

# 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  
October 21, 2010

The Boards of Directors of the 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 the office of McWhinney, 2725 Rocky Mountain Avenue, Loveland, Colorado 80538, at 12:00 Noon, Thursday, October 21, 2010. 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  
Jay Hardy, Vice President & Assistant Secretary  
Josh Kane, Assistant Secretary/Treasurer  
Doug Hill, Treasurer & Assistant Secretary  
Tom Hall, Secretary

#### Also in Attendance:

Jim Niemczyk, McWhinney  
Wendy Messinger, McWhinney  
Alan Pogue, Icenogle, Seaver, & Pogue  
Peggy Dowswell, Pinnacle Consulting Group Inc.  
Carla Hawkins, Pinnacle Consulting Group Inc.  
Rich Shannon, Pinnacle Consulting Group Inc.  
Brendan Campbell, Pinnacle Consulting Group Inc.  
Bonnie Steele, City of Loveland  
Frank Hempen Jr., City of Loveland (departed meeting at 12:30 p.m.)

### CALL TO ORDER

The meeting was called to order at 12:05 p.m. by Director Kim Perry, President of the Boards, 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

Mr. Pogue, legal counsel, noted 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 District. Mr. Pogue advised the Board that pursuant to

# RECORD OF PROCEEDINGS

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Colorado law, certain disclosures by the Board Members might be required prior to taking official action at a meeting. The Board 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 Board determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Board to act.

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## AGENDA

The Board reviewed the agenda. Upon motion duly made by Director Kane and seconded by Director Hill, it was unanimously

**RESOLVED** to approve the agenda as presented.

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## APPROVAL OF MINUTES

The minutes of the August 19, 2010 meetings were presented and reviewed. Upon motion duly made by Director Hardy and seconded by Director Hall, it was unanimously

**RESOLVED** to approve the Minutes referenced above, as presented.

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## I-25 INTERCHANGE UPDATES I-25 & CROSSROADS

Mr. Phil Weisbach, SEH, had submitted the Monthly Project Progress Briefing and budget worksheets for the I-25 & Crossroads and I-25 & US Hwy 34 Interchanges, a copy of which was submitted with the board packet. Mr. Frank Hempen gave an update in the absence of Mr. Weisbach at the meeting. He mentioned the I-25 & Crossroads project was complete. He is confident that the project is under budget with a saving of \$300,000 to \$400,000. After filing necessary Federal paperwork, distribution of any remaining funds will be made to the District. Director Perry asked about the status of the landscape maintenance contractor. Mr. Niemczyk stated that he anticipated receiving as-built drawings from the contractor and he is working with Mr. Wiesbach and the vendor to ensure the warranty is not affected. If the vendor does not perform, a new landscape maintenance contractor will be considered. Director Hardy mentioned that Northern Colorado Business Report had done an opinion poll and the project received a 70% approval rating.

## I-25 & HWY 34

Mr. Hempen reported that construction progress continues with the interchange traffic flows. It is anticipated that this work will be completed by mid-November, weather permitting. He stated the wall veneer had been installed. Structural coating and landscaping will begin as the temperature will allow in the spring. He noted that the big exposure items have been identified and the outlook is that there will be a surplus of \$300,000 to \$350,000 that will stay in the regional sub-account for release in 2014 unless City Council gives approval to release the funds earlier. There has been little feedback from the public. Director Hardy noted that Best Western representatives mentioned there was no negative dip in their reservations and have been pleased with the responsiveness by the construction team.

Mr. Hempen stated efforts were being made to review the traffic analysis scope of services for Kendall Parkway.

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## ITEMS FROM THE DISTRICT MANAGER

### SDA Conference and 2010 Collaborative Award

District Administrator, Carla Hawkins, noted the District had received a notable recognition for the 2010 Collaborative Award for the I-25 Interchange projects and she presented the plaque to the Board. This award recognizes districts that have created successful working relationships with other local governments.

# RECORD OF PROCEEDINGS

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## Kendall Underpass Preliminary Design Consulting Services

Mr. Shannon noted the anticipated expense for a regional transportation impact study is between \$30,000 to \$40,000. There is already \$20,000 in the current 2010 budget for this project. Director Hardy stated that he would like to revisit the list of regional projects with the Mayor. The decision was made for Director Hardy, Mr. Niemczyk and traffic engineer, Joan Higgins to work together on this evaluation of projects.

## Acceptance of Costs for Street Infrastructure for Crossroad Interchange Earthmoving

Mr. Shannon presented for the Board's consideration and acceptance, as a result of a review and recommendation by Pinnacle Consulting Group Inc., the Developer Costs for Centerra Properties West, LLC (CPW) for Parcel 218 in the amount of \$6,178.19 and add to the Note to the Developer in the same amount of \$6,178.19. Upon motion duly made by Director Hardy and seconded by Director Hill, it was unanimously

**RESOLVED** to accept the Developer Costs for \$6,178.19 and to add those costs to the existing promissory note made by CPW to Centerra Metropolitan District No. 1 securing repayment of items advanced or spent on the Districts' behalf pursuant to reimbursement agreements entered into between the District and CPW.

## Snow Removal Services

Ms. Hawkins presented the Snow Removal Service Addendum between Centerra Metropolitan District No. 1 and ValleyCrest Landscaping. Upon motion duly made by Director Hill and seconded by Director Hardy, it was unanimously

**RESOLVED** to approve the ValleyCrest Snow Removal Addendum.

## City of Loveland Release of Obligation Agreement

Mr. Shannon presented the Release of Obligation Agreement with regards to Resurrection Fellowship paying its share for Centerra Parkway north construction. Upon motion duly made by Director Hill and seconded by Director Kane, it was unanimously

**RESOLVED** to approve the Release of Obligation Agreement from the City of Loveland.

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## ITEMS FROM THE FINANCE DIRECTOR

### Financial Report and Approval of Payables

Ms. Dowswell reviewed the Financial Statements as of August 31, 2010 and responded to questions from the Board.

Ms. Dowswell presented the Schedule of Payables for September 20, 2010, in the amount of \$643,573.87, including checks 4294 through 4321 and the Schedule of Payables for October 20, 2010, in the amount of \$1,392,130.46, including checks 4323 through 4354. Check #4322 was a check reissued for voided check #4318 for Icenogle, Seavers & Pogue P.C. previously paid in the September 20, 2010 Schedule of Payables. Upon motion duly made by Director Hill and seconded by Director Hardy, it was unanimously

**RESOLVED** to ratify the September 20, 2010 and approve the October 20, 2010 Schedules of Payables, in the amounts and check numbers noted above.

Ms. Dowswell reviewed the cash position reports as of September 30, 2010, updated to October 20, 2010. Director Hill requested a month to month cash flow report be submitted for review by the Board at the next meeting.

# RECORD OF PROCEEDINGS

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## Revised 2010 Budget and 2011 Budget Discussion

Ms. Dowswell presented the 2010 amended budget for District No.1 and the proposed 2011 Budgets for all five districts. The budget hearing for approval of the 2011 Budgets will be held at the regular meeting of the Centerra Boards of Directors on Thursday, November 18<sup>th</sup>. The budgets presented show the revenues at the same mill levy of 42.6 for District No. 2. The Capital Funds budget is needed for projects anticipated to be completed by the district in 2011 and this was provided by Mr. Niemczyk, project manager. The Board also discussed the possibility of assessing a mill levy of 15 mills for District No. 5. The management team will continue to review the budget and will make a recommendation at the next Board meeting.

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## ITEMS FROM THE ATTORNEY

### 2010 Ballot Initiatives and Updates on Amendment 60 & 61

Mr. Pogue updated the Board on the 2010 Ballot initiatives noting that polls are tracking at only a 20% margin for those in favor of approving amendments 60 & 61 and proposition 101.

### Crossroads Annexation

Mr. Pogue stated that effort to annex the Crossroads Interchange into the City of Loveland city limits is progressing and will require action at five City Council meetings over approximately three months. Mr. Pogue stated that he believes the items will each be on the consent agenda.

### Multi-Use Property Evaluation

Mr. Pogue stated there is legislation being discussed that could impact valuation of farm land. He mentioned he will continue to monitor and report back to the Board.

### IRS Ruling Regarding Board Members

Mr. Pogue stated he had received a letter from the IRS stating they have ruled elected officials (i.e. Board members) are to be considered employees; and therefore, subject to withholding taxes, etc. He will look further into the matter and report back to the Board.

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## PUBLIC COMMENTS

The Board opened the meeting to Public Comments. Upon receiving none, this portion of the meeting was closed.

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## EXECUTIVE SESSION

Mr. Pogue advised the Board that he would need to discuss pending litigation. Mr. Pogue advised the Board that it was permitted, upon compliance with requisite statutory procedures, for the Board to discuss the pending litigation in Executive Session for the purpose of receiving legal advice on specific legal questions, pursuant to Section 24-6-402(4)(b), C.R.S. Upon motion by Director Hardy, seconded by Director Hill, it was unanimously

**RESOLVED** to convene an Executive Session, pursuant to Section 24-6-402(4)(b), C.R.S., for the purpose of receiving legal advice on specific legal questions related to the pending litigation.

President Perry reported: "It is October 21, 2010 and the time is 1:45 p.m. I am the presiding officer of the Regular Meeting of the Board of Directors of the Centerra Metropolitan Districts Nos. 1-5. As required by the Colorado Open Meetings Law, the Executive Session is being recorded."

Present at the Executive Session: Kim Perry, Jay Hardy, Josh Kane, Doug Hill, Tom Hall and Alan Pogue

This is an Executive Session for the following purposes:

## RECORD OF PROCEEDINGS

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To receive legal advice on specific legal questions pursuant to Section 24-6-402(4)(b), C.R.S.

The Board was advised to confine all discussions to the stated purpose of the Executive Session. The Board was further advised that if at any point in the Executive Session, any participant believes that the discussion is beyond the proper scope of the Executive Session, such participant should interrupt the Executive Session and make an objection.

The Executive Session was recorded, pursuant to the Colorado Open Meetings Law.

The Executive Session concluded at 1:57 p.m.

Present at the Executive Session at conclusion: Kim Perry, Jay Hardy, Josh Kane, Doug Hill, Tom Hall and Alan Pogue.

Mr. Pogue advised the Board that if any person who participated in the Executive Session believes that any substantial discussion of any matters not included in the motion to convene the Executive Session occurred during the Executive Session, or that any improper action occurred during the Executive Session in violation of the Colorado Open Meetings Law, that such participant should state their concerns for the record.

No objections were stated.

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### ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned.

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

Respectfully Submitted,



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Carla Hawkins, Secretary for the Meeting