

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
May 18, 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 regular meeting, open to the public, at 2725 Rocky Mountain Avenue, Loveland, Colorado 80538, at 12:00 p.m., Thursday, May 18, 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
Tom Hall, Secretary

Directors Absent but Excused:

David Crowder, Assistant Secretary & Assistant Treasurer

Also in Attendance:

Alan Pogue; Icenogle Seaver Pogue, P.C.
Jim Niemczyk, Dave Betley, and Celeste Smith; McWhinney
Cindy Mackin and Beata McKee; City of Loveland
Peggy Dowswell, Shana Morgan, Brendan Campbell, Jason Woolard, Kirsten
Starman, and Darcy Chilton; Pinnacle Consulting Group, Inc.
Ralph Trenary; Public

CALL MEETING TO
ORDER

The meeting was called to order at 12:03 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.

PUBLIC COMMENT

Mr. Trenary expressed his appreciation to the Boards for their sustained efforts on projects that benefit the City of Loveland.

CONSENT AGENDA ITEMS

The Boards considered the consent agenda items:

- A. Minutes of the April 20, 2017 regular meeting,
- B. Ratification of Payables: April 1, 2017 through April 28, 2017,
- C. Financial Statements through March 30, 2017,
- D. Capital Fund Summary, and
- E. Ratification of Contract Modifications.

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

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

Consideration of the agenda was pulled from the consent agenda items.

APPROVAL OF AGENDA

The Boards considered the approval of the agenda to add items V.C. Discussion of Investment Options for District Funds, and VI. B. Consideration of Temporary Construction Easement. Upon motion duly made by Director Hall, seconded by Director Kane, and upon vote, unanimously carried, it was

RESOLVED to approve the agenda, as amended.

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CHAPUNGU PARK

Chapungu Park Event Presentation: Ms. Celeste Smith from McWhinney, and Ms. Cindy Mackin and Ms. Beata McKee from the City of Loveland introduced themselves and addressed the Boards. They reported that Visit Loveland had applied for and received a \$100,000 grant through the Community Development Block Grant Disaster Recovery Program (CDBG-DR) and received an additional \$50,000 from the Community Marketing Commission. They would like to use the funds to host a “Winter Wonderlights” event at Chapungu Park. The event would run from the week of Thanksgiving through the second week of January. The Boards agreed to allow the use of the Park for the event and directed legal counsel to work on an Agreement to be considered at a future meeting.

DISTRICT CAPITAL INFRASTRUCTURE REPORT

Ms. Starman and Mr. Woolard presented the Capital Infrastructure report to the Boards.

DISTRICT PROJECT MANAGER UPDATE

Mr. Niemczyk reported that the City of Loveland will be discussing the regional traffic study, which includes Boyd Lake Avenue, on May 23rd.

BIDDING AND CONTRACTING

Boyd Lake Avenue South: Mr. Niemczyk presented a Professional Services Agreement with Kellar Engineering for engineering design services. Following discussion and upon motion duly made by Director Hall, seconded by Director Kane, and upon vote, unanimously carried, it was

RESOLVED to approve a Professional Services Agreement with Kellar Engineering for engineering design services, in an amount not to exceed \$17,700.

Kendall Parkway: Mr. Niemczyk presented an Amendment to the Professional Service Agreement with CWC Consulting Group for additional engineering design services, related to a pedestrian underpass along Kendall Parkway. Following discussion and upon motion duly made by Director Hall, seconded by Director Kane, and upon vote, unanimously carried, it was

RESOLVED to approve an Amendment to the Professional Service Agreement with CWC Consulting Group for additional engineering design services, in an amount not to exceed \$24,955.

Kendall Parkway West: The Boards determined to table discussion of this matter to the regular meeting in June.

Parcel 504: Mr. Niemczyk presented the First Amendment to the Professional Service Agreement with Harris Kocher Engineering Group Inc. for additional engineering design services in the amount of \$13,330. Following discussion and

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

RESOLVED to ratify the First Amendment to the Professional Service Agreement with Harris Kocher Engineering Group Inc. for additional engineering design services, in an amount not to exceed \$13,330.

Parcel 102: Mr. Woolard presented an Addendum with Pinnacle Consulting Group, Inc. for project administration services in the amount of \$9,500. 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 Addendum with Pinnacle Consulting Group, Inc. for project administration services, in an amount not to exceed \$9,500.

FINANCIAL ITEMS

Investment Options: Ms. Dowswell and Mr. Campbell addressed the Boards regarding investment options for District funds. The Boards requested the finance team research various options to present at a future meeting.

ITEMS FROM LEGAL COUNSEL

Temporary Construction Easement: Attorney Pogue presented the Temporary Construction Easement between Centerra Metropolitan District No. 1, Centerra Properties West, LLC, and DRL Leasing. 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 Temporary Construction Easement between District No. 1, Centerra Properties West, LLC, and DRL Leasing.

ITEMS FROM DISTRICT MANAGER

Repair and Replacement Reserves: Ms. Dowswell and Mr. Woolard presented a high-level repair and replacement reserve schedule to the Boards. Ms. Dowswell noted that now that the debt has been fixed long-term, and operations and reserve funding has more flexibility in the new debt structure, the District can turn its attention to securing reserve funds for the future. Following discussion, the Boards directed Pinnacle to work with a third party to get a proposal to further research, fine-tune, and estimate the costs and projections.

Operations and Maintenance Report: Ms. Morgan provided a summary of current operations throughout the District. She noted that inspections were completed and scores were: Chapungu Park, 94%; Centerra Metro District, 91%; and Boyd Lake Avenue, 92%. Ms. Morgan reported that she, along with Directors Hall and Crowder, performed a drive through of the District on April 21st. Pinnacle is

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working to provide additional information and clarification of identified areas of concern.

ADJOURNMENT

There being no further business to come before the Boards and upon motion and second, the meeting was adjourned at 1:12 p.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