RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE SKY RANCH COMMUNITY AUTHORITY BOARD ("CAB") HELD JANUARY 18, 2019

The special meeting of the Board of Directors of the Sky Ranch Community Authority Board (referred to hereafter as the "Board") was convened on Friday, the 18th day of January, 2019, 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.

Directors In Attendance Were:
Mark Harding
Paul "Joe" Knopinski
Scott Lehman
Dirk Lashnits

Also In Attendance Were:
Lisa A. Johnson, Peggy Ripko and Brian Bowers; Special District Management Services, Inc.

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

Rick Dinkel; Pure Cycle Corporation

Barrett Marrocco; 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 Meintzer noted that all Directors' Disclosure Statements have been filed. 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.

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

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 Harding, seconded by Director Knopinski 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's boundaries to conduct this meeting, the meeting would be held 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.

Board Vacancy: The Board discussed the vacancy on the Board of Directors. No action was taken.

CONSENT AGENDA The Board considered the following actions:

- Approve Minutes of the December 7, 2018 Reconvened Regular Meeting.
- Ratify approval of payables from December 3, 2018 through December 21, 2018 in the amount of $1,552,054.89.
- Ratify approval of Task Order No. 8 to the Master Service Agreement with Waste Management for Trash Removal Services.

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

FINANCIAL MATTERS

Unaudited Financial Statements: Mr. Dinkel presented to the Board the unaudited financial statements through the period ending December 31, 2018.

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

CONSTRUCTION MATTERS

Project Managers Report: Mr. Lashnits presented to the Board the Project Manager's Report. A copy of the Project Manager's Report is attached hereto and incorporated herein by this reference. Mr. Lashnits reported that construction field activities were progressing as planned.

Earthwork and Erosion Control:

Change Order No. 7 to the Construction Contract with Premier Earthworks & Infrastructure, Inc., Earthwork and Erosion Control: Mr. Lashnits and Mr. Marrocco reviewed with the Board Change Order 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 Change Order No. 7 to the Construction Contract with Premier Earthworks & Infrastructure, Inc., Earthwork and Erosion Control, in the amount of $33,684.42.

Pay Application No. 10 to the Construction Contract with Premier Earthworks & Infrastructure, Inc., Earthwork and Erosion Control: Director Lashnits reviewed with the Board Pay Application No. 10 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 Pay Application No. 10 to the Construction Contract with Premier Earthworks & Infrastructure, Inc., Earthwork and Erosion Control, in the amount of $32,000.20.

Drainage and Utilities:

Change Order No. 7 to the Sky Ranch CAB Major Drainage and Utilities Contract with Premier Earthworks & Infrastructure, Inc.: Mr. Lashnits and Mr. Marrocco reviewed with the Board Change Order No. 7 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. 7 to the Sky Ranch CAB Major Drainage and Utilities Contract with Premier Earthworks & Infrastructure, Inc., in the amount of $20,965.41.

Pay Application No. 6 to the Sky Ranch CAB Major Drainage and Utilities Contract with Premier Earthworks & Infrastructure, Inc.: Director Lashnits reviewed with the

Board Pay Application No. 6 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 Knopinski and, upon vote, unanimously carried, the Board approved Pay Application No. 6 to the Sky Ranch CAB Major Drainage and Utilities Contract with Premier Earthworks & Infrastructure, Inc., in the amount of $304,430.88.

Roadway Improvements:

Change Order No. 1 to the Sky Ranch CAB Roadway Improvements Contract with Premier Earthworks & Infrastructure, Inc.: Mr. Lashnits and Mr. Marrocco reviewed with 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 Roadway Improvements Contract with Premier Earthworks & Infrastructure, Inc., in the amount of $45,413.79.

Pay Application No. 2 to the Sky Ranch Community Filing 1 Roadway Improvements Contract with Premier Earthworks & Infrastructure, Inc.: Director Lashnits reviewed with the Board Pay Application No. 2 to the Sky Ranch Community Filing 1 Roadway Improvements Contract with Premier Earthworks & Infrastructure, Inc.

Following discussion, upon motion duly made by Director Harding, seconded by Director Knopinski and, upon vote, unanimously carried, the Board approved Pay Application No. 2 to the Sky Ranch Community Filing 1 Roadway Improvements Contract with Premier Earthworks & Infrastructure, Inc., in the amount of $715,937.73.

Engineers Report: Mr. Marrocco presented to the Board the Engineer's Report. A copy of the Engineer's Report dated January 18, 2019, is attached hereto and incorporated herein by this reference.

Consulting Agreements: Mr. Marrocco reported that the bids for landscaping work were being assessed and tabulated. The Board directed Mr. Marrocco to present a recommendation regarding which landscape bid to accept at the February meeting.

Covenant Enforcement/Collection Attorney: Ms. Ripko presented a proposal with Altitude Community Law P.C. for legal services for covenant enforcement/collection.

Following discussion, upon motion duly made by Director Harding, seconded by Director Knopinski and, upon vote, unanimously carried, the Board approved the proposal with Altitude Community Law P.C. for legal services for covenant enforcement/collection.

Resolution No. 2019-01-01; Resolution regarding the CAB's Imposition of an Operation and Maintenance Fee: The Board deferred discussion.

Resolution No. 2019-01-02; Resolution Adopting the Design and Landscape Guidelines for Sky Ranch: Ms. Ripko presented the Resolution to the Board. No action was taken.

Resolution No. 2019-01-03; Resolution Adopting Policies and Procedures Governing Enforcement of the Covenants, Conditions, and Restrictions for Sky Ranch: The Board deferred discussion.

Disclosure to Purchasers: The Board deferred discussion.

Tracts from Sky Ranch Metropolitan District No. 5: The Board deferred discussion.

Easements: The Board deferred discussion.

OPERATIONS & MAINTENANCE MATTERS

Monthly Erosion Control Maintenance: The board reviewed a proposal from Pure Cycle Corporation for monthly erosion control maintenance.

Following discussion, upon motion duly made by Director Lashnits, seconded by Director Knopinski and, upon vote, unanimously carried, the Board approved the proposal from Pure Cycle Corporation for monthly erosion control maintenance, for an amount not to exceed $64,800.

OTHER MATTERS

There were no other matters to discuss.

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.

RECORD OF PROCEEDINGS

Respectfully submitted,

By _____
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL JANUARY 18, 2019 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: 1/18/19

Design and Construction

Status Report and Progress Updates for June

- Overexcavation – 100% Complete
- Dirt Shortage – Contract issues resolved, construction underway, approximately 6 weeks to complete
- Drainage and Utilities Phase 1 – working on drainage structures and water meter pits; Ph2&3 timing discussion
- Concrete and Asphalt Phase 1 – completed Phase 1A for model lots; proceeding weather dependent
- Xcel – gas feeder along frontage underway; waiting on permit from County to complete electric main feeder tie-in; lot distribution to start late January
- Landscaping – bid opening 1/11
- Maintaining SEMSWA and Urban Drainage compliance
- Preliminary planning/engineering for Filing 2 (Changing to Filing 3) – GDP submitted and comments due January 15th

Budget

- Budget review/update process and protocol

Contracts and Task Orders

Filing 1

- PEI Grading CO# 7 (PEI #11), $33,684.42 – dirt import from WWTP
- PEI Utilities CO# 7 (PEI #18), $14,216.58 – Park Drains
- PEI Utilities CO#7 (PEI #19), $6,748,83 – R&R Inlet on 8th
- PEI Roadways CO# 1 (PEI #3), $39,181.89 – street dirt balance
- PEI Roadways CO# 1 (PEI #2), $6,231.90 – repair subgrade from water leak
- Pure Cycle GESC Contract, ~$60,000 – Ongoing monthly maintenance

Filing 2 (Changing to Filing 3)

Payables (Outside of Contract)

Filing 1

Sky Ranch
Filing 1

Contract Entity	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	126,100	126,100	-	103,694	100%	0	-
CAB	302	Geotech	CTL Thompson	205,672	212,048	-	174,370	103%	(6,376)	-
CAB	303	Erosion Control	Erosion Controls of CO	84,680	51,965	-	42,731	61%	32,715	-
CAB	205	Engineering	ERO Resources Group	580	580	-	477	100%	-	-
CAB	201	Legal and Title	Hoffman, Parker, etc	8,304	8,304	-	-	100%	-	-
CAB	202	District	IDES	100,000	68,967	-	56,713	69%	31,033	-
CAB	301	Survey	KT Engineering	277,765	200,305	-	164,713	72%	77,460	-
CAB	311	Landscaping	MPI Designs	16,065	16,065	-	16,065	100%	-	-
CAB	201	Legal and Title	Otis Bedingfield & Peters	235	235	-	-	100%	-	-
CAB	304	Grading	PEI	1,538,880	1,463,674	76,947	801,123	95%	75,206	40,056
CAB	305	Sanitary Sewer	PEI	2,424,264	1,521,255	79,151	1,600,406	63%	903,009	80,020
CAB	306	Water	PEI	2,292,567	1,507,404	76,042	1,583,446	66%	785,163	79,172
CAB	307	Storm Sewer	PEI	4,864,819	3,045,786	153,313	3,199,100	63%	1,819,033	159,955
CAB	310	Dry Utilities	PEI	192,103	70,814	3,541	-	37%	121,289	-
CAB	308	Concrete	PEI	3,450,732	403,219	20,161	423,380	12%	3,047,513	21,169
CAB	309	Asphalt	PEI	4,963,342	966,714	48,336	1,015,049	19%	3,996,628	50,752
CAB	203	Fees, Permits and Administration	SEMSWA	13,385	13,385	-	11,007	100%	-	-
CAB	202	District	Sentinel	19	19	-	16	100%	-	-
CAB	310	Dry Utilities	Xcel Energy	1,342,146	1,342,146	-	-	100%	-	-
			Total	21,901,659	11,018,986	457,490	9,192,289		10,882,673	431,125

Sky Ranch
Filing 2

Contract Entity	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	32,500	61,500	-	26,725	189%	(29,000)	-
CAB	205	Engineering	CVL Consultants	171,900	110,475	-	90,845	64%	61,425	-
CAB	205	Engineering	ERC	15,886	7,048	-	5,796	44%	8,838	-
CAB	205	Engineering	ERO	2,000	612	-	503	31%	1,388	-
CAB	205	Engineering	LSC	10,950	3,349	-	2,754	31%	7,601	-
CAB	204	Planning	PCS Group	183,500	66,405	-	54,606	36%	117,095	-
CAB	203	Fees, Permits and Administration	Tri-County Health	110	220	-	181	200%	(110)	-
CAB		-		-	-	-	-	0%	-	-
CAB		-		-	-	-	-	0%	-	-
CAB		-		-	-	-	-	0%	-	-
CAB		-		-	-	-	-	0%	-	-
CAB		-		-	-	-	-	0%	-	-
CAB		-		-	-	-	-	0%	-	-
CAB		-		-	-	-	-	0%	-	-
CAB		-		-	-	-	-	0%	-	-
CAB		-		-	-	-	-	0%	-	-
CAB		-		-	-	-	-	0%	-	-
CAB		-		-	-	-	-	0%	-	-
CAB		-		-	-	-	-	0%	-	-
CAB		-		-	-	-	-	0%	-	-
CAB		-		-	-	-	-	0%	-	-
			Total	384,346	188,109	-	154,685		196,237	-

SKY RANCH COMMUNITY AUTHORITY BOARD

Board Meeting Project Status
January 18th, 2019

New Contract

- Landscape bids received January 11th, 2019. District Engineer recommendation to be distributed at meeting.

Construction Contract Documents

Earthwork Contract – Premier Earthworks & Infrastructure

Change Orders

- Recommend Ratification:
  - None
- Recommend Approval:
  - Change Order 7: $33,684.42. Compensates PEI on a T&M basis for excavation and grading of Wastewater Reclamation Facility for additional material for grading streets in Phase 3.

Pay Applications

- Pay Application #10 is recommended for payment: $32,000.20 ($33,684.42 District, $0.00 Non-District, $1,684.22 Retained)
  - $1,538,936.87 Billed to Date; $76,946.84 Retained; $1,461,990.03 Paid to Date;

Drainage and Utilities Contract – Premier Earthworks & Infrastructure

Change Orders

- Recommend Ratification:
  - None
- Recommend Approval:
  - Change Order 7: $20,965.41. Installs Park Drains with a connection to a storm sewer for all 3 parks in Filing 1.

Pay Applications

- Pay Application #6 is recommended for payment: $304,430.88 ($278,748.47 District; $41,705.09 Non-District; $16,022.68 Retained)
  - $6,240,929.86 Billed to Date; $312,046.49 Retained; $5,928,883.37 Paid to Date;

Roadways Contract – Premier Earthworks & Infrastructure

Change Orders

- Recommend Ratification:
  - None
- Recommend Approval:
  - $45,413.79. Covers cost to rework damaged subgrade due to a damaged hydrant. Also covers cost to cut streets to grade due to Final Pavement Design changes.

Pay Applications

- Pay Application #2 is recommended for payment: $715,937.73 ($753,618.66 District; $0.00 Non-District; $37,680.93 Retained)
    - $1,369,932.65 Billed to Date; $68,496.63 Retained; $1,301,436.02 Paid to Date;

Other Matters

- PEI plans to seek retainage for Grading contract once all claims are resolved.
- Update on Invoices certified

Sky Ranch Community Authority Board

Contractors Change Order Log Paid-To-Date Summary

Contractor	Change Orders	Total Contract Amount	Amount Billed	Remaining
PEI - Grading	6	$1,505,252.45	$1,429,989.83	$75,262.62
PEI - Drainage & Utilities	5	$9,752,787.19	$5,624,452.49	$4,128,334.70
PEI - Roadways	0	$8,368,649.67	$585,498.29	$7,783,151.38
Total		$19,626,689.31	$7,639,940.61	$11,986,748.70

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		$86,366.92	27	$1,505,252.45	27
2	PEI - Drainage & Utilities	$8,971,057.30		$781,729.89	44	$9,752,787.19	44
3	PEI - Roadways	$8,368,649.67		$0.00	0	$8,368,649.67	0
4							
5							
6							
7							
	Total	**$18,758,592.50**		**$868,096.81**		**$19,626,689.31**	

Potential Change Order Log

#	Contractor	Current Contract	Days	Potential Change Orders		Potential Contract	
				Amount	Days	Amount	Days
1	PEI - Grading	$1,505,252.45	27	$34,155.36	2	$1,539,407.81	29
2	PEI - Drainage & Utilties	$9,752,787.19	44	$20,965.41	3	$9,773,752.60	47
3	PEI - Roadways	$8,368,649.67	0	$101,124.39	0	$8,469,774.06	0
4							
5							
6							
7							
	Total	**$19,626,689.31**		**$156,245.16**		**$19,782,934.47**	
	Potential Total of All Change Orders					$156,245.16	

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	PEI - Roadways	$0.00		$0.00	$0.00
4					
5					
6					
7					
	Total			**$0.00**	**$0.00**