

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
June 16, 2011

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 12:00 Noon Thursday, June 16, 2011. Notice of the meeting has been duly posted with the Larimer County and City of Loveland Clerk and Recorders 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
Josh Kane, Assistant Secretary/Treasurer
Doug Hill, Treasurer & Assistant Secretary

Directors Absent and Excused:

Tom Hall, Secretary

Also in Attendance:

Jim Niemczyk, McWhinney (departed at 12:45 p.m.)
Alan Pogue, Icenogle, Seaver & Pogue, P. C.
Peggy Dowswell, Pinnacle Consulting Group, Inc.
Rich Shannon, Pinnacle Consulting Group, Inc.
Carla Hawkins, Pinnacle Consulting Group Inc.
Brendan Campbell, Pinnacle Consulting Group Inc.
Bonnie Steele, City of Loveland
Frank Hemen, City of Loveland (departed at 12:28 p.m.)
Phil Weisbach, SEH (Short Elliott Hendrickson, Inc.) (departed at 12:28 p.m.)
Pat Hall, HCH, PC (arrived at 1:01 p.m.)
Ralph Trenary

CALL TO
ORDER

The meeting was called to order at 12:03 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, 4, and 5.

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.

AGENDA

At this point in the agenda, introductions were made by all present. The Board reviewed the agenda. Upon motion duly made by Director Hardy and seconded by Director Hill, it was unanimously

RESOLVED to approve the agenda without changes.

APPROVAL OF MINUTES

The Minutes of the May 19, 2011 regular meeting and June 6, 2011 continued meeting were presented. Upon motion duly made by Director Hill and seconded by Director Kane, it was unanimously

RESOLVED to approve the minutes from the May 19, 2011 regular meeting and June 6, 2011 continued meeting as presented.

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

I-25 INTERCHANGE UPDATE

Mr. Phil Weisbach, SEH, submitted a Monthly Project Progress Briefing and budget worksheets for the I-25 & Crossroads and I-25 & US Hwy 34 Interchanges, a copy of which was submitted with the board packet. Mr. Weisbach gave a brief update stating landscape and electrical are almost complete. Guardrail work will be coordinated with CDOT. His conservative estimate of cost savings on the project is estimated to be \$300,000 which would mean an estimated \$600,000 overall savings on both interchange projects once closed out. As for Crossroads, close out will happen this fall as soon as the one year maintenance services are complete this September. Ms. Hawkins stated that a ribbon cutting ceremony is scheduled for 9:30 a.m. on June 28, 2011 at the site. She requested the Board consider approving up to \$5,000 for a

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tent, refreshments and other incidentals at the event. Upon motion duly made by Director Hardy and seconded by Director Kane, it was unanimously

RESOLVED to approve up to \$5,000 for the ribbon cutting ceremony for the I25/US 34 Interchange.

Mr. Phil Weisbach stated that the District and City of Loveland were very fortunate to have New Design and the other consultants on the project. The Board agreed and thanked Mr. Weisbach, Mr. Hempen and Mr. Niemczyk for their work.

SAVANNA PARCEL (#222)

Mr. Niemczyk noted no further work has taken place since last month.

KENDALL PARKWAY UNDERPASS

Mr. Hempen stated that the traffic study is complete. The results are positive and support designating this underpass project a regional project. Having the underpass will extend the life expectancy on both the I25 interchanges and Rocky Mountain Avenue and US 34 intersection. Mr. Hempen stated that the City of Loveland was satisfied with the content of the study and were seeking CDOT approval. Once approved, design work could commence once the method of constructing the underpass is approved by CDOT. Director Hardy and Manager Shannon each stated that now that there is better information to evaluate the long term regional transportation needs as outlined in the Master Financing Plan, the District and the City of Loveland should meet to review and evaluate the regional list.

APPROVAL OF CONSTRUCTION SERVICES AGREEMENT

Mr. Niemczyk stated the District just completed a hydro zone study. The City agreed that an existing District tap is adequate for irrigation at the I25/34 interchange, thus saving the District \$18,000 on water rights and tap fees. Hines has given the District a proposal in the amount of up to \$17,000 for a complete hydro zone study. It is anticipated that the study will prove out that the District could receive significant credit from the City's water bank to be used for future projects. He asked the Board to approve a service agreement with Hines for an amount up to \$17,000 for the study with the cost coming out of the I25/34 regional fund. Upon motion duly made by Director Hardy and seconded by Director Hill, it was unanimously

RESOLVED to approve the Hines Service Agreement in an amount up to \$17,000 regional funds for the hydro zone study.

ITEMS FROM THE FINANCE DIRECTOR

Financing Update

Director Kane gave a brief update noting that the District successfully closed on the \$130 million loan on June 8, 2011. The swap pricing on the new money and the existing swap came in close to projections, Director Kane thanked the entire loan team for their great job on the financing and their perseverance throughout the process.

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Financial Report and Approval of Payables

Ms. Dowswell presented for approval the Schedule of Payables from June 13, 2011, in the amount of \$1,012,105.84, including checks 4551 through 4584. Upon motion duly made by Director Hardy and seconded by Director Hill, it was unanimously

RESOLVED to ratify the June 13, 2011 Schedule of Payables, in the amounts and check numbers noted above.

Ms. Dowswell presented the Cash Position as of May 31, 2011, updated as of June 14, 2011, and answered questions from the Board. She also presented the Financial Statements as of April 30, 2011. She stated that due to the loan closing, she and Mr. Campbell would reforecast debt service cash flow requirements.

ITEMS FROM THE ATTORNEY

Consider Approval to Amend Project Management Service Agreement with MRES

Mr. Pogue mentioned the project management scope of services contract needed to be amended to include the extensive work performed by Mr. Kane, related to the District financing. Upon motion duly made by Director Kane and seconded by Director Hardy, it was unanimously

RESOLVED to approve the Amended Project Management Service Agreement with MRES for an amount not to exceed \$41,200.

BOARD MEMBER & OTHER COMMENTS

There were no comments made at this time.

PUBLIC COMMENTS

The Board opened the meeting to Public Comments. Ms. Bonnie Steele handed out a slide from the City of Loveland Urban Renewal Authority report showing the Balance Sheet and the Statement of Revenues, Expenditures and Change in Fund Balance for each of the project areas.

Mr. Trenary addressed the Board stating his involvement with the City of Loveland Financial Advisory Board. He attended this meeting to gather knowledge on how the City and the District work together.

Upon receiving no further comments, this portion of the meeting was closed.

RECESS/RECONVENE

At this point in the meeting, the Board agreed to recess the meeting at 12:55 p.m. The meeting reconvened at 1:05 p.m.

2010 AUDIT FOR DISTRICT NO. 1

Mr. Campbell reported Mr. Hall, HCH, PC completed the audit and was present to report his findings. Mr. Hall reviewed the financials as of December 31, 2010 and

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audit notes for District No. 1 with the Board. He presented the audit opinion noting there were no adjustments and they issued a clean opinion. Upon further discussion and motion duly made by Director Kane and seconded by Director Hardy, it was unanimously

RESOLVED to approve the audit for District No. 1

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:23 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