

# 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  
December 15, 2016

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, December 15, 2016. 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  
Tom Hall, Secretary  
Josh Kane, Treasurer & Assistant Secretary (via phone)  
David Crowder, Assistant Secretary & Assistant Treasurer

Also in Attendance:

Alan Pogue; Icenogle Seaver Pogue, P.C.  
Jim Niemczyk, Dave Betley; McWhinney  
Peggy Dowswell, Brendan Campbell, Jason Woolard, Kirsten Starman, Jim  
Worley, Shana Morgan, and Darcy Chilton; Pinnacle Consulting Group, Inc.  
Ralph Trenary; Public

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.

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BOARD MEMBER  
RESIGNATION

Mr. Pogue reported that Ben Kendall was no longer qualified to serve on the Boards. Upon motion duly made by Director Kane, seconded by Director Perry and upon unanimous vote, it was

**RESOLVED** to accept the resignation of Ben Kendall.

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PUBLIC COMMENT

Mr. Trenary stated that he continues to be impressed with the improvements around Centerra and the professional management and responsibility of the Boards. He wished everyone Happy Holidays and expressed his appreciation to the Boards and Pinnacle for their continued efforts.

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CONSENT AGENDA  
ITEMS

The Boards considered the consent agenda items:

- A. Approval of December 15, 2016 agenda,
- B. Minutes of the November 17, 2016 regular meeting,
- C. Ratification of Payables: November 5, 2016 through December 2, 2016,  
and

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

**RESOLVED** to approve the consent agenda items, as amended.

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RATIFICATION OF  
CONTRACT  
MODIFICATIONS

Mr. Woolard presented the 2016 Contract Modifications listing to the Boards. The Boards requested clarification regarding CO #8 related to the Hahn's Peak Extension project. Mr. Woolard provided a brief explanation and agreed to email CO #8 following the meeting. Upon motion duly made by Director Crowder, seconded by Director Hall, and upon vote, unanimously carried, it was

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**RESOLVED** to approve the 2016 contract modification, as presented.

EQUALIZER DAM

Amendment to Contract Price for Ecological Resource Consultants: Mr. Woolard reported that the contract amount approved last month with Ecological Resource Consultants had been modified from \$54,460 to \$54,956. Upon motion duly made by Director Hall, seconded by Director Crowder, and upon vote, unanimously carried, it was

**RESOLVED** to ratify the Amendment to the contract price with Ecological Resource Consultants from \$54,460 to \$54,956.

PARCEL 206  
GRADING/  
INFRASTRUCTURE

Mr. Niemczyk presented the Service Agreement with Phillips Seeding for erosion control seeding services in an amount not to exceed \$22,000. Following review and discussion and upon motion duly made by Director Hall, seconded by Director Crowder, and upon vote, unanimously carried, it was

**RESOLVED** to approve and ratify the Service Agreement with Phillips Seeding for erosion control seeding services in an amount not to exceed \$22,000.

Mr. Niemczyk presented the Construction Contract with GE Construction, Inc. for conduit/sleeving installation in the amount of \$22,860. Following review and discussion and upon motion duly made by Director Hall, seconded by Director Crowder, and upon vote, unanimously carried, it was

**RESOLVED** to approve and ratify the Construction Contract with GE Construction, Inc. for conduit/sleeving installation in the amount of \$22,860.

Mr. Niemczyk presented Amendment No. 1 to Professional Service Agreement with Studio Insight for schematic design services in the amount of \$47,365.50. Mr. Niemczyk noted that this is for a new phase of the Parcel 206 project. Following review and discussion and upon motion duly made by Director Hall, seconded by Director Crowder, and upon vote, unanimously carried, it was

**RESOLVED** to approve and ratify Amendment No. 1 to Professional Service Agreement with Studio Insight for Schematic Design services in an amount of \$47,365.50.

PARCEL 206  
SURFACE PARKING

Mr. Niemczyk reported that the western parking lot is complete and storm sewer installation, parking lot construction and irrigation/landscape installation will continue through mid-2017.

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PARCEL 102  
IMPROVEMENTS

Mr. Woolard presented the Professional Services Agreement with Kumar & Associates for construction materials testing and observation services in the amount of \$3,967. Following review and discussion and upon motion duly made by Director Hall, seconded by Director Crowder, and upon vote, unanimously carried, it was

**RESOLVED** to approve and ratify the Professional Services Agreement with Kumar & Associates for construction materials testing and observation services in the amount of \$3,967.

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PARCEL 505 AND  
INTERCHANGE LIFT  
STATION  
IMPROVEMENTS

Mr. Niemczyk and Mr. Woolard discussed the need for additional engineering services. Following review and discussion and upon motion duly made by Director Crowder, seconded by Director Hall, and upon vote, unanimously carried, it was

**RESOLVED** to approve a Professional Services Agreement with Merrick & Company for engineering services in an amount not to exceed \$20,000.

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CAPITAL FUND  
SUMMARY

Mr. Campbell reviewed the Capital Fund Summary with the Boards.

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FINANCIAL ITEMS

2016 Financial Auditor: Mr. Campbell presented the Audit Proposal Memo with the Boards. The Boards inquired as to the necessity of using a regional firm for the 2016 audit. Mr. Campbell stated that given the timing of the bond issuance in 2017, if the District engaged a regional firm now, it would not be completing the 2016 audit prior to the bond issuance. Therefore, the District could delay retaining a regional firm until next year, to complete the 2017 audit. Following review and discussion and upon motion duly made by Director Crowder, seconded by Director Kane, and upon vote, unanimously carried, it was

**RESOLVED** to approve John Cutler & Associates to perform the 2016 financial audit in an amount not to exceed \$10,000.

2017 Financing: Director Kane, Attorney Pogue and Ms. Dowswell provided an update on the 2016 financing noting that we are awaiting completion of several pieces of the bond package and the bond closing is scheduled sometime before March 1, 2017.

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### ITEMS FROM DISTRICT MANAGERS

Operations and Maintenance Report: Mr. Worley noted that a monthly operations and maintenance report will accompany the payables going forward.

2017 Master Service Agreements: The Boards considered the 2017 Master Service Agreements. Mr. Worley noted that all agreement amounts are within the 2017 approved budget. Mr. Woolard suggested that the LED conversion, approved in the 2017 budget, begin with the lighting that is currently in need of repair at the monument sign at Boyd Lake Avenue and Hwy 34 to ensure continuity with the other LED's in Centerra. The Board determined not to move forward with the LED conversion project and will revisit in 2 years. Director Perry requested an improved level of maintenance for the detention pond adjacent to Old Chicago.

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

**RESOLVED** to approve 2017 service agreements with the following 2017 service providers:

- 1) Environmental Designs, Inc. – Landscape Maintenance Services
- 2) Integrity Lawn Professionals – Landscape Maintenance and Snow Removal Services
- 3) High Plains Environmental Center – Chapungu Park Landscape Maintenance Services
- 4) High Plains Environmental Center – Open Space Management Services
- 5) OLM, Inc. – Landscape Inspection Services
- 6) Boxelder Tree Farm – Native and Open Space Mowing Services
- 7) Affordable Pest Control – Pest Mitigation Services
- 8) Fiske Electric – Electrical and Lighting Maintenance Services
- 9) SWPPP Colorado – Storm Water Management Services
- 10) McWhinney Real Estate Services, Inc.:
  - a. District Project Management Services
  - b. Chapungu Park Management and Marketing Services
  - c. Hardscape Maintenance and Storage Services
- 11) All Sweep – Street Sweeping Services
- 12) Tamarack Consulting – GIS System Services
- 13) E3 Signs – Sign Repair Services
- 14) D&M - Utility Locating Services
- 15) Alpine Artisans – Holiday Lighting Services

Chapungu Park: Director Crowder updated the Boards regarding the request received by the trustee of Chapungu Heritage Trust to purchase the sculptures.

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

**RESOLVED** to direct Director Crowder to notify the trustee that the Board is not in a position to make an offer at this time.

### LEGAL ITEMS

Parking Area Maintenance Agreement with CCOA: Mr. Pogue presented the Parking Area Maintenance Agreement with District No. 1 to the Board. Following review and discussion and upon motion duly made by Director Kane, seconded by Director Hall, and upon vote, unanimously carried, it was

**RESOLVED** to approve the Parking Area Maintenance Agreement between District No. 1 and CCOA, and authorize legal counsel and Board President to make non-substantive changes and subject to final review by CCOA and the developers legal counsel.

Parcel 504 Infrastructure and Maintenance: Mr. Pogue and Mr. Niemczyk discussed the Parcel 504 development and related maintenance responsibilities with the Boards.

Public Hearing for Exclusion: Mr. Pogue reported that the Board has received a petition from CPW, LLC for exclusion from Centerra Metropolitan District No. 5 boundaries for real property generally described as North of 37<sup>th</sup> Street and West of the Union Pacific Railroad, all in the City of Loveland, Colorado. Director Perry opened the public hearing to the public. Mr. Pogue confirmed that notice of the hearing had been published in the Reporter Herald in accordance with state law. Upon receiving no comments, the public hearing was closed. Upon review of the exclusion petition, and upon motion duly made by Director Kane, and seconded by Director Hall, it was unanimously

**RESOLVED** to approve a Resolution concerning the exclusion from the boundaries of Centerra Metropolitan District No. 5. The Board further directed Mr. Pogue to complete the exclusion as described in the approving resolution and subject to review by Mr. Adams and assurance that the exclusion is consistent with the Flex.

Public Hearing for Inclusion: Mr. Pogue reported that the Board has received a petition from CPW, LLC for inclusion into Centerra Metropolitan District No. 2 and Centerra Metropolitan District No. 4 boundaries for real property generally described as North of 37<sup>th</sup> Street and West of the Union Pacific Railroad, all in the City of Loveland, Colorado. Director Perry opened the public hearing to the public. Mr. Pogue confirmed that notice of the hearing had been published in the

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Reporter Herald in accordance with state law. Upon receiving no comments, the public hearing was closed. Upon review of the exclusion petition, and upon motion duly made by Director Kane, and seconded by Director Hall, it was unanimously

**RESOLVED** to approve a Resolution concerning the inclusion into the boundaries of Centerra Metropolitan District No. 2 and Centerra Metropolitan District No. 4. The Board further directed Mr. Pogue to complete the inclusion as described in the approving resolution and subject to review by Mr. Adams and assurance that the exclusion is consistent with the Flex.

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OTHER MATTERS

The Boards discussed the vacancy on the Boards.

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ADJOURNMENT

There being no further business to come before the Boards and upon motion and second, the meeting was adjourned at 1:59 p.m.

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

Respectfully Submitted,

  
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Shana L. Morgan, Secretary for the Meeting