

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE SKY RANCH COMMUNITY AUTHORITY BOARD (“CAB”) HELD JUNE 12, 2020

The regular meeting of the Board of Directors (referred to hereafter as the “Board”) of the Sky Ranch Community Authority Board (referred to hereafter as the “CAB”) was convened on Friday, the 12th day of June, 2020, at 8:30 a.m. at Pure Cycle Corporation, 34501 E. Quincy Ave., Bldg. 34, Watkins, CO 80137.

Due to the concerns regarding the spread of the coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, this District Board meeting was also held by conference call. The meeting was open to the public. The meeting was open to the public.

Directors In Attendance Were:

Mark Harding
Joe Knopinski
Dirk Lashnits
Scott Lehman

Also In Attendance Were:

Lisa Johnson, Thuy Dam and Cathee Sutton; CliftonLarsonAllen LLP (via telephone)
Suzanne Meintzer, Esq.; McGeady Becher P.C. (via telephone)
Barrett Marrocco; Independent District Engineering Services, LLC (“IDES”) (via telephone)
Kevin McNeill and Rick Dinkel; Pure Cycle Corp. (attended in-person)

**DISCLOSURE OF
POTENTIAL
CONFLICTS OF
INTEREST**

Disclosure of Potential Conflicts of Interest:

Attorney Meintzer noted that a quorum was present and the Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Attorney Meintzer requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. Attorney Meintzer noted that all Directors’ Disclosure Statements have been filed. No additional conflicts were disclosed at the meeting.

ADMINISTRATIVE

Agenda:

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MATTERS

Ms. Johnson distributed for the Board's review and approval a proposed Agenda for the CAB's Regular Meeting.

Following discussion, upon motion duly made by Director Harding, seconded by Director Lashnits and, upon vote, unanimously carried, the Agenda was approved.

Appointment of Members to the CAB Board of Directors from Sky Ranch Metropolitan District No. 1 and Sky Ranch Metropolitan District No. 5:

The Board acknowledged the appointment of Mark Harding and Kevin McNeill from Sky Ranch Metropolitan District No. 5 and Scott Lehman from Sky Ranch Metropolitan District No. 1 to the CAB Board of Directors.

Administer Oaths for appointees to the CAB Board of Directors:

The Oaths of Office for newly appointed CAB Board of Directors will be administered within 30 days.

Consider appointment of Officers:

The following slate of Officers was considered:

President: Mark Harding
Vice President: Joe Knopinski
Treasurer: Kevin McNeill
Secretary: Scott Lehman
Assistant Secretary: Dirk Lashnits

Following discussion, upon motion duly made by Director Lashnits, seconded by Director Lehman and, upon vote, unanimously carried, the Board appointed the above slate of officers.

CONSENT AGENDA

The Board considered the following actions:

Approve Minutes of the May 8, 2020 Special Meeting:

Following discussion, upon motion duly made by Director Harding, seconded by Director Lashnits and, upon vote, unanimously carried, the Board approved and/or ratified approval of the Consent Agenda items.

FINANCIAL MATTERS

Developer advance schedule, property tax schedules, AR schedule, and schedule of cash position for the period ending March 31, 2020 updated as of June 5, 2020:

Ms. Sutton presented the financial information.

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Following review and discussion, upon motion duly made by Director Lashnits, seconded by Director Harding and, upon vote, unanimously carried, the Board approved the Developer advance schedule, property tax schedules, AR schedule, and schedule of cash position for the period ending March 31, 2020 updated as of June 5, 2020.

Payables from May 2, 2020 through June 6, 2020 in the amount of \$402,286.84:

Following discussion, upon motion duly made by Director Harding, seconded by Director Lashnits and, upon vote, unanimously carried, the Board approved the payables from May 2, 2020 through June 6, 2020 in the amount of \$402,286.84.

2019 Audited Financial Statements and authorize execution of the Management Representation Letter: Ms. Dam and Ms. Sutton presented the 2019 Audit to the Board.

Following discussion, upon motion duly made by Director Lehman, seconded by Director Lashnits and, upon vote, unanimously carried, the Board approved the 2019 Audited Financial Statements and authorized the execution of the Management Representation Letter, subject to final comments from Legal Counsel and the Board, and a clean opinion from the auditor.

COMMUNITY MANAGEMENT

Community Manager's Update:

The Board reviewed the Community Manager's report provided by Ms. Herman. The Board asked Ms. Johnson to confirm that Ms. Herman is logging all inspections and violations in the GIS System.

Sky Ranch Community Authority Board Facilities Park Rules and Regulations:

Attorney Meintzer presented the Facilities Park Rules and Regulations.

Following discussion, upon motion duly made by Director Harding, seconded by Director Lashnits and, upon vote, unanimously carried, the Board approved the Sky Ranch Community Authority Board Facilities Park Rules and Regulations.

First Amended Design and Landscape Guidelines for Sky Ranch: Following discussion, upon motion duly made by Director Harding, seconded by Director Knopinski and, upon vote, unanimously carried, the Board approved the First Amended Design and Landscape Guidelines for Sky Ranch.

Resolution No. 2020-06-01; Resolution of the Board of Directors of Sky Ranch Community Authority Board Appointing Architectural Review Committee:

The Board discussed and determined the committee will consist of the Community Manager and two Developer Representatives.

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Following discussion, upon motion duly made by Director Knopinski, seconded by Director Harding and, upon vote, unanimously carried, the Board approved Resolution No. 2020-06-01; Resolution of the Board of Directors of Sky Ranch Community Authority Board Appointing Architectural Review Committee.

CONSTRUCTION MATTERS

Project Manager's Report:

The Board reviewed the Project Manager's Report.

Task Order No. 1 to the Master Service Agreement ("MSA") with KT Engineering for survey for landscaping, trails and dry utilities in the Amount of \$10,335.00:

Following discussion, upon motion duly made by Director Lehman, seconded by Director Lashnits and, upon vote, unanimously carried, the Board approved Task Order No. 1 to the MSA with KT Engineering for survey for landscaping, trails and dry utilities in the amount of \$10,335.00.

Drainage and Utilities: There was nothing presented.

Roadway Improvements:

Pay Application No. 19 to the Roadway Improvements Contract with Premier Earthworks Infrastructure, Inc. ("PEI") in the amount of \$65,570.71: Following discussion, upon motion duly made by Director Knopinski, seconded by Director Harding and, upon vote, unanimously carried, the Board approved Pay Application No. 19 to the Roadway Improvements Contract with PEI in the amount of \$65,570.71.

Grading/Earthwork: There was nothing presented.

Landscape Improvements:

Phase I

Pay Application No. 15 to the Landscape Improvements Contract with Environmental Designs Inc. ("EDI") in the amount of \$49,277.34: Following discussion, upon motion duly made by Director Knopinski, seconded by Director Harding and, upon vote, unanimously carried, the Board approved Pay Application No. 15 to the Landscape Improvements Contract with EDI, in the amount of \$49,277.34.

Phase II

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Pay Application No. 1 to the Landscape Improvements Contract with Environmental Designs Inc. (“EDI”) in the amount of \$6,402.66: Following discussion, upon a motion duly made by Director Harding, seconded by Director Lashnits and, upon vote, unanimously carried, the Board approved Pay Application No. 1 to the Landscape Improvements Contract with EDI in the amount of \$6,402.66.

Phase III

Pay Application No. 1 to the Landscape Improvements Contract with Environmental Designs Inc. (“EDI”) in the amount of \$43,310.32: Following discussion, upon a motion duly made by Director Knopinski, seconded by Director Harding and, upon vote, unanimously carried, the Board approved Pay Application No. 1 to the Landscape Improvements Contract with EDI in the amount of \$43,310.32.

Engineers Report:

The Board reviewed the Engineer’s Report.

LEGAL MATTERS

Ratify approval of Amended and Restated Service Agreement for Project Management Services between Sky Ranch Community Authority Board and Pure Cycle Corporation : Attorney Meintzer presented the Amended and Restated Service Agreement for Project Management Services between the CAB and Pure Cycle Corporation.

Following discussion, upon a motion duly made by Director Knopinski, seconded by Director Harding and, upon vote, unanimously carried, the Board ratified the approval of the Amended and Restated Service Agreement for Project Management Services between Sky Ranch Community Authority Board and Pure Cycle Corporation.

Ratify approval of Amended and Restated Service Agreement for Project Management Services (for Improvements at Sky Ranch) between the Sky Ranch Community Authority Board and PCY Holdings, LLC:Attorney Meintzer presented the Amended and Restated Service Agreement for Project Management Services (for Improvements at Sky Ranch) between the CAB and PCY Holdings, LLC.

Following discussion, upon a motion duly made by Director Knopinski, seconded by Director Harding and, upon vote, unanimously carried, the Board ratified the approval of the Amended and Restated Service Agreement for Project Management Services (for Improvements at Sky Ranch) between Sky Ranch Community Authority Board and PCY Holdings, LLC.

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Discuss potential Service Agreement for Maintenance of Filing 1 Public Improvements with Pure Cycle Corporation:

The Board deferred discussion of this item.

Potential amendments of the Service Plans for Sky Ranch Metropolitan District Nos. 3, 4 and 5: The Board discussed potential amendment of the Service Plans for Sky Ranch Metropolitan District Nos. 3, 4 and 5, and directed and authorized General Counsel to perform actions necessary thereto.

Proposed Intergovernmental Agreement (“IGA”) related to funding of regional improvement, including without limitation, various interchanges: The Board discussed the need for a proposed IGA related to funding of regional improvements, including without limitation, various interchanges and directed General Counsel to perform actions necessary thereto.

OTHER BUSINESS

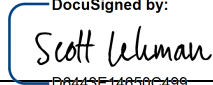
Consider rescheduling the July Board Meeting.

The Board discussed rescheduling the July Board meeting. They determined to cancel the July 10, 2020 regular meeting and schedule a special meeting on July 17, 2020 at 8:30 a.m. at the regular meeting location.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made and seconded, and upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By:  Secretary for the Meeting
DocuSigned by:
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Sky Ranch CAB – Project Manager Board Report

Date: 06/12/20

DESIGN AND CONSTRUCTION

Status Report and Progress Updates

- Earthwork – performing corrections in channel and Tracts for certification and close-out
- Dirt Shortage – Richmond import
- Drainage and Utilities – working on Ph 2 & 3 punch out for acceptance
- Concrete and Asphalt Phase 1 – All paving complete; working on punch lists and acceptance – R&R, street sign corrections, asphalt cores
- Xcel – all electric complete except KB TD#6 and street lights; all gas installed – performing testing and energizing
- Landscaping – monument complete; park arbor complete; working on remaining Ph 1 items; channel/pond seeding and touch up; NTP for Ph 2 and 3 issued and start scheduled for 5/11
- Maintaining SEMSWA and Urban Drainage compliance – performing channel and pond maintenance
- Preliminary planning/engineering for next Filing (Filing 3) – responding to 8th submittal comments; working on outstanding school issue; initiating SDP & CDs; preliminary budget; ongoing discussions with Interchange/1601 group

BUDGET

- Budget review – no issues

CONTRACTS, CHANGE ORDERS AND TASK ORDERS

Filing 1

- KT Engineering TO#17 - \$10,335.00 – survey for landscaping, trails, dry utilities

PAYABLES (OUTSIDE OF CONTRACT)

Sky Ranch Filing 1 - CAB Contract Summary

Activity Description	Vendor	Total Contracts	Total Invoices	Total Retainage	Total Reimbursable	% Complete	Remaining to Spend	Management Fee
Fees, Permits and Administration	Arapahoe County	127,100	127,100	-	104,516	100%	-	-
Legal and Title	Butler Snow	425	425	-	-	100%	-	-
Erosion Control	CMS	33,715	6,693	-	5,503	20%	27,023	335
Geotech	CTL Thompson	455,000	412,408	-	339,128	91%	42,592	20,620
Engineering	CVL Consultants	69,026	69,026	-	56,761	100%	-	-
Landscaping	Environmental Designs	3,792,985	1,916,656	89,530	1,916,656	51%	1,876,329	95,833
Warranty and Turnover	Environmental Designs	115,379	-	-	-	0%	115,379	-
Engineering	ERO Resources Group	580	580	-	477	100%	-	-
Erosion Control	Erosion Controls of CO	70,965	70,965	-	58,355	100%	-	3,548
Legal and Title	Hoffman, Parker, etc	8,304	8,304	-	-	100%	-	-
District	IDES	175,000	173,241	-	142,458	99%	1,759	-
Survey	KT Engineering	573,117	533,975	-	439,094	93%	39,142	26,699
District	McGeady Becher	103,225	35,549	-	29,232	34%	67,676	-
Legal and Title	Otis Bedingfield & Peters	235	235	-	-	100%	-	-
Grading	PEI	1,681,520	1,578,210	53,262	820,669	94%	103,310	78,911
Sanitary Sewer	PEI	2,493,990	2,475,621	56,718	2,475,621	99%	18,369	119,846
Water	PEI	2,450,570	2,408,515	56,734	2,408,515	98%	42,055	113,656
Storm Sewer	PEI	5,131,778	5,090,016	122,021	5,090,016	99%	41,762	236,071
Dry Utilities	PEI	198,009	194,841	4,363	-	98%	3,168	9,605
Concrete	PEI	3,709,946	3,559,413	177,971	3,559,413	96%	150,534	-
Asphalt	PEI	5,095,172	5,103,281	255,164	5,103,281	100%	(8,109)	-
Warranty and Turnover	PEI	200,000	-	-	-	0%	200,000	-
Erosion Control	Pure Cycle Erosion Control	-	-	-	-	0%	-	-
Landscaping	Pure Cycle Landscaping	-	-	-	-	0%	-	-
District	SDMS	72,317	57,885	-	47,600	80%	14,432	-
Fees, Permits and Administration	SEMSWA	23,033	23,033	-	18,940	100%	-	-
District	Sentinel	-	-	-	-	0%	-	-
District	Sentinel	237	237	-	195	100%	-	-
Legal and Title	Spencer Fane	228	228	-	-	100%	-	-
Dry Utilities	Xcel Energy	2,392,277	2,368,589	-	597,189	99%	23,688	118,429
	Total	28,974,134	26,215,025	815,762	23,213,620		2,759,108	823,552

SKY RANCH COMMUNITY AUTHORITY BOARD

Board Meeting Project Status

June 12, 2020

Construction Contract Documents

Drainage and Utilities Contract – Premier Earthworks & Infrastructure

Change Orders

- **Recommend Approval:**
 - None

Pay Applications

- None

Roadways Contract – Premier Earthworks & Infrastructure

Change Orders

- **Recommend Approval:**
 - None

Pay Applications

- Pay Application #19 is recommended for payment: \$65,570.71 (\$69,021.80 District; \$0.00 Non-District; \$3,451.09 Retained).
 - \$8,679,585.62 Billed to Date. \$433,979.28 Retained. \$8,245,606.34 Paid to Date.

Landscape Contract Phase 1 – Environmental Designs, Inc.

Change Orders

- **Recommend Approval:**
 - None

Pay Applications

- Pay Application #15 is recommended for payment: \$49,277.34 (\$51,870.89 District; \$0.00 Non-District; \$2,593.54 Retained)
 - \$1,866,705.59 Billed to Date. \$87,032.00 Retained. \$1,779,673.59 Paid to Date.

Landscape Contract Phase 2 – Environmental Designs, Inc.

Change Orders

- **Recommend Approval:**
 - None

Pay Applications

- Pay Application #1 is recommended for payment: \$6,402.06 (\$6,739.01 District; \$0.00 Non-District; \$336.95 Retained)
 - \$6,739.01 Billed to Date. \$336.95 Retained. \$6,402.06 Paid to Date.

Landscape Contract Phase 3 – Environmental Designs, Inc.

Change Orders

- **Recommend Approval:**
 - None

Pay Applications

- Pay Application #1 is recommended for payment: \$43,310.32 (\$45,310.32 District; \$0.00 Non-District; \$2,265.52 Retained)
 - \$45,310.32 Billed to Date. \$2,265.52 Retained. \$43,044.80 Paid to Date.

Earthwork Contract – Premier Earthworks & Infrastructure

Change Orders

- **Recommend Approval:**
 - None

Pay Applications

- None

Other Matters

- No new invoices submitted for Certification

Sky Ranch Community Authority Board

Contractors Change Order Log Paid-To-Date Summary

Contractor	Change Orders	Total Contract Amount	Amount Billed	Remaining
PEI - Grading	9	\$1,578,210.06	\$1,524,948.50	\$53,261.56
PEI - Drainage & Utilities	21	\$10,175,283.28	\$9,929,157.79	\$246,125.49
PEI - Roadways	16	\$8,723,147.13	\$8,180,035.63	\$543,111.50
EDI - Landscape P1	20	\$2,067,646.64	\$1,730,396.25	\$337,250.39
EDI - Landscape P2	1	\$181,182.44	\$0.00	\$181,182.44
EDI - Landscape P3	1	\$1,186,291.04	\$0.00	\$1,186,291.04
Total		\$23,911,760.59	\$21,364,538.17	\$2,547,222.42

Sky Ranch Community Authority Board Summary of Contract Changes

Change Order Log

#	Contractor	Original Contract Amount	Executed CO's		New Contract	
			Amount	Days	Amount	Days
1	PEI - Grading	\$1,418,885.53	\$159,324.53	35	\$1,578,210.06	35
2	PEI - Drainage & Utilities	\$8,971,057.30	\$1,204,225.98	79.5	\$10,175,283.28	79.5
3	PEI - Roadways	\$8,368,649.67	\$354,497.46	42	\$8,723,147.13	42
4	EDI - Landscape Ph 1	\$1,633,252.04	\$434,394.60	157	\$2,067,646.64	157
5	EDI - Landscape Ph 2	\$155,431.26	\$25,751.18	5	\$181,182.44	5
6	EDI - Landscape Ph 3	\$1,293,395.48	-\$107,104.44	40	\$1,186,291.04	40
7						
	Total	\$21,840,671.28	\$2,071,089.31		\$23,911,760.59	

Potential Change Order Log

#	Contractor	Current Contract	Days	Potential Change Orders		Potential Contract	
				Amount	Days	Amount	Days
1	PEI - Grading	\$1,578,210.06	35	\$0.00	0	\$1,578,210.06	35
2	PEI - Drainage & Utilities	\$10,175,283.28	80	\$0.00	0	\$10,175,283.28	80
3	PEI - Roadways	\$8,723,147.13	42	\$18,139.42	0	\$8,741,286.55	42
4	EDI - Landscape P1	\$2,067,646.64	253	\$262,671.14	102	\$2,330,317.78	355
5	EDI - Landscape P2	\$181,182.44	215	\$0.00	0	\$181,182.44	215
6	EDI - Landscape P3	\$1,186,291.04	250	\$0.00	0	\$1,186,291.04	250
7							
	Total	\$23,911,760.59		\$280,810.56		\$24,192,571.15	
				Potential Total of All Change Orders		\$280,810.56	

Force Account Log

#	Contractor	Original Amount	Change	New Balance
1	PEI - Grading	\$0.00	\$0.00	\$0.00
2	PEI - Drainage & Utilities	\$0.00	\$0.00	\$0.00
3	PEI - Roadways	\$0.00	\$0.00	\$0.00
4	EDI - Landscape P1	\$85.00	\$0.00	\$85.00
5	EDI - Landscape P2	\$0.00	\$0.00	\$0.00
6	EDI - Landscape P3	\$0.00	\$0.00	\$0.00
7				
	Total		\$0.00	\$0.00