

## RECORD OF PROCEEDINGS

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### MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE SKY RANCH COMMUNITY AUTHORITY BOARD (“CAB”) HELD NOVEMBER 13, 2020

A special meeting of the Board of Directors (referred to hereafter as the “Board”) of the CAB was convened on Friday, the 13th day of November, 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 CAB Board meeting was also held virtually via Microsoft Teams and by conference call. The meeting was open to the public.

**Directors In Attendance Were:**

Mark Harding  
Joe Knopinski  
Kevin McNeill  
Scott Lehman  
Dirk Lashnits

**Also In Attendance Were:**

Lisa Johnson and Thuy Dam; CliftonLarsonAllen LLP (“CLA”)  
Suzanne Meintzer, Esq.; McGeady Becher P.C.  
Barrett Marrocco; Independent District Engineering Services, LLC  
 (“IDES”)  
Rick Dinkel; Pure Cycle Corporation

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**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.

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### **ADMINISTRATIVE MATTERS**

**Agenda:** The Board reviewed a proposed Agenda for the CAB's special meeting.

Following discussion, upon a motion made by Director Knopinski, seconded by Director McNeill and, upon vote, unanimously carried the Board approved the agenda as amended.

**Location of Meeting and Posting of Meeting Notice:** The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting.

Following discussion, upon motion duly made by Director Knopinski, seconded by Director McNeill and, upon vote, unanimously carried, the Board determined that due to the ongoing concerns regarding the spread of COVID-19 and the benefits to the control of the spread of the virus by limiting in-person contact, certain Board members and consultants of the CAB would attend this meeting in person at the above-referenced location. However, certain other Board members and consultants of the District would attend this meeting via video conference or teleconference. The Board further noted that the notice of the time, date, location, and video conference/teleconference information for the meeting was duly posted and that no objections to the means of hosting the meeting were received from taxpaying electors.

**Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices:** Following discussion, upon motion duly made by Director McNeill, seconded by Director Lashnits and, upon vote, unanimously carried, the Board adopted Resolution No. 2020-11-01; Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices.

**Renewal of 2021 Property and Liability Policy and Special District Association ("SDA") Membership:** Following discussion, upon motion duly made by Director Harding, seconded by Director McNeill and, upon vote, unanimously carried, the Board authorized staff to renew the CAB's insurance coverage and SDA membership for 2021.

Following further discussion, upon motion duly made by Director Harding, seconded by Director McNeill and, upon vote, unanimously carried, the Board directed staff to waive workers' compensation coverage for the CAB and adopted Resolution No. 2020-11-02; Providing for Directors' Exclusion from Workers' Compensation Coverage.

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**Requirements of Section 32-1-809, C.R.S. (Transparency Notice):** The Board directed staff to prepare the 2021 Transparency Notice and to post same on the SDA website and the CAB's website.

**PUBLIC  
COMMENT**

There was no public comment.  
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**CONSENT  
AGENDA**

The Board considered the following actions:

- **Minutes from the October 9, 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 listed above.  
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**FINANCIAL  
MATTERS**

**Unaudited Financial Statements through September 30, 2020, Schedule of Cash Position, Accounts Receivable Summaries, Property Tax Schedules, and Developer Advance Schedule through September 30, 2020 updated as of October 8, 2020:** Ms. Dam presented the Unaudited Financial Statements through September 30, 2020, Schedule of Cash Position, Accounts Receivable Summaries, Property Tax Schedules, and Developer Advance Schedule through September 30, 2020 updated as of October 8, 2020.

Following review and discussion, upon motion duly made by Director Harding, seconded by Director Lashnits and, upon vote, unanimously carried, the Board accepted the Unaudited Financial Statements through September 30, 2020, Schedule of Cash Position, Accounts Receivable Summaries, Property Tax Schedules, and Developer Advance Schedule through September 30, 2020 updated as of October 8, 2020.

**Payables through November 6, 2020:** The Board reviewed the payables through November 6, 2020 in the amount of \$364,570.03. It was noted that the Board took action above to waive worker's compensation coverage for 2021 so the amount of the payables was reduced to \$363,670.03.

Following review and discussion, upon motion duly made by Director Knopinski, seconded by Director Lashnits and, upon vote, unanimously carried, the Board approved the payables through November 6, 2020 in the amount of \$363,670.03.

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**Public Hearing on Amendment to 2020 Budget (Second Reading):**

Director Harding opened the public hearing to consider an amendment to the 2020 Budget.

It was noted that publication of Notice stating that the Board would consider amendment of the 2020 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to the public hearing.

There was no public in attendance, and the public hearing was closed.

Following review and discussion, upon motion duly made by Director McNeill, seconded by Director Knopinski and, upon vote, unanimously carried, the Board adopted Resolution No. 2020-11-03; Resolution to Amend the 2020 Budget.

**Public Hearing on 2021 (Second Reading):** Director Harding opened the public hearing to consider the proposed 2021 Budget and to discuss related issues.

It was noted that Notice stating that the Board would consider adoption of the 2021 budget and the date, time and place of the public hearing was published pursuant to statute. No written objections were received prior to the public hearing.

No public comments were received, and the public hearing was closed.

Ms. Dam presented the proposed 2021 Budget to the Board. The Board reviewed the estimated 2020 expenditures and the proposed 2021 expenditures and discussed considerations regarding imposition of the Regional Improvements Mill Levy in Sky Ranch Metropolitan District No. 5 ("District No. 5"), should District No. 5's proposed Amended and Restated Service Plan be approved by Arapahoe County.

Upon motion duly made by Director Harding, seconded by Director Knopinski, and upon vote unanimously carried, the Board approved the 2021 Budget, as discussed, adopted Resolution No. 2020-11-04 to Adopt the 2021 Budget and Appropriate Sums of Money and authorized execution of the Certification of Budget. The District Manager was directed to transmit the Certification of Budget to the Division of Local Government no later than January 30, 2021.

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**Appointment of CAB Accountant to Prepare 2022 Budget:** Following review and discussion, upon motion duly made by Director Knopinski, seconded by Director Lashnits and, upon vote, unanimously carried, the Board appointed the CAB Accountant to prepare the 2022 Budget.

**Engagement of Haynie & Company to Prepare 2020 Audit:** Following discussion, upon motion duly made by Director Lashnits, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved the engagement of Haynie & Company to prepare the 2020 Audit, for an amount not to exceed \$5,150.

**Imposition of Regional Improvements Mill Levy by District No. 5:** Discussion regarding District No. 5's imposition of the Regional Improvements Mill Levy was discussed during the Budget hearing above.

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### **CONSTRUCTION MATTERS**

**Project Manager's Report:** Director Lashnits presented the Project Manager's Report to the Board, noting that all work in Phase 1 is complete, with the exception of landscaping, which is anticipated to be completed in the spring. He further noted that he and IDES were in the process of bidding for Phase 2 work.

**Task Order No. 2 to the Master Services Agreement with PCH Group, LLC for Phase 2 Planning and Landscape and Design:** Following discussion, upon motion duly made by Director Harding, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Task Order No. 2 to the Master Services Agreement with PCH Group, LLC for Phase 2 Planning and Landscape and Design, in the amount of \$257,500.

**Proposal from CSMK, LLC dba A-Mac Underground for Boring for Landscape Lighting:** Following discussion, upon motion duly made by Director Knopinski, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved the Proposal from CSMK, LLC dba A-Mac Underground for Boring for Landscape Lighting, in the amount of \$4,500.

**Proposal from Dauer Haswell Architecture, P.C. d/b/a Studio DH for Recreation Center Planning:** Following discussion, upon motion duly made by Director Knopinski, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved the Proposal from Dauer Haswell Architecture, P.C. d/b/a Studio DH for Recreation Center Planning, in the amount of \$5,000.

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### **Drainage and Utilities:**

- 1. Pay Application No. 31 to the Drainage and Utilities Construction Contract with Premier Earthworks & Infrastructure, Inc. ("PEI"):*

Following discussion, upon motion duly made by Director Lashnits, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Pay Application No. 31 to the Drainage and Utilities Construction Contract with PEI, in the amount of \$2,375.

**Roadway Improvements:** There were no items presented for the Board's consideration.

**Grading/Earthwork:** There were no items presented for the Board's consideration.

### **Landscape Improvements:**

#### *Phase I*

- 1. Change Order 28 to the Landscape Improvements Contract with Environmental Design Inc. ("EDI") for Irrigation Repairs Near the Pedestrian Bridge and Grading Work in the Lots Near the Under Grove Pass:*

Following discussion, upon motion duly made by Director Lashnits, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Change Order 28 to the Landscape Improvements Contract with EDI for Irrigation Repairs Near the Pedestrian Bridge and Grading Work in the Lots Near the Under Grove Pass, for an amount not to exceed \$3,436.02.

#### *Phase II*

- 1. Change Order 4 to the Landscape Improvements Contract with EDI for Using Hydro-Mulch Tankers to Temporarily Water Detention Pond E:*

Following discussion, upon motion duly made by Director Lashnits, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Change Order 4 to the Landscape Improvements Contract with EDI for Using Hydro-Mulch Tankers to Temporarily Water Detention

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Pond E, in an amount not to exceed \$3,303.53.

1. Pay Application No. 5 to the Landscape Improvements Contract with EDI:

Following discussion, upon motion duly made by Director Lashnits, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Pay Application No. 5 to the Landscape Improvements Contract with EDI, in the amount of \$29,157.08.

2. Pay Application No. 6 to the Landscape Improvements Contract with EDI:

Following discussion, upon motion duly made by Director Lashnits, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Pay Application No. 6 to the Landscape Improvements Contract with EDI, in the amount of \$27,066.08.

Phase III

1. Change Order No. 8 to the Landscape Improvements Contract with EDI for Rerouting the Irrigation Mainline on Vandriver Way and Filling in Low Soil Areas Near the Wastewater Treatment Plant:

Following discussion, upon motion duly made by Director Lashnits, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Change Order No. 8 to the Landscape Improvements Contract with EDI for Rerouting the Irrigation Mainline on Vandriver Way and Filling in Low Soil Areas Near the Wastewater Treatment Plant, in an amount not to exceed \$6,605.78.

2. Pay Application No. 6 to the Landscape Improvements Contract with EDI:

Following discussion, upon motion duly made by Director Lashnits, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved Pay Application No. 6 to the Landscape Improvements Contract with EDI, in the amount of \$111,559.

**Engineers Report:** Mr. Marrocco presented the Engineer's Report to the Board.

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### LEGAL MATTERS

**Status of Service Plan Amendment Process:** Director Harding and Attorney Meintzer gave an update on the Service Plan Amendment process, noting the Arapahoe County Planning Commission has approved the amendment and the Board of County Commissioners will consider approval on December 8, 2020.

**Engagement Letter for Covenant Enforcement and Fee Collection Legal Services by and between the CAB and Altitude Community Law P.C.:** The Board decided to defer this item until the December 11, 2020 Board Meeting.

**First Amendment to Facilities Funding and Acquisition Agreement by and between the CAB and Pure Cycle Corporation:** Attorney Meintzer presented the First Amendment to Facilities Funding and Acquisition Agreement by and between the CAB and Pure Cycle Corporation to the Board. The Board decided to defer this item until the December 11, 2020 Board Meeting.

**Inclusions and Exclusions Needed in 2021 to Effectuate the Intent of the Amended and Restated Service Plans for District Nos. 3-5 and the Service Plans for District Nos. 6-8:** Attorney Meintzer discussed potential inclusions and exclusions needed in 2021 to effectuate the intent of the Amended and Restated Service Plans for District Nos. 3-5 and the Service Plans for the proposed District Nos. 6-8. The Board determined to discuss this matter in more detail at a future meeting.

### COMMUNITY MANAGEMENT

**Community Manager's Report:** The Board reviewed the Community Manager Report. Ms. Johnson informed the Board that Kim Herman is no longer working at CLA. CLA has hired a new Public Manager, Celeste Terrell to serve in the Community Manager role. Ms. Terrell joins CLA on November 30, 2020.

**Service Agreement with Pure Cycle Corporation to provide 2020/2021 Snow Removal Services:** Director Lashnits presented the Service Agreement for 2020/2021 Snow Removal Services. The Board discussed the scope of work and fee schedule.

Following discussion, upon motion duly made by Director Knopinski, seconded by Director Lashnits and, upon vote, unanimously carried, the Board approved the Service Agreement with Pure Cycle Corporation to provide 2020/2021 Snow Removal Services, subject to final review of unit pricing.



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**OTHER  
BUSINESS**

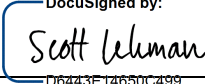
**Confirm Quorum for December 11, 2020 Board Meeting:** The Board confirmed a quorum for the December 11, 2020 Board Meeting.

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**ADJOURNMENT**

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

Respectfully submitted,

By:    
Secretary for the Meeting

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