

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
November 21, 2019

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, November 21, 2019.

ATTENDANCE

Directors in Attendance:

Kim Perry, President
David Spaeth, Vice President
Courtney Parmelee, Secretary (Via Teleconference)
David Crowder, Assistant Secretary & Assistant Treasurer

Directors Absent but Excused:

Josh Kane, Treasurer & Assistant Secretary

Also in Attendance:

Alan Pogue; Icenogle Seaver Pogue, P.C.
Jeff Breidenbach, and Jim Niemczyk; McWhinney
Tim DePeder and Abby Kirkbride; McWhinney (Via Teleconference)
P. Jonathan Heroux; Piper Jaffray (Via Teleconference)
Alan Krcmarik; City of Loveland (Via Teleconference)
Troy Kelts; Merrick (Via Teleconference)
Peggy Dowswell, Ryan Abbott, Shannon McEvoy, Elaina Cobb, Casey Milligan, Brendan Campbell, and Irene McCaffrey; Pinnacle Consulting Group, Inc.
Jason Woolard; Pinnacle Consulting Group, Inc. (Via Teleconference)
Dave Clark; City of Loveland, Ward IV Councilor

CALL MEETING TO
ORDER

The meeting was called to order at 12:01 p.m. by Director Perry, 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

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.

APPROVAL OF AGENDA

The Boards considered the agenda. Upon a motion duly made by Director Crowder, seconded by Director Spaeth, and upon vote, unanimously carried, it was

RESOLVED to approve the agenda, as presented.

PUBLIC COMMENT

There were no comments made by members of the public.

CONSENT AGENDA ITEMS

The Boards considered the following consent agenda items:

- A. Approval of Minutes—October 17, 2019 Regular Meeting.
- B. Ratification of Payables.
- C. Capital Fund Summary.
- D. Ratification of Contract Modifications.
- E. Financial Statements as of September 30, 2019.

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

RESOLVED to ratify and approve the items above, as presented.

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CAPITAL INFRASTRUCTURE ITEMS

District Capital Infrastructure Report: Mr. Milligan presented the Capital Infrastructure Report, noting all bus stops have been installed and are fully operational.

District Project Manager Update: Mr. Niemczyk provided an update on current projects ongoing within the Districts.

Master Service agreement and Work Order # 2019-01 with Olsson Inc.: Mr. Milligan presented a Master Service Agreement and Work Order 2019-01 with Olsson Inc. for Civil Engineering Design Services related to Parcel 301. Following review and discussion, upon a motion duly made by Director Crowder, seconded by Director Parmelee, and upon vote, unanimously carried, it was

RESOLVED to ratify a Master Service agreement and Work Order 2019-01 with Olsson Inc. for Civil Engineering Design Services related to Parcel 301 in an amount of \$102,975.

AMENDED 2019 PROPOSED BUDGET HEARING

Director Perry opened the 2019 amended Budget hearing for Centerra District No. 5. Mr. Abbott reported that notice of the budget hearing had been published on November 8, 2019 in accordance with state budget law. Mr. Campbell reviewed the proposed amended budgets and answered questions. The 2019 budget is to be amended as follows:

District No. 5.
General Fund Expenditure: \$13,207

There being no public input, the public portion of the budget hearing was closed. After further review and discussion, and upon motion duly made by Director Crowder, seconded by Director Spaeth, and upon vote, it was unanimously

RESOLVED to approve the Resolution to Adopt the Amended 2019 General Fund budget for Centerra District No. 5, and appropriate budgeted funds.

2020 PROPOSED BUDGET HEARING

Director Perry opened the 2020 Budget Hearing for Centerra Metropolitan Districts Nos. 1-5. Mr. Abbott reported that notice of the budget hearing had been published on November 8, 2019 in accordance with state budget law. Mr. Campbell reviewed the budgets in detail, and answered questions pertaining to the mill levy and estimated revenues and expenditures. The budgets by District and fund are as follows.

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District No. 1, Service District:
Mill levy is 0 mills.
General Fund Expenditures: \$3,267,971
Debt Service Fund Expenditures: \$14,916,471
Capital Fund Expenditures: \$38,473,538

District No. 2
Financing District Mill levy is 47.6 mills.
General Fund Expenditures: \$ 662,287

District No. 3, Financing District
Mill levy is 5 mills.
General Fund Expenditures: \$417

District No. 4, Financing District
Mill levy is 0 mills.
General Fund Expenditures: \$0

District No. 5, Financing District
Mill levy is 15 mills.
General Fund Expenditures: \$16,720

There being no public input, the public hearing portion of the budget was closed. Upon motion duly made by Director Parmelee, seconded by Director Crowder, and upon vote, it was unanimously

RESOLVED to approve the Resolution to Adopt the 2020 budgets for Centerra Metropolitan Districts Nos. 1-5, set the mill levies, appropriate budgeted funds upon final certification of value being received by the County of Larimer on or before December 10, 2019 and approve all other documents related to the 2020 budget. The District Manager is authorized to make minor modifications that may be necessary following receipt of final assessed values.

FINANCIAL ITEMS

Financial Service Agreement with Piper Jaffray: Mr. Heroux with Piper Jaffray detailed the different financial services provided. Mr. Campbell requested the Board approve a Financial Services Agreement with Piper Jaffray. Following review and discussion and upon a motion duly made by Director Spaeth, seconded by Director Crowder, and upon vote, unanimously carried, it was

RESOLVED to approve the acceptance of a Financial Services Agreement with Piper Jaffray in an amount of \$1.25 per \$1,000 bond.

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Approval of 2019 Auditor: Mr. Campbell reaffirmed the financial management team's satisfaction with the audit services of John Cutler & Associates and recommended utilizing this firm for the 2019 Audit. Following discussion and upon motion duly made by Director Spaeth, seconded by Director Crowder, and upon vote, unanimously carried, it was

RESOLVED to approve John Cutler & Associates for 2019 audit services for the Centerra Metropolitan Districts, PIC, and PIF in an amount not to exceed \$12,500. The Board also directed staff send a Request for Proposal to additional auditors for the 2020 audits.

Approval of Loveland Urban Renewal Authority 2018 Audit Report: Mr. Campbell briefed the Board and provided a handout outlining the audit services and requested approval for the Loveland Urban Renewal Authority 2018 Audit Report as it relates to Centerra. Following review and discussion and upon a motion duly made by Director Spaeth, seconded by Director Crowder, and upon vote, unanimously carried, it was

RESOLVED to approve the acceptance of Loveland Urban Renewal Authority 2018 Audit Report as it relates to Centerra.

LEGAL ITEMS

2020 Annual Administrative Matters Resolution: Mr. Pogue presented the 2020 Annual Administrative Matters Resolution; noting that it outlines the operations of the Districts, directs District's legal counsel and consultants in their management of the Districts and directs them to make all necessary filings. It designates the Reporter Herald as the newspaper of choice for public notifications, it identifies the district's website as the posting location, appoints the officers of the Districts, excludes Board Member worker's compensation, and ratifies all actions by the Board. The Resolution also addresses general compliance items required by law. Upon motion duly made by Director Parmelee, and seconded by Director Crowder, it was unanimously

RESOLVED to approve the 2020 Annual Administrative Matters Resolution, as presented.

2020 Election Resolutions: Mr. Pogue presented the Election Resolution for District Nos. 1-5. After discussion and upon motion duly made by Director Parmelee and seconded by Director Crowder, it was unanimously

RESOLVED to approve the two 2020 Election Resolutions as presented.

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Chapungu Sculpture Park Rules: Mr. Pogue presented the Chapungu Sculpture Park rules. After discussion and upon motion duly made by Director Crowder and seconded by Director Spaeth, it was unanimously

RESOLVED to approve the Chapungu Resolution as presented.

Trail Easement and Canal Maintenance Agreement with GLIC: Mr. Pogue presented the Trail Easement and Canal Maintenance Agreement with GLIC. After discussion and upon motion duly made by Director Crowder and seconded by Director Spaeth, it was unanimously

RESOLVED to approve the Ratification of Trail Easement and Canal Maintenance Agreement with GLIC.

Approval of Amendment to Reimbursement Agreement for Centerra Parkway: Mr. Pogue presented the Amendment to Reimbursement Agreement for Centerra Parkway and requested approval. After discussion and upon motion duly made by Director Crowder and seconded by Director Spaeth, it was unanimously

RESOLVED to approve the Amendment to Reimbursement Agreement for Centerra Parkway with a 10-year extension.

Approval of Easement from Centerra Properties West, LLC to District No. 1 for Irrigation Controller: Mr. Pogue presented the Easement from Centerra Properties West, LLC to District No. 1 for Irrigation Controller. After discussion and upon motion duly made by Director Spaeth and seconded by Director Crowder, it was unanimously

RESOLVED to approve the Easement from Centerra Properties West, LLC to District No. 1.

Approval of District No. 3 of Intergovernmental Agreement Concerning Mill Levy Cap for Centerra Metropolitan District No. 3: Mr. Pogue presented the District No. 3 of Intergovernmental Agreement Concerning Mill Levy Cap for Centerra Metropolitan District No. 3 for approval. After discussion and upon motion duly made by Director Spaeth and seconded by Director Crowder, it was unanimously

RESOLVED to approve the District No. 3 of Intergovernmental Agreement Concerning Mill Levy Cap for Centerra Metropolitan District No. 3.

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ITEMS FROM DISTRICT MANAGER

Manager's Report: Mr. Abbott presented the Manager's Report to the Boards and answered questions. Mr. Abbott noted the Winter Wonderlights were underway and the holiday lights would be up starting the evening of November 21, 2019. Mr. Abbott also noted Environmental Designs has won the Silver Award from the National Landscape Service for their work at Centerra

2020 Operations and Maintenance Service Agreements: Mr. Abbott presented the 2020 Operation and Maintenance Agreements with the following companies:

- i. Affordable Pest Control.
- ii. All Sweep.
- iii. Environmental Designs, Inc.
- iv. Integrity Lawn.
- v. OLM.
- vi. High Plains Environmental Center.
- vii. SWPPP
- viii. MRES.
- ix. City of Loveland.
- x. J&S construction.
- xi. Quality Well and Pump.
- xii. Black Eagle Fence.
- xiii. ET Water.
- xiv. D&D Concrete.
- xv. DaVinci Signs
- xvi. Sav a Tree.

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

RESOLVED to approve the following Contracts/Agreements as presented.

December 19, 2019 Regular Meeting: Mr. Abbott and Mr. Pogue discussed with the Board cancelling the December 19, 2019 Regular Board meeting. After Discussion it was decided to keep the December meeting as scheduled.

Public Relations Update: Mr. Abbott gave an update to the Board regarding Public Relations and informed the Board there is a meeting this afternoon regarding strategy and moving forward.

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ITEMS FROM
DIRECTORS

Director Perry informed the Board the Loveland City Parks and Recreation has asked for a letter of recommendation for a \$1,500 grant to complete the trail connection.

Director Perry also updated the Boards regarding the water wise irrigation studies and ongoing efforts to include studies on plant varieties.

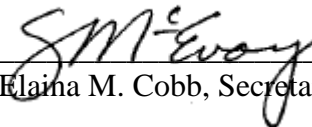
Director Crowder spoke to the Board about staying engaged in discussions regarding hydro zones stating the District may need to look for alternatives and new turf options for lower costs.

ADJOURNMENT

There being no further business to come before the Boards and upon motion and second, the meeting was adjourned at 12:57 p.m.

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

Respectfully Submitted,



FOR: Elaine M. Cobb, Secretary for the Meeting