plans for submittal to the City of Loveland planning department to finalize the 66 water credit transaction. The Water Bank Agreement has been executed by the District and we are waiting on a Holding Receipt from the City. Mr. Niemczyk

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reported that according to his calculations the District will need a total of approximately 40 acre-feet at build out and therefore has satisfied water rights.

Update on Kendall Parkway: Mr. Niemczyk reported on a meeting between CDOT and the City of Loveland to discuss regional transportation projects. The meeting specified 4-5 projects within Northern Colorado with Centerra Parkway being a Single Point Urban Interchange (SPUI) project. They have a goal of having 25% of this design completed within one year. Mr. Niemczyk stressed the importance of aesthetics and review of the design. Mr. Niemczyk felt they were cognizant of the importance of aesthetic value. Mr. Niemczyk noted that the SPUI would cost approximately 30 million and is targeted as a need in 20-25 years but completing Kendall Parkway underpass would add 5-10 years to that projection. He also stressed that the District does not have funds for the interchange project.

Mr. Niemczyk reported that CDOT is proceeding to begin the operation of a Rapid Transit bus by 2020. Parcel 212 could be an option for a terminal location and could facilitate the need to construct the Kendall Parkway underpass sooner rather than later. He noted the City of Loveland is considering the underpass culvert design option. The estimated cost for the underpass option is \$5-\$6 million. The bridge design would be considerably more expensive.

Fall River Round-about: Mr. Niemczyk is working with Mr. Woolard to obtain rough cost estimates on “mini” and “compact” round-about options at Fall River Drive and Highway 34. The concept plans are being used to obtain construction estimates from contractors. There are still questions as to the impact to the current drainage areas. The area is a City of Loveland public right-of-way.

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### ITEMS FROM THE FINANCE DIRECTOR

Audit Updates: Ms. Dowswell reported that the audit field work has been completed by the auditor. As the City no longer has an internal auditor, we are coordinating with their Finance Director to assist them in their MFA/URA compliance. Ms. Dowswell expects the draft audit to be presented at the June Board meeting.

#### Financial Report and Approval of Payables:

Ms. Dowswell presented for ratification the April Schedule of Payables in the amount of \$56,269.95; including checks 5119 through 5135.

Ms. Dowswell presented for approval the May Schedule of Payables in the amount of \$120,135.78; including checks 5137 through 5161 (note that check #5136 was voided).

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Upon motion duly made by Director Kane and seconded by Director Den Herder it was unanimously

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

Ms. Dowswell presented the Cash Position Statement as of May 14, 2013, and the Financial Report as of March 31, 2013.

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ITEMS FROM  
DISTRICT MANAGER

Public Hearing on Exclusion of Rocky Mountain Village 16<sup>th</sup> Lot 3, Block 1, Outlot B: Director Perry opened the Exclusion of Rocky Mountain Village, Lot 3, Block 1, Outlot B from District Nos. 2 and 4 to the public. There being no public input, the public hearing portion of the exclusion was closed. Mr. Pogue reviewed the exclusion documents with the Boards noting that the MFA allows for the exclusion of residential parcels. The exclusion would go into effect for the 2015 tax year. After review and discussion and upon motion duly made by Directors Den Herder, and seconded by Director Kane it was unanimously

**RESOLVED** to exclude Rocky Mountain Village 16<sup>th</sup> Lot 3, Block 1, Outlot B from District Nos. 2 and 4 and file with the Court prior to the land sale closing.

Consider for Approval the Professional Service Agreement with Permontes Group, Inc. for Traffic Study Services: Ms. Hawkins presented the professional services agreement with Permontes Group, Inc. for traffic study services which now includes changes due to the school and residential sites, for \$18,600. After review and discussion and upon motion duly made Director Hall and seconded by Director Kane it was unanimously

**RESOLVED** to ratify the professional service agreement with Permontes Group, Inc. for traffic study services in the amount not to exceed \$18,600.

Operations and Maintenance Report: Ms. Hawkins reported that sculpture name plates and a message board to hold notices, such as liquor licenses, have been installed at Chapungu Park. Celeste is working to update the marketing materials to identify new sculptures. The sculpture appraisal has been completed showing an increase in value from 3.2 million to 3.6 million. Ms. Hawkins reported the new value should increase the insurance cost by approximately \$350 per year and she will submit the new appraisal to the insurance company.

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Mr. Woolard reported that landscape inspections will take place next week. The inspections last month were hindered by the late snow fall. Annual flowers will be installed beginning Monday, the 20th, and will take 2 weeks to complete.

Director Kane questioned water restrictions that will affect the Districts landscapes. Mr. Woolard reported that there are no mandatory water restrictions at the present time, other than no watering between 10am and 6pm. Due to the potential of drought conditions, the water restrictions will continue to be monitored.

Mr. Woolard gave an update on the irrigation system. The District has purchased a laptop and printer to be used by Valley Crest to manage the irrigation. The information will be stored and backed up on the main irrigation desktop computer. He noted that he was notified by Valley Crest that the main irrigation desktop computer had crashed on May 15, 2013 and was still not working. It may be necessary for the District to also purchase a new desktop to control the irrigation system.

Mr. Woolard reported that mulch replacement will start after Memorial day and will take 2-3 weeks to complete. The temporary irrigation on the Highway 34 medians is nearing completion. Once that is complete the installation of the wildflower mix will begin and will take approximately 2 weeks to complete.

Mr. Woolard reported that there will be a meeting with the Districts and MRES next Wednesday to look at process, procedures, roles, and responsibilities. This was last completed in 2009 and Mr. Woolard plans on evaluating operations and maintenance on an annual basis going forward.

Mr. Woolard reported that the Operations & Maintenance team will work with the local Northern Colorado Pro Cycle Challenge organizing committee to plan and prepare for impacts to the District such as landscape, signage, security, clean up, and repairs.

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### MASTER FINANCING AGREEMENT

#### Discussion Regarding Master Financing Agreement and Regional Improvement Priorities:

Mr. Pogue reported that the City of Loveland's work session on May 28<sup>th</sup> to discuss regional improvements has been moved to July 9<sup>th</sup>.

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### ITEMS FROM LEGAL

Mr. Pogue reported that there has been a change in City personnel overseeing the collection of PIF and RSF pursuant to the Collection Agreement between

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the City of Loveland, Centerra District No.1, the Centerra Public Improvement Collection Corporation, G & I VI Retail Prom, LLC and Centerra Retail Sales Fee Corporation.

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BOARD MEMBER  
COMMENTS

Director Perry reported on the Sculpture at I25/Highway 34 Interchange. There were 143 entries, more than expected, so the sculpture selection has been delayed. The committee reduced the number of possible sculptures to 5. Further presentations to the Arts Council will be made in July with a final decision anticipated in September.

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OTHER MATTERS

Ms. Dowswell reported on a meeting sponsored by the CML and the SDA which discussed partnership among governments and other agencies. Ms. Dowswell noted that it was a very positive meeting and that the partnership between the City of Loveland and Centerra Metropolitan Districts was mentioned as an example of a successful partnership.

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PUBLIC COMMENTS

There were no public comments.

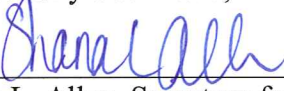
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ADJOURNMENT

There being no further business to come before the Boards, the meeting was adjourned at 1:11 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