

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
February 15, 2018

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, February 15, 2018. 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

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.

Dave Betley, Jeff Breidenbach, Jim Niemczyk, Robert Taylor, and Wendy Messinger; McWhinney

Brendan Campbell, Peggy Dowswell, Shannon McEvoy, and Jason Woolard; Pinnacle Consulting Group, Inc.

CALL MEETING TO
ORDER

The meeting was called to order at 12:09 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.

APPROVAL OF
AGENDA

The Boards considered the agenda as amended to move item I. E. to item VII. A. and to add items:

III. C. ii. Consider Approval of Architectural Services Agreement with Dorman Associates for Parcel 206, NTE \$44,245

III. D. Discussion of Electrical Charging Stations in the Parcel 206 Parking Lot.

Upon motion duly made by Director Crowder, seconded by Director Perry, 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 – January 18, 2018,
- B. Ratification of Payables: January 1, 2018 through January 31, 2018,
and
- C. Financial Statements through December 31, 2017

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

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RESOLVED to approve and ratify the consent agenda items, as amended, with the Capital Funds Summary to be discussed under item IV.

DISTRICT CAPITAL
INFRASTRUCTURE
REPORT

Mr. Woolard reviewed the Capital Infrastructure report with the Boards.

Mr. Woolard reported the bid package for the Savanna 3rd Subdivision Public Infrastructure project were issued on February 8, 2018 and the mandatory pre-bid meeting was conducted on February 15, 2018 with ten contractors in attendance. The bid results will be presented at the March Board meeting.

Mr. Woolard stated reports were that the HUD financing for the Parcel 504 Public Infrastructure/Landscaping project was delayed until March therefore pushing the start of the public bid process. The project is now tentatively slated to start in June or July.

Mr. Woolard further reported that the City of Loveland water/sewer final acceptance was recently issued for the Hahn's Peak Extension project. The streets/storm system final acceptance walkthrough with the City and contractor is scheduled for March 9, 2018.

DISTRICT PROJECT
MANAGER UPDATE

Mr. Niemczyk provided an overview of ongoing District projects.

BIDDING AND
CONTRACTING

Master Services Agreement with Craine Architecture and Work Order No. 1 for Parcel 504: Mr. Niemczyk brought to the Boards for consideration the Master Services Agreement with Craine Architecture and Work Order No. 1 for design services associated with Parcel 504. Following discussion and upon a motion duly made by Director Crowder, seconded by Director Perry, and upon vote, unanimously carried, it was

RESOLVED to ratify the Master Services Agreement with Craine Architecture and Work Order No. 1 for design services associated with Parcel 504 in an amount of \$5,900.00.

Master Service Agreement with Dorman Associates and Work Order No. 1 for Parcel 206: Mr. Woolard presented a Master Services Agreement with Dorman Associates and Work Order No. 1 for planning and design services associated with Parcel 206. Following discussion and upon a motion duly made by Director Crowder, seconded by Director Perry, and upon vote, unanimously carried, it was

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RESOLVED to ratify the Master Services Agreement with Dorman Associates and Work Order No. 1 for planning and design services associated with Parcel 206 in an amount not to exceed \$44,245.00.

Electrical Charging Stations: Mr. Niemczyk presented a proposal for the installation of electric vehicle charging stations in the Parcel 206 parking lot. Initial installation costs are \$10,594 with an additional \$5,500 per charging station, with three stations being contemplated for a total cost of \$27,334. After review and discussion and upon a motion duly made by Director Crowder, seconded by Director Perry, and upon vote, unanimously carried, it was

RESOLVED to approve the pursuit of the contract for three charging stations in the Parcel 206 parking lot.

FINANCIAL ITEMS

Financial Presentation: Mr. Campbell presented the Capital Fund Summary to the Boards and answered questions. He specifically covered the changes to the CFS, notably discussing updates to show expected remainder of costs for projects.

The Boards directed Mr. Niemczyk to provide a cost estimate for the Centerra East project to be included in the CFS for the next board meeting.

2017 AMENDED BUDGET HEARING

Director Perry opened the 2017 amended Budget hearing for Centerra District Nos. 2 and 5. Ms. Dowswell reported that notice of the budget hearing had been published on February 13, 2018, in accordance with state budget law. Mr. Campbell reviewed the proposed amended budgets and answered questions. The 2017 budgets are to be amended as follows:

District No. 2.
General Fund: \$538,746

District No. 5
General Fund: \$2,091

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 Perry, and upon vote, it was unanimously

RESOLVED to approve the Resolution to Adopt the Amended 2017 General Fund budgets for Centerra District Nos. 2 and 5, and appropriate budgeted funds.

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2018 AMENDED BUDGET HEARING

Director Perry opened the 2018 amended Budget hearing for Centerra District No. 1. Ms. Dowswell reported that notice of the budget hearing had been published on February 8, 2018, in accordance with state budget law. Mr. Campbell reviewed the proposed amended budget and answered questions. The 2018 budget is to be amended as follows:

District No. 1
General Fund: \$2,138,118
Capital Fund: \$30,005,210

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 Perry, and upon vote, it was unanimously

RESOLVED to approve the Resolution to Adopt the Amended 2018 General and Capital Fund budget for Centerra District No. 1 and appropriate budgeted funds.

2017 AUDIT EXEMPTIONS

Mr. Campbell presented the 2017 Audit Exemptions for District Nos. 2-5 to the Boards and answered questions. After review and discussion, and upon motion duly made by Director Crowder, seconded by Director Perry, and upon vote, it was unanimously

RESOLVED to approve the 2017 Audit Exemptions for District Nos. 2-5.

ITEMS FROM LEGAL COUNSEL

Petition to Include Real Property Owned by ZIMCPW, LLC and Centerra Properties West, LLC into District No. 3.: Director Perry opened the public hearing for the Petition to Include Real Property owned by ZIMCPW, LLC and Centerra Properties West, LLC into District No. 3 at 12:52 p.m. Mr. Pogue reported that the District No. 3 Board received a petition from ZIMCPW, LLC and Centerra Properties West, LLC requesting the inclusion of real property into the boundaries of the District. Mr. Pogue reported that notice of the hearing had been published in the Loveland Reporter-Herald on February 12, 2018 in accordance with state law. Upon receiving no comments, the public hearing was closed. Upon review of the inclusion petition, and upon motion duly made by Director Crowder, and seconded by Director Perry, it was unanimously

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RESOLVED to approve the Resolution concerning the inclusion of real property into the boundaries of Centerra Metropolitan District No. 3. The Board further directed Mr. Pogue to complete the inclusion as described in the approving resolution.

CDOT Offer to Purchase: Mr. Pogue reported that the Districts had received an offer to purchase five parcels (RW-95, RW-95A, AC-95, AC-95A and UE-95) from CDOT in the amount of \$66,400. After review and discussion of the offer, and upon motion duly made by Director Crowder, and seconded by Director Perry, it was unanimously

RESOLVED to accept the offer from CDOT concerning purchase of parcels RW-95, RW-95A, AC-95, AC-95A and UE-95 in the amount of \$66,400 and directed District legal counsel and manager to complete the required documentation.

ITEMS FROM
DISTRICT MANAGER

Manager's Report: Ms. Dowswell reviewed the written report with the Boards.

Chapungu Stage Structure: Mr. Woolard discussed the options for construction of a stage structure for events at the Chapungu Sculpture park. Mr. Woolard is currently working with MRES project managers for the design, bid, build process. A temporary structure is also being considered in the event a permanent structure is not in place in time for the summer concert series.

Development Planning & Financing Group, Inc (DPFG): Ms. Dowswell presented a Master Engagement Letter and two Task Orders from DPFG to provide consulting services to Centerra Metropolitan District No. 1. After review and discussion, and upon motion duly made by Director Crowder, and seconded by Director Perry, it was unanimously

RESOLVED to approve the Master Engagement Letter with DPFG for consulting services and two task orders in the amount of \$47,300 and \$33,100, respectively. Additionally, Centerra Metropolitan District will be responsible for one-third of the costs related to Task Order No. 1, and 70% of the costs related to Task Order No. 2.

Services Agreement for Ditch Maintenance: Mr. Woolard presented proposals from EDI, J&S, and Quality Well and Pump for services relating to maintenance of the Farmer's Ditch within the District's boundaries. After review and discussion, and upon motion duly made by Director Crowder, and seconded by Director Perry, it was unanimously

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RESOLVED to approve a Services Agreement for maintenance of the Farmer's Ditch, subject to the Board President's final approval, NTE \$150,000.

OTHER MATTERS

Consideration of Appointment to Fill Vacancy on Boards: Mr. Pogue reported that a call for interested candidates to fill the Board vacancy was published on January 24, 2018. The District did not receive any additional letters of interest to serve on the Boards. Courtney Parmelee has agreed to serve and is qualified to service on the Boards. After discussion, and upon motion duly made by Director Crowder, and seconded by Director Perry, it was unanimously

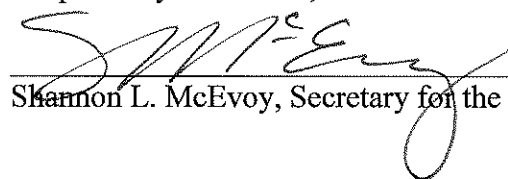
RESOLVED to approve the appointment of Courtney Parmelee to serve on the Boards of Districts Nos. 1-5 to fill the term expiring May 2020 as Secretary for the Boards.

ADJOURNMENT

There being no further business to come before the Boards and upon motion and second, the meeting was adjourned at 1:26 p.m.

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

Respectfully Submitted,


Shannon L. McEvoy, Secretary for the Meeting