RECORD OF PROCEEDINGS

MINUTES OF THE RECONVENED REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE SKY RANCH COMMUNITY AUTHORITY BOARD ("CAB") HELD DECEMBER 7, 2018

The reconvened regular meeting of the Board of Directors of the Sky Ranch Community Authority Board (referred to hereafter as the "Board") was reconvened on Friday, the 7th day of December, 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.

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

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

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

Tony Lindeman and 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, 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 Reconvened 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.

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

CONSENT AGENDA The Board considered the following actions:

- Approve Minutes of the November 9, 2018 Regular Meeting.
- Ratify approval of Task Order No. 3 to the MSA with CVL Consultants of Colorado, Inc., in the amount of $10,000.
- Ratify approval of Master Services Agreement and Task Order No. 1 to the Master Services Agreement with LSC Transportation Consultants, Inc. for Traffic Engineering Services, in the amount of $10,950.
- Ratify approval of proposal from ERO Resources Corporation for Tributary 12 of First Creek at Sky Ranch, for an amount not to exceed $2,000.

Following review, upon motion duly made by Director Knopinski, seconded by Director Lehman 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 for the period beginning October 1, 2018 through December 3, 2018, in the amount of $4,033,288.42.

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

The Board then considered approval of the payment of claims beginning December 3, 2018 through the period ending December 14, 2018, in the amount of $1,236,929.94.

Following discussion, upon motion duly made by Director Knopinski, seconded by Director Harding 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 October 31, 2018.

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

2018 Budget Amendment Hearing: The President continued the public hearing to consider the Resolution to Amend the 2018 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2018 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 this public hearing. No public comments were received and the public hearing was closed.

Following discussion, the Board determined that a 2018 Budget Amendment was not needed.

2019 Budget Hearing: President Harding continued the public hearing to consider the proposed 2019 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2019 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 this public hearing.

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

Mr. Lindeman reviewed the estimated 2018 expenditures and proposed 2019 expenditures.

The Board discussed the mill levy and determined that no mill levy will be certified.

Following discussion, the Board considered the adoption of the Resolution to Adopt the 2019 Budget and Appropriate Sums of Money. Upon motion duly made by Director Harding seconded by Director Lashnits and, upon vote, unanimously carried, the Resolution was adopted, as discussed, and execution of the Certification of Budget was authorized. Ms. Johnson was authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2019. A copy of the adopted Resolution is attached to these Minutes and incorporated herein by this reference.

LEGAL MATTERS

None.

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. It was noted that the paving was under way or about to be underway.

Task Order No. 8 from KT Engineering Services, LLC under the Master Service Agreement: The Board reviewed Task Order No. 8 under the Master Services Agreement with KT Engineering, LLC.

Following review and discussion, upon motion duly made by Director Lehman, seconded by Director Lashnits and, upon vote, unanimously carried, the Board approved Task Order No. 8 under the Master Services Agreement with KT Engineering, in the amount of $15,770.

Earthwork and Erosion Control: The Board directed Mr. Marrocco to publish Notice of Final Payment once the work has been determined to be completed.

Drainage and Utilities:

Pay Application No. 5 to the Sky Ranch CAB Major Drainage and Utilities Contract with Premier Earthworks & Infrastructure, Inc.: Director Lashnits reviewed with the Board Pay Application No. 5 to the Sky Ranch CAB Major Drainage and Utilities Contract with Premier Earthworks & Infrastructure, Inc.

Following discussion, upon motion duly made by Director Lashnits, seconded by Director Knopinski and, upon vote, unanimously carried, the Board approved Pay Application No. 5 to the Sky Ranch CAB Major Drainage and Utilities Contract with Premier Earthworks & Infrastructure, Inc., in the amount of $723,837.60.

Roadway Improvements:

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

Following discussion, upon motion duly made by Director Lashnits, seconded by Director Knopinski and, upon vote, unanimously carried, the Board approved Pay Application No.1 to the Sky Ranch Community Filing 1 Roadway Improvements Contract with Premier Earthworks & Infrastructure, Inc., in the amount of $585,498.29.

Engineers Report: Mr. Marrocco presented to the Board the Engineer's Report. A copy of the Engineer's Report dated December 7, 2018, is attached hereto and incorporated herein by this reference. It was noted that bids for landscaping work would be considered at the next meeting.

Consulting Agreements: Ms. Johnson will obtain a proposal for covenant enforcement/collection attorney. Ms. Johnson will also obtain proposals for the 2018 audit.

Resolution No. 2018-12-01; Resolution regarding the CAB's Imposition of an Operation and Maintenance Fee: The Board directed Ms. Ripko and Ms. Meintzer to finalize the Resolution.

Resolution No. 2018-12-02; Resolution Adopting the Design Guidelines for Sky Ranch: The Board directed Ms. Ripko and Ms. Meintzer to finalize the Resolution.

Resolution No. 2018-12-03; Resolution Adopting Policies and Procedures Governing Enforcement of the Covenants, Conditions, and Restrictions for Sky Ranch: The Board directed Ms. Ripko and Ms. Meintzer to finalize the Resolution.

Trash Removal Provider: Ms. Ripko presented to the Board with two solicited proposals for Trash Removal Provider. The Board discussed options. Ms. Ripko recommended approval of a contract with Waste Management Company.

Following discussion, upon motion duly made by Director Lashnits, seconded by Director Knopinski and, upon vote, unanimously carried, the Board approved the contract for Trash Removal Services with Waste Management Company.

Disclosure to Purchasers: Ms. Meintzer will finalize the Disclosure document.

Tracts from Sky Ranch Metropolitan District No. 5: Ms. Meintzer noted that Legal Counsel is still working on this.

Easements: The Board deferred discussion.

OTHER MATTERS The Board decided to cancel the January 11, 2019 regular meeting and hold a special meeting on January 18, 2019, at the usual time and location.

CONTINUANCE 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 DECEMBER 7, 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: 12/07/18

Design and Construction

Status Report and Progress Updates for June

- Overexcavation – Phase 1 and 2 complete; Phase 3 for KB is 90% complete
- Dirt Shortage – site is low on dirt due to design changes and overex shrinkage; 50% Complete; PEI finalizing respective contracts with TM and KB
- Drainage and Utilities Phase 1 – sanitary sewer 100%, water 80%, storm 80% complete
- Concrete and Asphalt Phase 1 – started 10/29; paving start 12/3
- Xcel – start main electric and gas feeders week of 12/3/18
- Maintaining SEMSWA and Urban Drainage compliance
- Preliminary planning/engineering for Filing 2 (Changing to Filing 3) – GDP submitted and comments due early January

Budget

- Budget review/update process and protocol

Contracts and Task Orders

Filing 1

- N/A

Filing 2 (Changing to Filing 3)

- LSC, $10,950 – Preliminary Traffic Study

Payables (Outside of Contract)

Filing 1

- Arapahoe County, $32,500 – GDP 1st Submittal
- Arapahoe County, $29,000 – Preliminary Plat Submittal
- Sentinel, $19.04 – Landscape Notification

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	195,271	-	160,574	95%	10,401	-
CAB	303	Erosion Control	Erosion Controls of CO	84,680	45,125	-	37,107	53%	39,555	-
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	57,670	-	47,423	58%	42,330	-
CAB	301	Survey	KT Engineering	261,995	142,395	-	117,093	54%	119,600	-
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	1,505,196	1,429,990	75,263	782,731	95%	75,206	39,137
CAB	305	Sanitary Sewer	PEI	2,424,264	1,436,822	74,929	1,511,750	59%	987,443	61,755
CAB	306	Water	PEI	2,292,567	1,014,257	51,385	1,065,641	44%	1,278,310	13,437
CAB	307	Storm Sewer	PEI	4,843,854	2,647,613	133,404	2,781,017	55%	2,196,241	20,477
CAB	310	Dry Utilities	PEI	192,103	2,278	114	-	1%	189,825	-
CAB	308	Concrete	PEI	3,405,308	-	-	-	0%	3,405,308	-
CAB	309	Asphalt	PEI	4,963,342	-	-	-	0%	4,963,342	-
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	1,022,536	1,022,536	-	-	100%	-	-
			Total	**21,466,205**	**8,158,643**	**335,095**	**6,634,594**		**13,307,562**	**134,807**

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	109,599	-	90,124	64%	62,301	-
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	62,598	-	51,475	34%	120,902	-
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	183,426	-	150,834		200,920	-

SKY RANCH COMMUNITY AUTHORITY BOARD

Board Meeting Project Status
December 7th, 2018

New Contract

- No new contracts to Report

Construction Contract Documents

Earthwork Contract – Premier Earthworks & Infrastructure

Change Orders

- Recommend Ratification:
  - None
- Recommend Approval:
  - None

Pay Applications

- None
  - $1,505,252.45 Billed to Date; $75,262.62 Retained; $1,429,989.83 Paid to Date;

Drainage and Utilities Contract – Premier Earthworks & Infrastructure

Change Orders

- Recommend Ratification:
  - Change Order 6: $101,018.04. Adds CIP storm manhole for expedited delivery, adds cost of steel casing beneath 10th Drive RCBC, installs sidewalk in Pedestrian Box.
    - $101,018.04 in District Costs
    - $0.00 Non-District Costs
- Recommend Approval:
  - None

Pay Applications

- Pay Application #5 is recommended for payment: $723,837.60 ($363,496.71 District; $360,340.89 Non-District; $36,191.88 Retained)
  - $5,920,476.30 Billed to Date; $296,023.82 Retained; $5,624,452.49 Paid to Date;

Roadways Contract – Premier Earthworks & Infrastructure

Change Orders

- Recommend Ratification:
  - None
- Recommend Approval:
  - None

Pay Applications

- Pay Application #1 is recommended for payment: $585,498.29 ($616,313.99 District; $0.00 Non-District; $30,815.70 Retained)
  - $616,313.99 Billed to Date; $30,815.70 Retained; $585,498.29 Paid to Date;

Other Matters

- PEI plans to seek retainage for Grading contract once all claims are resolved.

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	$4,936,806.77	$4,815,980.42
PEI - Roadways	0	$8,368,649.67	$0.00	$8,368,649.67
Total		$19,626,689.31	$6,366,796.60	$13,259,892.71

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	$0.00	0	$9,752,787.19	44
3	PEI - Roadways	$8,368,649.67	0	$0.00	0	$8,368,649.67	0
4							
5							
6							
7							
	Total	**$19,626,689.31**		**$34,155.36**		**$19,660,844.67**	
	Potential Total of All Change Orders					$34,155.36	

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**