
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
March 20, 2014

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, March 20, 2014. 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
Tom Hall, Secretary

Directors Absent and Excused:

Julie Den Herder, Assistant Secretary & Assistant Treasurer
Josh Kane, Treasurer & Assistant Secretary

Also in Attendance:

Alan Pogue, Icenogle Seaver Pogue, P.C.
Jim Niemczyk, McWhinney
Jim Worley, Pinnacle Consulting Group, Inc.
Jason Woolard & Steaven Johnson, Pinnacle Consulting Group, Inc.
Carla Hawkins, Pinnacle Consulting Group, Inc.
Brendan Campbell, Pinnacle Consulting Group, Inc.
Peggy Dowswell, Pinnacle Consulting Group, Inc.
Will Welch, WM. T. Welch Company, LLC
Ralph Trenary, Loveland City Council

CALL TO ORDER

The meeting was called to order at 12:02 p.m. by Director Perry, President, 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.

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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.

AGENDA

The Board reviewed the agenda. Upon motion duly made by Director Hardy and seconded by Director Hall it was unanimously

RESOLVED to approve the agenda as amended.

APPROVAL OF MINUTES

The minutes of the January 30, 2014 special meeting were presented. Upon motion duly made by Director Hardy and seconded by Director Hall, it was unanimously

RESOLVED to approve the January 30, 2014 minutes as presented.

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

ITEMS FROM PROJECT MANAGER

Parcel 505 Improvement Updates

Mr. Welch was introduced and each person present introduced themselves. Mr. Welch handed out the site plan for the project and gave a brief update noting the site development objective is to deliver a finished pad site to allow Bass Pro Shop to build an 80,000 square foot building now and a 20,000 square foot expansion at a later date.

Boyd Lake Improvements

Project Manager, Mr. Niemczyk, handed out a project summary updating the Board on the Boyd Lake Avenue improvements. He noted the projected costs exceed the last year's projections due to increase costs to construct the improvements to meet the City's roundabout and road design criteria, increase in unit pricing for materials, and work scope increases for overhead utility relocation and ROW acquisition. Mr. Niemczyk and Director Hardy each stated that some of the cost overruns will result in the District advancing construction of required future improvements for development along Boyd Lake Avenue. Construction contracts will be awarded late this month and in early April.

ITEMS FROM THE FINANCE DIRECTOR

Financial Report and Approval of Payables

Mr. Campbell presented for approval the February Schedule of Payables through February 28, 2014 in the amount of \$272,611.31; including checks 5362 through 5380 and March Schedule of Payables through March 14, 2014 in the amount of \$130,541.02; including checks 5381 through 5401. Upon motion duly made by Director Hardy and seconded by Director Hall, it was unanimously

RESOLVED to approve the February and March 2014 Schedule of Payables, in the amounts and the check numbers noted above.

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Mr. Campbell presented the January 31, 2014 financial statements and the current cash position report.

Mr. Campbell presented for the Board's approval the 2013 Audit Exemption's for District Nos. 2-5. Upon motion duly made by Director Hall and seconded by Director Hardy it was unanimously

RESOLVED to approve the 2013 Audit Exemptions for District Nos. 2-5.

Mr. Campbell presented a Capital Fund Summary as of February 28, 2014, noting the worksheet summarizes all capital projects budget and expense totals for funding requirements. This worksheet will be updated monthly and presented to the Board for their review at each Board meeting.

2013 AMENDED
DISTRICT NO. 2
BUDGET HEARING
AND ADOPTION OF
RESOLUTION

Director Perry opened the 2013 Amended District No. 2 Budget Hearing to the public. Ms. Hawkins reported that notice of the hearing had been published on March 17, 2014 in accordance with state budget law. Mr. Campbell noted District No. 2 had received additional revenues not anticipated in the original 2013 budget. He requested the Board amend District No. 2 general budget fund as follows:

District No. 2, Funding District:
Expenditures: \$355,000

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 Resolution to Adopt the District No. 2 Amended 2013 General Fund Budget and Appropriate budgeted funds.

ITEMS FROM THE
DISTRICT MANAGER

Approval of Engagement Letter with Icenogle, Seaver and Pogue, P.C.

Mr. Pogue submitted for the Board's consideration and approval an Engagement Letter for legal services. Director Perry noted that Mr. Pogue had discounted his rate effective in 2009 and has agreed to continue to offer a discounted rate for his services. The Board thanked Mr. Pogue for giving the District a discounted rate and for his continued service. Upon motion duly made by Director Hardy and seconded by Director Hall, it was unanimously

RESOLVED to approve the Icenogle, Seaver and Pogue 2014 Engagement Letter.

Approval of Flower Bed Expansion Work Order with Brickman

Mr. Worley submitted for the Board's consideration and approval a work order to expand the flower bed at the entry signs on Centerra Parkway and US Hwy 34. Upon motion duly made by Director Hardy and seconded by Director Hall, it was unanimously

RESOLVED to approve the Brickman Work Order for the flower bed extension in an amount not to exceed \$8,100.

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Approval of Sign Post Replacement Work Order with Front Range Reflective

Mr. Worley submitted for the Board's consideration and approval a work order to replace all remaining street regulatory sign posts to the brown post specifications. Upon motion duly made by Director Hardy and seconded by Director Hall, it was unanimously

RESOLVED to approve the Front Range Work Order for sign regulatory sign post replacements for \$10,210 and post inventory for \$3,607.

Approval of Earth Engineering Addendum

Mr. Worley submitted for the Board's consideration and approval an addendum for geotechnical services for Parcel 505 in the amount of \$1,500. Upon motion duly made by Director Hardy and seconded by Director Hall, it was unanimously

RESOLVED to approve the Earth Engineering Addendum for services noted above in an amount not to exceed \$1,500.

Approval of PCGI Addendums for Parcel 505

Mr. Worley submitted for the Board's consideration and approval two addendums for Parcel 505 bidding services and lift station planning and approval services. After discussion and upon motion duly made by Director Hall and seconded by Director Hardy, it was unanimously

RESOLVED to approve a PCGI Addendum in the amount of \$27,110 for parcel 505 bidding services and in the amount of \$24,565 for lift station planning and approval services.

Operations and Maintenance Report

Mr. Worley noted the first landscaping inspection of the 2014 season took place earlier in the week. Brickman scored an 84 which is below the required score for performance payment. OLM recommended that the District not deduct the performance payment this month. The Board agreed noting Brickman is new to the project and this first inspection was a trial run to learn the District expectations. Mr. Worley stated the District's expectation is for Brickman to provide weekly maintenance throughout the month to accomplish items identified on the OLM inspection report.

Mr. Worley noted he met with Dave Klockeman to review the City of Loveland street maintenance program for 2014. He noted originally the City had identified additional capital funds allowing them to overlay McWhinney Boulevard and street repairs for Hahns Peak, Foxtrail and Stone Creek. Due to the floods, the City was forced to redistribute road funds and now the Centerra road maintenance is slated for 2015. The City will continue to provide pothole maintenance throughout Centerra this year.

ITEMS FROM DISTRICT

LEGAL COUNSEL

Election Update

Mr. Pogue updated the Board on the 2014 Election noting that as of the nomination deadline, only three candidates self-nominated for the three open positions. Pursuant to State law, the election will be cancelled and the three candidates elected by acclamation. The notice of cancellation of the election will be published in the Reporter Herald. Ms. Perry, Mr. Kane and Ms. Den Herder will be elected by acclamation to serve terms expiring in May 2018.

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URA Expansion Update

Mr. Pogue noted that he and City Attorney, Mr. Duval, are revising the URA documents to include High Plains Area School, Boyd Lake Avenue and Crossroads Boulevard areas within the URA boundaries.

Consider Approval of ROW Dedication

Mr. Pogue requested the Board consider approval of the Boyd Lake Avenue ROW Deed of Dedication of approximately 2 acres to the City of Loveland. After discussion and upon motion duly made by Director Hardy and seconded by Director Hall, it was unanimously

RESOLVED to approve the Boyd Lake Avenue ROW Deed Dedication to the City of Loveland.

Update on City Council MFA Study Session

Mr. Pogue reported that City Council will hold a MFA work session March 25th for the current City Council and staff to provide the background and history of the Centerra Financing Agreement dating back to 2003. Mr. Hardy and Ms. Dowswell will also be available to answer questions.

Mr. Pogue acknowledged and thanked Mr. Duval for his professionalism and efforts over the years and the District is sorry to see Mr. Duval leave the City of Loveland. He stated it has been a pleasure working with him. He asked Councilor Trenary to pass these sentiments on to the Council.

BOARD MEMBER COMMENTS

There were none at this time.

OTHER MATTERS

There were no other matters brought before the Board.

PUBLIC COMMENTS

The Board opened the meeting to public comments. Ralph Trenary expressed that he is looking forward to the work session on March 25th. He also noted that he would become more knowledgeable regarding the City's development process and about street and roundabout design specifications. He expressed appreciation for the Board's efforts and time serving on the Districts. Upon receiving no further comments, this portion of the meeting was closed.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:09 p.m.

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

Respectfully Submitted,



Carla Hawkins, Secretary for the Meeting