

RECORD OF PROCEEDINGS

MINUTES OF THE COORDINATED
SPECIAL 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
August 17, 2017

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 special meeting, open to the public, at 2725 Rocky Mountain Avenue, Loveland, Colorado 80538, at 10:00 a.m., Thursday, August 17, 2017. 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
Josh Kane, Treasurer & Assistant Secretary (via telephone)
Tom Hall, Secretary
David Crowder, Assistant Secretary & Assistant Treasurer

Also in Attendance:

Alan Pogue; Icenogle Seaver Pogue, P.C.
Jim Niemczyk, Dave Betley; McWhinney
Shana Morgan, Brendan Campbell, Lauren Paul, Jason Woolard, Brian Doble, Chelsey Green; Pinnacle Consulting Group, Inc.

CALL MEETING TO
ORDER

The meeting was called to order at 10:03 a.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.

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

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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.

APPROVAL OF AGENDA

The Boards considered the agenda as amended to add three items:

1. III.C.iv. Review and Discuss Change Order Execution Procedures,
2. III.D. Review and Discuss Capital Infrastructure Priorities, and
3. VI.C. Consider Approval of Work Order with Environmental Designs, Inc. for Rocky Mountain Avenue Repairs.

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

RESOLVED to approve the agenda, as amended.

PUBLIC COMMENT

There were no comments made by members of the public.

CONSENT AGENDA ITEMS

The Boards considered the consent agenda items:

- A. Approval of Minutes – July 20, 2017,
- B. Ratification of Payables: July 1, 2017 through July 31, 2017,
- C. Financial Statements through June 30, 2017,
- D. Capital Fund Summary, and
- E. Ratification of Contract Modifications.

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

RESOLVED to approve and ratify the consent agenda items, as presented.

DISTRICT CAPITAL INFRASTRUCTURE REPORT

Mr. Woolard presented the Capital Infrastructure report to the Boards.

Director Hall arrived at this time.

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DISTRICT PROJECT MANAGER UPDATE

Mr. Niemczyk provided a brief overview of ongoing Districts projects. Mr. Niemczyk stated that the McWhinney Boulevard project may be added to the Kendall Parkway West project and noted that the design work had not been started for Kendall Parkway and requested input from the Boards. The Boards directed Mr. Niemczyk to complete the design and site plan work for the Kendall Parkway West project.

BIDDING AND CONTRACTING

Parcel 206 Public Parking Lot Resurface: Ms. Morgan stated that following the July meeting estimates were solicited for a 2" mill and overlay of 10,200 SY parking lot, as well as an alternate proposal to seal coat the same area. Three contractors submitted bids for the mill & overlay. Two contractors submitted bids for the alternate, seal coat option. Director Hall reported he had completed a walkthrough of the parking lot, and recommended to the Board to move forward with a seal coat option. The Boards reviewed the bid comparison and discussed current parking lot maintenance standards. The Boards directed staff to ensure scope of work with each seal coat bidder. Following discussion and upon motion duly made by Director Kane, seconded by Director Hall, and upon vote, unanimously carried, it was

RESOLVED to approve a Service Agreement for Parcel 206 public parking lot seal coat, in an amount not to exceed \$30,000, following clarification of scope and after final review by the Board President.

Interchange Lift Station: Mr. Woolard presented a Work Order with Merrick & Company for construction administration services in the amount of \$32,000. Following discussion and upon motion duly made by Director Hall, seconded by Director Crowder, and upon vote, unanimously carried, it was

RESOLVED to approve the Work Order with Merrick & Company for construction administration services, in an amount not to exceed \$32,000.

Parcel 505 Infrastructure: Mr. Woolard presented a Construction Contract with Connell Resources, Inc. for construction of the Centerra Parcel 505 Public Infrastructure. Following discussion and upon motion duly made by Director Kane, seconded by Director Crowder, and upon vote, unanimously carried, it was

RESOLVED to approve the Construction Contract with Connell Resources, Inc. for construction of the Centerra Parcel 505 Public Infrastructure, in an amount not to exceed \$396,692, subject to the successful closing of escrow and final review by the Board President.

Mr. Niemczyk presented a Professional Service Agreement with Earth Engineer Consultants, LLC for geotechnical engineering consulting and

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construction material testing. Following discussion and upon motion duly made by Director Kane, seconded by Director Crowder, and upon vote, unanimously carried, it was

RESOLVED to approve the Professional Service Agreement with Earth Engineer Consultants, LLC for geotechnical engineering consulting and construction material testing, in an amount not to exceed \$7,980, subject to the successful closing of escrow and final review by the Board President.

Mr. Niemczyk presented a Professional Service Agreement with King Surveyor, Inc. for surveying and staking services. Following discussion and upon motion duly made by Director Kane, seconded by Director Crowder, and upon vote, unanimously carried, it was

RESOLVED to approve the Professional Service Agreement with King Surveyor, Inc. for surveying and staking services, in an amount not to exceed \$7,695, subject to the successful closing of escrow and final review by Board President.

Mr. Woolard presented an Addendum with Pinnacle Consulting Group, Inc. for project administration services. Following discussion and upon motion duly made by Director Hall, seconded by Director Crowder, and upon vote, unanimously carried, it was

RESOLVED to approve the Addendum with Pinnacle Consulting Group, Inc. for project administration services, in an amount not to exceed \$18,750, subject to the successful closing of escrow and final review by the Board President.

Change Order Execution Procedures: The Boards discussed the current Change Order approval process and alternatives. Following discussion and upon motion duly made by Director Crowder, seconded by Director Hall, and upon vote, unanimously carried, it was

RESOLVED to authorize the Project Manager to approve change orders up to 5% of the hard cost budget, for ratification at a future Board meeting.

Capital Infrastructure Priorities: The Boards discussed capital infrastructure priorities.

FINANCIAL ITEMS

Mr. Campbell reviewed investment options with the Board. The Boards directed Mr. Campbell to conduct market research regarding financial assets

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management costs, and present the findings to the Boards at the September meeting.

ITEMS FROM
LEGAL COUNSEL

CDOT IGA for I25 Project: Mr. Pogue presented an Intergovernmental Agreement between the Colorado Department of Transportation and Centerra Metropolitan District No. 1 for the I25 Project. Following discussion and upon motion duly made by Director Kane, seconded by Director Crowder, and upon vote, unanimously carried, it was

RESOLVED to approve the Intergovernmental Agreement between Colorado Department of Transportation and Centerra Metropolitan District No. 1 for the I25 Project, as revised by legal counsel and subject to non-substantive changes by the Colorado Department of Transportation.

Lift Station Dedication Agreement: Mr. Pogue presented the Lift Station Dedication Agreement between the City of Loveland, Centerra Properties West, LLC and Centerra Metropolitan District No. 1. Following discussion and upon motion duly made by Director Kane, seconded by Director Hall, and upon vote, unanimously carried, it was

RESOLVED to approve the Lift Station Dedication Agreement between the City of Loveland, Centerra Properties West, LLC, and Centerra Metropolitan District No. 1, subject to final review by legal counsel of any non-substantive revisions from Centerra Properties West or the City of Loveland.

2017 Legislative Summary: Mr. Pogue provided a summary of the legislative actions affecting Special Districts in 2017.

ITEMS FROM
DISTRICT MANAGER

Manager's Report: Ms. Morgan provided a summary of current operations throughout the District. She noted that inspections will be conducted on August 23rd. Ms. Morgan reported that Pinnacle conducted an evaluation of certain City of Loveland assets within the Districts, noting the items in need of attention. The Board requested Ms. Morgan discuss with the City of Loveland.

Rocky Mountain Avenue Repairs: Ms. Morgan presented a Work Order with Environmental Designs, Inc. for repairs at Rocky Mountain and Artisan Avenue. Following discussion and upon motion duly made by Director Kane, seconded by Director Hall, and upon vote, unanimously carried, it was

RESOLVED to approve the Work Order with Environmental Designs, Inc. for Rocky Mountain Avenue repairs, in an amount not to exceed \$90,000.

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2017 Annual Administrative Matters Resolution Amendment: Ms. Morgan discussed Directors' fees with the Board noting that Statute permits Directors fees in the amount of \$100 per District, per meeting, in an amount not to exceed \$1,600 annually per District. After further review and discussion, and upon motion duly made by Director Crowder, seconded by Director Kane, and upon unanimous vote, it was

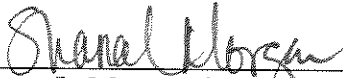
RESOLVED to amend the 2017 Annual Administrative Matters Resolution to include payment of Directors Fees in the amount of \$100 each, for District Nos. 1 and 2, per meeting, waiving Directors Fees for District Nos. 3-5, in an amount not to exceed \$1,600 annually per District, commencing July 27, 2017.

ADJOURNMENT

There being no further business to come before the Boards and upon motion and second, the meeting was adjourned at 11:15 a.m.

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

Respectfully Submitted,



Shana L. Morgan, Secretary for the Meeting

