

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE SKY RANCH COMMUNITY AUTHORITY BOARD (“CAB”) HELD AUGUST 10, 2018

The regular meeting of the Board of Directors of the Sky Ranch Community Authority Board (referred to hereafter as the “Board”) was convened on Friday, the 10th day of August, 2018, at 8:30 A.M., at the offices of McGeady Becher P.C., 450 E. 17th Avenue, Suite 400, Denver, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Mark Harding
Paul “Joe” Knopinski
Scott Lehman

Following discussion, upon motion duly made by Director Knopinski, seconded by Director Harding and, upon vote, unanimously carried, the absence of Dirk Lashnits was excused.

Also In Attendance Were:

Lisa A. Johnson; Special District Management Services, Inc. (“SDMS”)

Suzanne Meintzer, Esq.; McGeady Becher P.C.

Barrett Marrocco; Independent District Engineering Services, LLC (“IDES”)

Rick Dinkel; Pure Cycle Corporation

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: 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. Ms. Johnson noted that a quorum was present and 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, and no additional conflicts were disclosed at the meeting.

RECORD OF PROCEEDINGS

ADMINISTRATIVE MATTERS

Agenda: 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 Knopinski, seconded by Director Harding and, upon vote, unanimously carried, the Agenda was approved, as amended.

Approval of Meeting Location: The Board entered into a discussion regarding the requirements of §32-1-903(1), C.R.S., concerning the location of the CAB's Board meeting. Following discussion, upon motion duly made by Director Knopinski, seconded by Director Harding and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within the CAB's boundaries or within the county in which the CAB is located, or within 20 miles from the CAB boundaries, to conduct this meeting, it was determined to conduct the meeting at the above-stated date, time and location. The Board further noted that notice of this location was duly posted and that they have not received any objections to the location or any requests that the meeting place be changed by taxpaying electors within the CAB's boundaries.

Resignation of Director: The Board acknowledged the resignation of Kevin McNeil effective June 27, 2018.

Board Vacancy: The Board deferred discussion.

CONSENT AGENDA The Board considered the following actions:

- Approve Minutes of the July 13, 2018 Regular Meeting.
- Ratify approval of the claims through July 12, 2018, in the amount of \$283,544.38.
- Ratify approval of Contractual Agreement with Ecological Resource Consultants, Inc.

Following review, upon motion duly made by Director Harding, seconded by Director Knopinski and, upon vote, unanimously carried, the Board approved and/or ratified approval of, as appropriate, the above actions.

FINANCIAL MATTERS

Claims: The Board deferred discussion.

Unaudited Financial Statements: The Board considered acceptance of unaudited financial statements through the period ending June 30, 2018.

RECORD OF PROCEEDINGS

Following review and discussion, upon motion duly made by Director Knopinski, seconded by Director Harding and, upon vote, unanimously carried, the Board of unaudited financial statements through the period ending June 30, 2018, as presented.

LEGAL MATTERS

CAB Establishment Agreement and Various Capital and Operations Funding Agreements: Attorney Meintzer discussed with the Board the need for amendments to the CAB Establishment Agreement and certain other capital and operation funding agreements. The Board directed District Counsel to prepare the necessary amendments and terminations for the Board's consideration at the September Board meeting.

Plat, Covenants, Conditions and Restrictions for Sky Ranch and PIF Covenant: Attorney Meintzer discussed with the Board the recordation of the Plat, Covenants, Conditions and Restrictions for Sky Ranch and PIF Covenant.

Following discussion, upon motion duly made by Director Harding, seconded by Director Knopinski and, upon vote, unanimously carried, the Board acknowledged the recordation of the Plat, Covenants, Conditions and Restrictions for Sky Ranch and PIF Covenant.

CONSTRUCTION MATTERS

Project Managers Report: The Board reviewed the Project Manager's Report. A copy of the Project Manager's Report is attached hereto and incorporated herein by this reference.

Task Order No. 6 to the Master Services Agreement with KT Engineering, LLC: The Board reviewed Task Order No. 6 to the Master Services Agreement with KT Engineering, LLC, in the amount of \$6,145.00.

Following discussion, upon motion duly made by Director Harding, seconded by Director Lehman and, upon vote, unanimously carried, the Board approved Task Order No. 6 to the Master Services Agreement with KT Engineering, LLC, in the amount of \$6,145.00.

Earthwork and Erosion Control:

Pay Application No. 6 to the Construction Contract with Premier Earthworks & Infrastructure, Inc., Earthwork and Erosion Control: The Board reviewed Pay Application No. 6 to the Construction Contract with Premier Earthworks & Infrastructure, Inc., Earthwork and Erosion Control.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Harding, seconded by Director Knopinski and, upon vote, unanimously carried, the Board approved Pay Application No. 6 to the Construction Contract with Premier Earthworks & Infrastructure, Inc., Earthwork and Erosion Control, in the amount of \$231,949.43.

Change Order No. 5 to the Construction Contract with Premier Earthworks & Infrastructure, Inc., Earthwork and Erosion Control: The Board reviewed Change Order No. 5 to the Construction Contract with Premier Earthworks & Infrastructure, Inc., Earthwork and Erosion Control.

Following discussion, upon motion duly made by Director Harding, seconded by Director Knopinski and, upon vote, unanimously carried, the Board approved Change Order No. 5 to the Construction Contract with Premier Earthworks & Infrastructure, Inc., Earthwork and Erosion Control, in the amount of \$55,738.43.

Change Order No. 8 to the Construction Contract with Premier Earthworks & Infrastructure, Inc., Earthwork and Erosion Control: The Board deferred discussion.

Change Order No. 9 to the Construction Contract with Premier Earthworks & Infrastructure, Inc., Earthwork and Erosion Control: The Board deferred discussion.

Drainage and Utilities:

Pay Application No. 1 to the Sky Ranch CAB Major Drainage and Utilities Contract with Premier Earthworks & Infrastructure, Inc.: Mr. Barrett presented to the Board Pay Application No. 1 to the Sky Ranch CAB Major Drainage and Utilities Contract with Premier Earthworks & Infrastructure, Inc.

Following discussion, upon motion duly made by Director Knopinski, seconded by Director Harding and, upon vote, unanimously carried, the Board approved Pay Application No. 1 to the Sky Ranch CAB Major Drainage and Utilities Contract with Premier Earthworks & Infrastructure, Inc., in the amount of \$376,163.98, subject to the authorization to proceed for items outside of Phase I.

Change Order No. 1 to the Sky Ranch CAB Major Drainage and Utilities Contract with Premier Earthworks & Infrastructure, Inc.: Mr. Barrett presented to the Board Change Order No. 1 to the Sky Ranch CAB Major Drainage and Utilities Contract with Premier Earthworks & Infrastructure, Inc.

Following discussion, upon motion duly made by Director Knopinski, seconded by Director Harding and, upon vote, unanimously carried, the Board approved Change Order No. 1 to the Sky Ranch CAB Major Drainage and Utilities Contract with Premier Earthworks & Infrastructure, Inc., in the amount of \$231,434.42.

RECORD OF PROCEEDINGS

Engineers Report: Mr. Marrocco presented the Engineer's Report. A copy of the Engineer's Report dated August 10, 2018, is attached hereto and incorporated herein by this reference.

Status of the Following:

Consulting Agreements: Mr. Harding advised the Board and consultants that budgeting for Phase II is underway, noting that there may be additional Consultant Agreements needed for Phase II.

Operations and Maintenance Fees: There was nothing new to report at this time.

OTHER MATTERS

The Board discussed rescheduling the September 14, 2018 Board meeting. Following discussion the Board determined to cancel the September 14, 2018 Board meeting and schedule a special meeting for September 18, 2018, at 8:00 a.m. at the Project Management Trailer, south of I-70 at exit 292 (airpark exit).

ADJOURNMENT

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

Respectfully submitted,

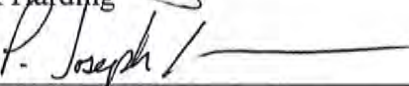
By  _____
Secretary for the Meeting

RECORD OF PROCEEDINGS

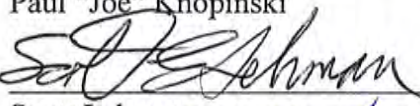
THESE MINUTES ARE APPROVED AS THE OFFICIAL AUGUST 10, 2018
REGULAR MEETING MINUTES OF THE CAB BY THE BOARD OF
DIRECTORS SIGNING BELOW:



Mark Harding



Paul "Joe" Knopinski



Scott Lehman



Dirk Lashnits

Sky Ranch CAB – Project Manager Board Report

Date: 8/10/18

DESIGN AND CONSTRUCTION

Status Report and Progress Updates for June

- Overexcavation – Phase 1 complete; working in Phase 2 and 3
- Overlot grading – priority areas complete for utility start
- Dirt Shortage – site is low on dirt due to design changes and overex shrinkage; discussing with builders
- Drainage and Utilities – in process
- Maintaining SEMSWA compliance
- All entitlements complete
- Preliminary planning/engineering for Filing 2 – GDP pre-submittal meeting last week

BUDGET

- Budget review/update process and protocol

CONTRACTS AND TASK ORDERS

Filing 1

- PEI Grading – CO#5 - \$55,738.43
- KT Engineering – TO#6 - \$6,145.00

Filing 2

- ERC - \$15,886.00 (Has this already been ratified?)

PAYABLES

Filing 1

- CTL - \$22,348.00
- IDES - \$7,568.50
- SEMSWA - \$1,135.00, \$3,460.00
- CDPHE - \$540.00
- Erosion Controls of Colorado - \$13,002.08
- PEI - \$231,949.43
- KT Engineering - \$38,845.00
- CTL Thompson - \$31,350.00
- MPI Designs - \$5,100

Filing 2

- ERC - \$2,378.98
- PCS - \$16,732.50
- PCS - \$12,750.05
- CVL - \$24,270
-

Sky Ranch
Filing 1

Activity Code	Activity Description	Vendor	Total Contracts	Total Invoices	Total Retainage	Total Reimbursable	Management Fee
205	Engineering	CVL Consultants	161,900	73,667	-	-	-
204	Planning	PCS Group	183,500	29,483	-	-	-
0	#N/A	New Vendor 1	-	-	-	-	-
0	#N/A	New Vendor 2	-	-	-	-	-
0	#N/A	New Vendor 3	-	-	-	-	-
0	#N/A	New Vendor 4	-	-	-	-	-
0	#N/A	New Vendor 5	-	-	-	-	-
0	#N/A	New Vendor 6	-	-	-	-	-
0	#N/A	New Vendor 7	-	-	-	-	-
0	#N/A	New Vendor 8	-	-	-	-	-
0	#N/A	New Vendor 9	-	-	-	-	-
0	#N/A	New Vendor 10	-	-	-	-	-
Total			345,400	103,149			

check \$

Filing 1 - Contract Tracking Log

Vendor	Activity Code	Description	Contract Value	Total Billed	% Complete	Remaining to Spend	Retainage
PEI	304	Grading	\$ 1,474,567.27	\$ 1,164,456.08	79%	\$ 310,111.19	5%
KT Engineering	301	Survey	\$ 250,355.00	\$ 78,875.00	32%	\$ 171,480.00	0%
Erosion Controls of CO	303	Erosion Control	\$ 4,500.00	\$ 3,800.00	84%	\$ 700.00	0%
MPI Designs	311	Landscaping	\$ 16,065.00	\$ 16,065.00	100%	\$ -	0%
CTL Thompson	302	Geotech	\$ 205,672.00	\$ 88,765.00	43%	\$ 116,907.00	0%
IDES	205	Engineering	\$ 50,000.00	\$ 45,119.64	90%	\$ 4,880.36	0%
Arapahoe County	203	Fees, Permits and Administration	\$ 159,418.82	\$ 159,418.82	100%	\$ -	0%
Xcel Energy	310	Dry Utilities	\$ 971,087.49	\$ 971,087.49	100%	\$ -	0%

SKY RANCH COMMUNITY AUTHORITY BOARD

Board Meeting Project Status

August 10, 2018

New Contracts

- No new Contracts to Report.

Construction Contract Documents

Earthwork Contract

Change Orders

- **Recommend Ratification:**
 - None
- **Recommend Approval:**
 - Change Order 5: \$55,738.43. Covers scope changes and T&M work.
 - \$15,391.20 in District Costs
 - \$40,347.23 in Non-District Costs
- **Potential Change Orders:**
 - Change Order 8: Increase in costs for expedited schedule, \$27,086.49 increase
 - Change Order 9: Increase in costs for long haul from borrow site, \$616,601.03 increase

Pay Applications

- Pay Application #6 is recommended for payment: \$231,949.43 (\$155,086.36 District; \$89,070.94 Non-District; \$12,207.86 Retained).
 - \$1,225,743.25 Billed to Date; \$61,287.16 Retained; \$1,164,456.08 Paid to Date;

Drainage and Utilities Contract

Change Orders

- **Recommend Ratification:**
 - None
- **Recommend Approval:**
 - Change Order 1: \$231,434.42. Covers scope changes, T&M work to pump water, additional cost for CIP Box Culvert
 - \$231,434.42 in District Costs
 - \$0.00 Non-District Costs
- **Potential Change Orders:**
 - None

Pay Applications

- Pay Application #1 is recommended for payment: \$376,163.98 (\$323,734.26 District; \$72,227.82 Non-District; \$19,798.10 Retained)
 - \$395,962.08 Billed to Date; \$19,798.10 Retained; \$376,163.98 Paid to Date;

Other Matters

- District Engineer met with District Accounting to develop a coding system for Pay App process.
 - Awaiting Coding system used by Developer. Will evaluate to determine if second set of codes is needed for "Powers of the District" Categories.
- District Engineer recommends beginning Cost Certification to Date.

Sky Ranch Community Authority Board
 Contractors Change Order Log Paid-To-Date Summary

Contractor	Change Orders	Total Contract Amount	Amount Billed	Remaining
PEI - Grading	4	\$1,418,828.53	\$985,585.95	\$433,242.58
PEI - Drainage & Utilities	0	\$8,971,057.30	\$0.00	\$8,971,057.30
Total		\$10,389,885.83	\$985,585.95	\$9,404,299.88

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	\$1,418,828.53	\$0.00	4	\$1,418,828.53	4
2	PEI - Drainage & Utilities	\$8,971,057.30	\$0.00	0	\$8,971,057.30	0
3						
4						
5						
6						
7						
	Total	\$10,389,885.83	\$0.00		\$10,389,885.83	

Potential Change Order Log

#	Contractor	Current Contract	Days	Potential Change Orders		Potential Contract	
				Amount	Days	Amount	Days
1	PEI - Grading	\$1,418,828.53	4	\$699,425.95	10	\$2,118,254.48	14
2	PEI - Drainage & Utilities	\$8,971,057.30	0	\$231,434.42	1	\$9,202,491.72	1
3							
4							
5							
6							
7							
	Total	\$10,389,885.83		\$930,860.37		\$11,320,746.20	
Potential Total of All Change Orders						\$930,860.37	

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		\$0.00	\$0.00	\$0.00
4				
5				
6				
7				
	Total		\$0.00	\$0.00