

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE SKY RANCH COMMUNITY AUTHORITY BOARD (“CAB”) HELD SEPTEMBER 18, 2018

The special meeting of the Board of Directors of the Sky Ranch Community Authority Board (referred to hereafter as the “Board”) was convened on Tuesday, the 18th day of September, 2018, at 8:00 A.M., at the Project Management Trailer, just south of I-70 at Exit 292 (Airpark Exit). The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Mark Harding
Paul “Joe” Knopinski
Scott Lehman
Dirk Lashnits

Also In Attendance Were:

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

MaryAnn M. McGeady, Esq.; McGeady Becher P.C.

Rick Dinkel; Pure Cycle Corporation

Greg Toler; Independent District Engineering Services, LLC (“IDES”)

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 McGeady noted that all Directors’ Disclosure Statements have been filed, and no additional conflicts were disclosed at the meeting.

ADMINISTRATIVE MATTERS

Agenda: Ms. Johnson distributed for the Board’s review and approval a proposed Agenda for the CAB’s Special Meeting.

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

Board Vacancy: The Board deferred discussion.

CONSENT AGENDA The Board considered the following actions:

- Approve Minutes of the August 10, 2018 Regular Meeting.

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

FINANCIAL MATTERS

Claims: The Board considered approval of the payment of claims through the period ending August 31, 2018, in the amount of \$115,975.03.

Following discussion, upon motion duly made by Director Harding, seconded by Director Lashnits and, upon vote, unanimously carried, the Board approved the payment of claims, as presented.

Unaudited Financial Statements: Mr. Dinkel presented to the Board the unaudited financial statements through the period ending July 31, 2018. The Board discussed the status of outstanding construction contracts and the status of funding advances for the construction contracts under the CAB's Facilities Funding and Acquisition Agreement. The Board determined to request funding advances under the Facilities Funding and Acquisition Agreement to assure funding is deposited with the CAB for the next six months of commitments. The Board directed that funding requests be made under the Facilities Funding and Acquisition Agreement as directed.

Following review and discussion, upon motion duly made by Director Harding, seconded by Director Lehman and, upon vote, unanimously carried, the Board approved the unaudited financial statements through the period ending July 31, 2018, as presented.

2019 Budget: The Board discussed preparation of the 2019 Budget and timing on the proposed issuance of Bonds.

Following discussion, upon motion duly made by Director Harding, seconded by Director Lashnits and, upon vote, unanimously carried, the Board appointed Mr. Dinkel to draft the 2019 Budget.

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The Board also determined to hold the public hearing to consider adoption of the 2019 Budget on Friday, November 9, 2018, at 8:30 a.m. at the regular meeting location and for staff to add discussion of timing for a proposed bond issuance on the Agenda for the CAB's February 2019 meeting.

LEGAL MATTERS

Amended and Restated CAB Establishment Agreement by and between Sky Ranch Metropolitan District No. 1 and Sky Ranch Metropolitan District No. 5:

Attorney McGeady reviewed with the Board the Amended and Restated CAB Establishment Agreement by and between Sky Ranch Metropolitan District No. 1 and Sky Ranch Metropolitan District No. 5.

Following discussion, upon motion duly made by Director Knopinski, seconded by Director Lashnits and, upon vote, unanimously carried, the Board approved the Amended and Restated CAB Establishment Agreement by and between Sky Ranch Metropolitan District No. 1 and Sky Ranch Metropolitan District No. 5.

Termination of Project Funding and Reimbursement Agreement and Facilities Acquisition Agreement by and between the CAB and Pure Cycle Corporation:

Attorney McGeady reviewed with the Board the Termination of Project Funding and Reimbursement Agreement and Facilities Acquisition Agreement by and between the CAB and Pure Cycle Corporation.

Following discussion, upon motion duly made by Director Knopinski, seconded by Director Harding and, upon vote, unanimously carried, the Board approved the Termination of Project Funding and Reimbursement Agreement and Facilities Acquisition Agreement by and between the CAB and Pure Cycle Corporation.

Facilities Funding and Acquisition Agreement by and between the CAB and Pure Cycle Corporation: Attorney McGeady reviewed with the Board the Facilities Funding and Acquisition Agreement by and between the CAB and Pure Cycle Corporation.

Following discussion, upon motion duly made by Director Knopinski, seconded by Director Harding and, upon vote, unanimously carried, the Board approved the Facilities Funding and Acquisition Agreement by and between the CAB and Pure Cycle Corporation.

Operation Funding Agreement by and between the CAB and Pure Cycle Corporation: The Board discussed the Operation and Funding Agreement previously approved by the Board and noted that Pure Cycle Corporation had determined no to execute the version approved. Following discussion, the Board rescinded its offer to

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Pure Cycle Corporation of the previously approved version. Attorney McGeady then reviewed with the Board a new Operation Funding Agreement by and between the CAB and Pure Cycle Corporation.

Following discussion, upon motion duly made by Director Harding, seconded by Director Knopinski and, upon vote, unanimously carried, the Board approved the Operation Funding Agreement by and between the CAB and Pure Cycle Corporation.

Tri-Party Agreement by and among the CAB, Sky Ranch Metropolitan District No. 5 and Pure Cycle Corporation: Attorney McGeady reviewed with the Board the Tri-Party Agreement by and among the CAB, Sky Ranch Metropolitan District No. 5 and Pure Cycle Corporation.

Following discussion, upon motion duly made by Director Knopinski, seconded by Director Harding and, upon vote, unanimously carried, the Board approved the Tri-Party Agreement by and among the CAB, Sky Ranch Metropolitan District No. 5 and Pure Cycle Corporation.

CONSTRUCTION MATTERS

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

Earthwork and Erosion Control:

Change Order No. 8 to the Construction Contract with Premier Earthworks & Infrastructure, Inc., Earthwork and Erosion Control: This item was deferred.

Change Order No. 6 to the Construction Contract with Premier Earthworks & Infrastructure, Inc., Earthwork and Erosion Control: The Board reviewed Change Order No. 6 to the Construction Contract with Premier Earthworks & Infrastructure, Inc., Earthwork and Erosion Control. No action was taken by the Board.

Pay Application No. 7 to the Construction Contract with Premier Earthworks & Infrastructure, Inc., Earthwork and Erosion Control: The Board reviewed Pay Application No. 7 to the Construction Contract with Premier Earthworks & Infrastructure, Inc., Earthwork and Erosion Control.

Following discussion, upon motion duly made by Director Knopinski, seconded by Director Harding and, upon vote, unanimously carried, the Board approved Pay Application No. 7 to the Construction Contract with Premier Earthworks & Infrastructure, Inc., Earthwork and Erosion Control, in the amount of \$194,206.87.

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Drainage and Utilities:

Change Order No. 2 to the Sky Ranch CAB Major Drainage and Utilities Contract with Premier Earthworks & Infrastructure, Inc.: The Board deferred discussion.

Change Order No. 3 to the Sky Ranch CAB Major Drainage and Utilities Contract with Premier Earthworks & Infrastructure, Inc.: The Board reviewed Change Order No. 3 to the Sky Ranch CAB Major Drainage and Utilities Contract with Premier Earthworks & Infrastructure, Inc.

Following discussion, upon motion duly made by Director Harding, seconded by Director Lehman and, upon vote, unanimously carried, the Board approved Change Order No. 3 to the Sky Ranch CAB Major Drainage and Utilities Contract with Premier Earthworks & Infrastructure, Inc., in the amount of \$104,812.34.

Pay Application No. 2 to the Sky Ranch CAB Major Drainage and Utilities Contract with Premier Earthworks & Infrastructure, Inc.: The Board reviewed Pay Application No. 2 to the Sky Ranch CAB Major Drainage and Utilities Contract with Premier Earthworks & Infrastructure, Inc.

Following discussion, upon motion duly made by Director Harding, seconded by Director Lehman and, upon vote, unanimously carried, the Board approved Pay Application No. 2 to the Sky Ranch CAB Major Drainage and Utilities Contract with Premier Earthworks & Infrastructure, Inc., in the amount of \$1,441,567.

Engineers Report: Mr. Toler presented the Engineer's Report. A copy of the Engineer's Report dated September 18, 2018, is attached hereto and incorporated herein by this reference.

Status of the Following:

Consulting Agreements: There was nothing new to report at this time.

Operations and Maintenance Fee: The board discussed the need for an operations and maintenance fee and discussed the timing on the determination as to the amount of the fee. Ms. Johnson reviewed with the Board the resources available at SDMS to assist the Board in evaluating the need for the fee, the amount of the fee and with communication to residents as they move into the Community. The Board discussed the benefits of the provision of welcome packets from the CAB to the homebuilders for distribution to new residents as they close on the purchase of their homes.

Design Guidelines: The Board discussed the need for Design Guidelines and requested that consideration of adoption of Design Guidelines be on the agenda for the next meeting.

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Conveyance of Tracts to the CAB: The Board discussed the desire to accept conveyance of the tracts to be owned by the CAB to the CAB at the next meeting.

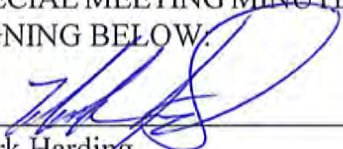
OTHER MATTERS The Board conducted a tour of the facilities/project.

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

THESE MINUTES ARE APPROVED AS THE OFFICIAL SEPTEMBER 18, 2018 SPECIAL 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: 9/18/18

DESIGN AND CONSTRUCTION

Status Report and Progress Updates for June

- Overexcavation – Phase 1 and 2 complete; Phase 3 for KB is 60% complete
- Dirt Shortage – site is low on dirt due to design changes and overex shrinkage; PEI finalizing respective contracts with builders
- Drainage and Utilities – sanitary sewer 80%, water 40%, storm 20% complete for Ph 1
- Concrete and Asphalt – Out to bid; pre-bid meeting 9/5, bid opening 9/24, start 10/1
- Maintaining SEMSWA and Urban Drainage compliance
- Preliminary planning/engineering for Filing 2 – GDP first submittal pending (need traffic study)

BUDGET

- Budget review/update process and protocol

CONTRACTS AND TASK ORDERS

Filing 1

- PEI Drainage and Utilities CO #2 – (\$3,831.42)
- PEI Drainage and Utilities CO #1 – \$231,434.42 (presented and approved last meeting)

Filing 2

- ERC - \$15,886.00 (ratified last meeting)

PAYABLES

Filing 1

- Erosion Controls of Colorado - \$3,800.00, \$760.00, \$760.00, \$760.00,
- PEI - \$194,206.87, \$376,163.98

Filing 2

- CVL - \$15,474.40
- PCS - \$7,447.50, \$6,605.25

SKV Bauech.
Filing 1

Contract Entry	Activity Code	Activity Description	Vendor	Total Contracts	Total Invoices	Total Retainage	Total Reimbursable	% Complete	Remaining to Spend	Management Fee
CAB	203	Fees, Permits and Administration	Arapahoe County	973	973	-	836	100%	-	-
CAB	302	Geotech	CTL Thompson	205,672	100,605	-	85,408	49%	105,067	-
CAB	303	Erosion Control	Erosion Controls of CO	84,680	22,882	-	19,653	27%	61,798	-
CAB	201	Legal and Title	Hoffman, Parker, etc	8,304	8,304	-	-	100%	-	-
CAB	202	District Survey	IDES	50,000	41,313	-	35,483	83%	8,687	-
CAB	301	Survey	KT Engineering	250,355	78,075	-	67,745	32%	171,480	-
CAB	311	Landscaping	MPI Designs	16,065	16,065	-	16,065	100%	-	-
CAB	201	Legal and Title	Otis Beedingfield & Peters	235	235	-	-	100%	-	-
CAB	304	Grading	PEI	1,474,557	1,358,668	71,509	706,505	92%	115,904	-
CAB	305	Sanitary Sewer	PEI	2,401,574	1,173,354	61,755	1,173,354	49%	1,228,220	-
CAB	306	Water	PEI	2,219,247	255,311	13,437	255,311	12%	1,963,936	-
CAB	307	Storm Sewer	PEI	4,577,839	389,066	20,477	389,066	8%	4,188,773	-
CAB	203	Fees, Permits and Administration	SEMSWA	13,385	13,385	-	11,486	100%	-	-
CAB	310	Dry Utilities	Xcel Energy	971,087	971,087	-	242,772	100%	-	-
			Total	12,273,984	4,430,119	167,179	3,004,694		7,843,865	

Sky Ranch
Filing 2

Activity Code	Activity Description	Vendor	Total Contracts	Total Invoices	Total Retainage	Total Reimbursable	% Complete	Remaining to Spend	Management Fee
205	Engineering	OVL Consultants	161,900	95,516	-	9,551,600	59%	66,384	-
204	Planning	PCS Group	183,500	43,535	-	4,353,530	24%	139,965	-
205	Engineering	ERC	15,886	7,048	-	7,048	44%	8,838	-
0		New Vendor 2	-	-	-	-	0%	-	-
0		New Vendor 3	-	-	-	-	0%	-	-
0		New Vendor 4	-	-	-	-	0%	-	-
0		New Vendor 5	-	-	-	-	0%	-	-
0		New Vendor 6	-	-	-	-	0%	-	-
0		New Vendor 7	-	-	-	-	0%	-	-
0		New Vendor 8	-	-	-	-	0%	-	-
0		New Vendor 9	-	-	-	-	0%	-	-
0		New Vendor 10	-	-	-	-	0%	-	-
0		New Vendor 11	-	-	-	-	0%	-	-
0		New Vendor 12	-	-	-	-	0%	-	-
0		New Vendor 13	-	-	-	-	0%	-	-
0		New Vendor 14	-	-	-	-	0%	-	-
0		New Vendor 15	-	-	-	-	0%	-	-
0		New Vendor 16	-	-	-	-	0%	-	-
0		New Vendor 17	-	-	-	-	0%	-	-
0		New Vendor 18	-	-	-	-	0%	-	-
0		New Vendor 19	-	-	-	-	0%	-	-
0		New Vendor 20	-	-	-	-	0%	-	-
		Total	361,286	146,100	-	13,912,178	0%	215,186	-

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SKY RANCH COMMUNITY AUTHORITY BOARD

Board Meeting Project Status

September 18, 2018

Bidding

- Bid Package for Roadway Improvements released on August 30th. Bid Opening is scheduled for September 24th.
 - Work expected to commence October 15th, 2018.

New Contracts

- No new Contracts to Report.

Construction Contract Documents

Earthwork Contract

Change Orders

- **Recommend Ratification:**
 - 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
- **Recommend Approval:**
 - Change Order 6: \$30,628.49. Covers long haul costs
 - \$15,926.81 in District Costs
 - \$14,701.68 in Non-District Costs
- **Potential Change Orders:**
 - None

Pay Applications

- Pay Application #7 is recommended for payment: \$194,206.87 (\$122,834.26 District; \$81,594.03 Non-District; \$10,221.41 Retained).
 - \$1,430,171.53 Billed to Date; \$71,508.58 Retained; \$1,358,662.96 Paid to Date;

Drainage and Utilities Contract

Change Orders

- **Recommend Ratification:**
 - 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
- **Recommend Approval:**
 - Change Order 2: -\$3,831.42. Removes Tracer Wire from Sanitary Sewer Lines and Non-Potable Water Lines. Adds Sanitary Sewer rework due to late design changes.
 - -\$3,831.42 in District Costs
 - \$0.00 Non-District Costs
 - Change Order 3: \$104,812.34. Changes size of the Box Culvert, Covers T&M Costs for Excavation, Changes to the Step Pool, and Hard Excavation Costs for the Sewer Line.
 - \$104,812.34 in District Costs.
 - \$0.00 in Non-District Costs

- **Potential Change Orders:**
 - Change Order Request #8 for \$72,884.24 for lost production due to Water Issues.
 - Change Order Request #11 for \$106,454.51 for sheet piling at outfall of Pond D.
 -

Pay Applications

- Pay Application #2 is recommended for payment: \$1,441,567.40 (\$1,417,124.28 District; \$100,315.09 Non-District; \$75,871.97 Retained)
 - \$1,913,401.45 Billed to Date; \$95,670.07 Retained; \$1,817,731.38 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	\$1,474,566.96	\$1,225,743.25	\$248,823.71
PEI - Drainage & Utilities	0	\$9,202,491.72	\$376,163.98	\$8,826,327.74
Total		\$10,677,058.68	\$1,601,907.23	\$9,075,151.45

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	\$55,738.43	14	\$1,474,566.96	14
2	PEI - Drainage & Utilities	\$8,971,057.30	\$231,434.42	1	\$9,202,491.72	1
3						
4						
5						
6						
7						
Total		\$10,389,885.83	\$287,172.85		\$10,677,058.68	

Potential Change Order Log

#	Contractor	Current Contract	Days	Potential Change Orders		Potential Contract	
				Amount	Days	Amount	Days
1	PEI - Grading	\$1,474,566.96	14	\$27,086.49	0	\$1,501,653.45	14
2	PEI - Drainage & Utilities	\$9,202,491.72	1	\$280,319.67	0	\$9,482,811.39	1
3							
4							
5							
6							
7							
Total		\$10,677,058.68		\$307,406.16		\$10,984,464.84	
Potential Total of All Change Orders						\$307,406.16	

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