

# 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  
November 21, 2013

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 noon, Thursday, November 21, 2013. 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  
Julie Den Herder, Assistant Secretary & Assistant Treasurer  
Tom Hall, Secretary

Directors in Absent and Excused:

Josh Kane, Treasurer & Assistant Secretary

Also in Attendance:

Alan Pogue, Icenogle, Seaver & Pogue  
Jim Niemczyk, McWhinney (via phone at 12:06 p.m.)  
Jason Woolard, Pinnacle Consulting Group, Inc  
Jim Worley, Pinnacle Consulting Group, Inc.  
Carla Hawkins, Pinnacle Consulting Group, Inc.  
Brendan Campbell, Pinnacle Consulting Group, Inc  
Peggy Dowswell, Pinnacle Consulting Group, Inc.

CALL TO  
ORDER

The meeting was called to order at 12:03 p.m. by Director Perry, President, 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.

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## 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 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 Hardy and seconded by Director Den Herder it was unanimously

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

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## APPROVAL OF MINUTES

The minutes of the October 17, 2013 regular meeting were presented. Upon motion duly made by Director Den Herder and seconded by Director Hardy, it was unanimously

**RESOLVED** to approve the October 17, 2013 minutes as presented.

There were no actions or representations of the District by the District Manager to ratify since the last Board Meeting.

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## ITEMS FROM PROJECT MANAGER

### Boyd Lake Improvements

Mr. Pogue stated a letter has been sent to the property owner making an offer to purchase 2.33 acres for dedication of right-of-way to the City of Loveland. Mr. Pogue has kept the City of Loveland informed noting the parties will need to agree to the purchase price prior to mid-December to prevent filing a petition for condemnation with the court. Lamp Rynearson & Associates is currently designing the Lost Creek roundabout design required by the City of Loveland.

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## Parcel 505 Improvement Updates

Mr. Woolard reported this project is on standby pending positive movement by the land purchaser.

## Parcel 102 Improvement Updates

Mr. Woolard stated the under drain has been identified to create the easement legal description exhibit. Mr. Pogue agreed to draft the easement upon completion of the exhibit.

## Fall River Roundabout Updates

Mr. Woolard stated the traffic report has been completed for an expense of \$1,600. The roundabout schematic design is an additional \$8,950. The Board was in agreement to put this project on hold for future discussions with the City of Loveland and Centerra Marketplace Association.

## Motorplex – Mini Cooper

Director Hardy gave a brief summary of Mini Cooper's expansion plans. The project team is currently working on water reimbursement obligations for the Meyers Group subdivision.

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## ITEMS FROM THE FINANCE DIRECTOR

### Financial Report and Approval of Payables

Mr. Campbell presented for approval the November Schedule of Payables through November 19, 2013 in the amount of \$214,653.28; including checks 5289 through 5316. Upon motion duly made by Director Hardy and seconded by Director Den Herder, it was unanimously

**RESOLVED** to approve the November Schedule of Payables, in the amounts and the check numbers noted above.

### Approval of 2013 Auditor

Mr. Campbell reported John Cutler and Associates has agreed to provide the 2013 Audits for the same amount as last year's audit. Upon motion duly made by Director Den Herder and seconded by Director Hall, it was unanimously

**RESOLVED** to engage John Cutler and Associates to prepare the 2013 Audits.

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## 2014 BUDGET HEARING AND ADOPTION OF RESOLUTIONS

Director Perry opened the 2014 Budget Hearing to the public. Ms. Hawkins reported that notice of the hearing had been published on November 14, 2013 in accordance with state budget law. Mr. Campbell reviewed the budget in detail and answered questions pertaining to the mill levy, and estimated revenues and expenditures. Mr. Woolard reviewed the Operations and Maintenance budget. 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: \$1,473,776  
Debt Service Fund Expenditures: \$9,989,264  
Capital Fund Expenditures: \$138,000

District No. 2,  
Financing District Mill levy is 42.6 mills.  
General Fund Expenditures: \$382,908  
Bond Only:  
2004 Bond Series Mill levy is 6.655 mills.  
2008 Bond Series Mill levy is 35 mills.

District No. 3, Financing District  
Mill levy is 5 mills.  
General Fund Expenditures: \$640

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: \$174

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

**RESOLVED** to approve the Resolutions to Adopt the 2014 Budgets, Set the Mill Levies and Appropriate budgeted funds upon final certification of value being received from the County on or before December 10, 2013, and approve all other documents related to the 2014 budgets. Pinnacle Consulting Group Inc, as District Manager, is authorized to make minor modifications necessary following receipt of final assessed values.

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ITEMS FROM LEGAL  
COUNSEL

Condemnation

Mr. Pogue asked the Board to consider Malcolm Murray as legal counsel for the Boyd Lake Avenue condemnation. Upon motion duly made by Director Den Herder and seconded by Director Hall, it was unanimously

**RESOLVED** to direct Ms. Dowswell and Mr. Pogue to engage legal counsel for Boyd Lake right of way condemnation and to authorize Director Hardy to sign an engagement letter.

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### Approval of 2014 Administrative Matters Resolution

Mr. Pogue presented for the Board's consideration and approval the 2014 Administrative Matters Resolution. Upon motion duly made by Director Hardy and seconded by Director Hall, it was unanimously

**RESOLVED** to approve the 2014 Annual Administrative Matters Resolution.

### Approval of 2014 Election Resolution

Mr. Pogue presented for the Board's consideration and approval of the 2014 Election Resolution. Upon duly made by Director Hardy and seconded by Director Hall, it was unanimously

**RESOLVED** to approve the 2014 Annual Election Resolution.

### Approval of 2014 Meeting Resolution

Mr. Pogue presented for the Board's consideration and approval the 2014 Meeting Resolution. Upon duly made by Director Hardy and seconded by Director Hall, it was unanimously

**RESOLVED** to approve the 2014 Meeting Resolution.

### Amendment to Public Records Retention Resolution

Mr. Pogue presented for the Board's consideration and approval the Amendment to Public Records Retention Resolution. Upon duly made by Director Hardy, and seconded by Director Hall it was unanimously

**RESOLVED** to approve the 2014 Amendment to Public Records Retention Resolution as presented.

### Amended Policy re: Interest Rate Exchange Agreements and Engage Piper Jaffray as Qualified Independent Representative per CFTC Regulations

Ms. Dowswell reported on the amended policy for the interest rate exchange. Upon motion duly made by Director Den Herder, and seconded by Director Hardy, it was unanimously,

**RESOLVED** to direct Mr. Pogue, Director Kane and Ms. Dowswell to look at options for refinancing current debt.

Mr. Pogue asked for the Board's consideration and approval to Engage Piper Jaffray as Qualified Independent Representative per CFTC Regulations. Upon Duly made by Director Den Herder, and seconded by Director Hall, it was unanimously,

**RESOLVED** to Engage Piper Jaffray as Qualified Independent Representative per CFTC Regulations.

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Discussion re: Swaps with US Bank and Authorizing Execution of Communication Letter with US Bank

Mr. Pogue presented for the Board's consideration and approval Discussion re: Swaps with US Bank and Authorizing Execution of Communication Letter with US Bank. Upon Duly made by Director Hall, and seconded by Director Den Herder, it was unanimously,

**RESOLVED** to approve replacement of RBC with US Bank and authorize Director Kane to execute the communication letter with US Bank.

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BOARD MEMBER COMMENTS

There were no board member comments.

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OTHER MATTERS

There were no other matters brought before the Board.

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PUBLIC COMMENTS

The Board opened the meeting to Public Comments. Upon receiving no further comments, this portion of the meeting was closed.

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ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:26 p.m.

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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