

# SKY RANCH COMMUNITY AUTHORITY BOARD (“CAB”)

141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228-1898  
Tel: 303-987-0835 • 800-741-3254  
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## NOTICE OF SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>District Rep:</u>	<u>Term/Expiration:</u>
Mark Harding	President	5	2020/May 2020
Joe Knopinski	Vice President	5	2022/May 2022
Dirk Lashnits	Treasurer	5	2022/May 2022
Scott Lehman	Secretary	1	2020/May 2020
<b>VACANT</b>			2020/May 2020

DATE: October 25, 2019

TIME: 9:30 a.m.

PLACE: Pure Cycle Corporation  
34501 East Quincy Avenue, Building 34  
Watkins, Colorado 80137

Call-in Number: 1-877-221-1978

Passcode: 9521151

### I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

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B. Approve Agenda and confirm location of the meeting and posting of meeting notices.

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C. Discuss Board vacancy.

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### II. CONSENT AGENDA

- Approve Minutes of the October 11, 2019 Regular Meeting (enclosure).
  - Ratify engagement of Simmons & Wheeler, P.C. to provide Financial Forecast related to the CAB’s 2019 Bonds.
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### III. FINANCIAL MATTERS

#### A. SECOND READING

1. Public Hearing to consider Amendment to 2019 Budget and consider adoption of Resolution to Amend the 2019 Budget (enclosures).
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- B. Consider adoption of a Resolution authorizing the execution and delivery of a Trust Indenture by and between the CAB and UMB Bank n.a. concerning the issuance of Bonds pursuant thereto and pursuant to Supplemental Indentures (to be distributed).
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C. SECOND READING

1. Consider adoption of the Resolution authorizing the issuance of Limited Tax Supported District No. 1 Senior Bonds (Tax-Exempt Fixed Rate ), Series 2019A, and Limited Tax Supported District No. 1 Subordinate Bonds (Tax-Exempt Fixed Rate), Series 2019B, in a total combined principal amount not to exceed \$14,000,000; and approve the related Indentures of Trust, Preliminary and Final Limited Offering Memoranda, Continuing Disclosure Agreement; and authorize the execution of certain other documents relating to the Bonds (to be distributed).
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D. FIRST READING

1. Consider the draft 2020 Budget (enclosure).
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- E. Authorize Project Fund Disbursement Requests for release of Bond proceeds to reimburse Pure Cycle Corporation under the Series 2019A Bonds and the 2019B Bonds.
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- F. Consider approval of Continuing Disclosure Resolution (to be distributed).
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IV. LEGAL MATTERS

- A. \_\_\_\_\_

V. OTHER MATTERS

- A. \_\_\_\_\_

- VI. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR NOVEMBER 8, 2019 (BUDGET HEARING).**

## RECORD OF PROCEEDINGS

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### MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE SKY RANCH COMMUNITY AUTHORITY BOARD (“CAB”) HELD OCTOBER 11, 2019

The regular meeting of the Board of Directors (referred to hereafter as the “Board”) of the Sky Ranch Community Authority Board (referred to hereafter as the “CAB”) was convened on Friday, the 11th day of October, 2019, at 8:30 a.m., at the offices of McGeady Becher P.C., 450 East 17th Avenue, Suite 400, Denver, Colorado 80203. The meeting was open to the public.

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**Directors In Attendance Were:**

Mark Harding  
Joe Knopinski  
Scott Lehman

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

**Also In Attendance Were:**

Lisa A. Johnson and Peggy Ripko; Special District Management Services, Inc.

MaryAnn McGeady, Esq. and Andrew Rippey, 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:** Attorney McGeady 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 McGeady 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. No additional conflicts were disclosed at the meeting.

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## RECORD OF PROCEEDINGS

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### 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 Harding, seconded by Director Knopinski 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 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 of the CAB's boundaries to conduct this meeting, the meeting would be held at the above-stated location. The Board further noted that notice of this meeting 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.

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### CONSENT AGENDA

The Board considered the following actions:

- Approve Minutes of the September 13, 2019 Regular Meeting (enclosure).
- Ratify approval of payables from August 10, 2019 through September 13, 2019 in the amount of \$747,619.50.
- Ratify engagement of Altitude Law for Covenant Enforcement Legal Services (enclosure).

Following review, upon motion duly made by Director Knopinski, seconded by Director Harding and, upon vote, unanimously carried, the Board approved the above actions.

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### LEGAL MATTERS

There were no legal matters to discuss.

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### CONSTRUCTION MATTERS

**Project Managers Report:** The Board reviewed the Project Manager's Report. Director Harding gave an update on the Project. A copy of the Project Manager's Report, dated October 11, 2019, is attached hereto and incorporated herein by this reference.

## RECORD OF PROCEEDINGS

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**Task Order No. 15 from KT Engineering under the Master Services Agreement:** The Board reviewed Task Order No. 15 under the Master Services Agreement with KT Engineering.

Following review and discussion, upon motion duly made by Director Knopinski, seconded by Director Lehman and, upon vote, unanimously carried, the Board approved Task Order No. 15 under the Master Services Agreement with KT Engineering for grade checks, as-builts, landscaping and dry utilities, in the amount of \$19,880.00.

**Agreement with Xcel Energy for Phase 3 Gas Distribution and Phase 3 Street Lights:** The Board reviewed and considered approval of an agreement with Xcel Energy.

Following discussion, upon motion duly made by Director Harding, seconded by Director Lehman and, upon vote, unanimously carried, the Board approved the Agreement with Xcel Energy for Phase 3 gas distribution and Phase 3 street lights, in the amount of \$324,707.42.

**Engineers Report:** Mr. Marrocco presented to the Board the Engineer's Report. A copy of the Engineer's Report, dated October 11, 2019, is attached hereto and incorporated herein by this reference.

### **Consulting Agreements:**

**Service Agreement with Pure Cycle Corporation for Landscape Maintenance:** Attorney Rippey discussed with the Board the need for a Service Agreement between the CAB and Pure Cycle Corporation for landscape maintenance. Following discussion, Legal staff will provide a recommendation on how to proceed at the next meeting.

### **Earthwork and Erosion Control:**

No new matters were presented.

### **Drainage and Utilities:**

**Pay Application No. 16 to the Drainage and Utilities Contract with Premier Earthworks & Infrastructure, Inc.:** Mr. Marrocco presented to the Board Pay Application No. 16 to the Drainage and Utilities Contract with Premier Earthworks & Infrastructure, Inc.

## RECORD OF PROCEEDINGS

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Following discussion, upon motion duly made by Director Knopinski, seconded by Director Harding and, upon vote, unanimously carried, the Board approved Pay Application No. 16 to the Drainage and Utilities Contract with Premier Earthworks & Infrastructure, Inc., in the amount of \$105,708.01.

### **Roadway Improvements:**

Change Order No. 11 to the Roadway Improvements Contract with Premier Earthworks & Infrastructure, Inc.: Mr. Marrocco reviewed with the Board Change Order No. 11 to the Roadway Improvements Contract with Premier Earthworks & Infrastructure, Inc.

Following discussion, upon motion duly made by Director Lehman, seconded by Director Harding and, upon vote, unanimously carried, the Board approved Change Order No. 11 to the Roadway Improvements Contract with Premier Earthworks & Infrastructure, Inc., in the amount of \$9,197.23 for Phase 2 final pavement design.

Pay Application No. 11 to the Roadway Improvements Contract with Premier Earthworks & Infrastructure, Inc.: Mr. Marrocco reviewed with the Board Pay Application No. 11 to the Roadway Improvements Contract with Premier Earthworks & Infrastructure, Inc.

Following discussion, upon motion duly made by Director Knopinski, seconded by Director Lehman and, upon vote, unanimously carried, the Board approved Pay Application No. 11 to the Roadway Improvements Contract with Premier Earthworks & Infrastructure, Inc., in the amount of \$701,480.69.

### **Landscape Improvements:**

Change Order No. 10 to the Landscape Improvements Contract with Environmental Designs, Inc. ("EDI"): Mr. Marrocco reviewed with the Board Change Order No. 10 to the Landscape Improvements Contract with EDI.

Following discussion, upon motion duly made by Director Knopinski, seconded by Director Lehman and, upon vote, unanimously carried, the Board approved Change Order No. 10 to the Landscape Improvements Contract with EDI, to reduce the contract amount by -\$22,510.57 for irrigation changes in front of model homes.

Change Order No. 11 to the Landscape Improvements Contract with EDI: Mr. Marrocco reviewed with the Board Change Order No. 11 to the Landscape Improvements Contract with EDI.

## RECORD OF PROCEEDINGS

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Following discussion, upon motion duly made by Director Knopinski, seconded by Director Lehman and, upon vote, unanimously carried, the Board approved Change Order No. 11 to the Landscape Improvements Contract with EDI, in the amount of \$4,455.01 for additional median landscape and to replace rock with grass at 8<sup>th</sup> Place and White Crow.

Change Order No. 12 to the Landscape Improvements Contract with EDI: Mr. Marrocco reviewed with the Board Change Order No. 12 to the Landscape Improvements Contract with EDI.

Following discussion, upon motion duly made by Director Knopinski, seconded by Director Lehman and, upon vote, unanimously carried, the Board approved Change Order No. 12 to the Landscape Improvements Contract with EDI, in the amount of \$2,881.40 for drill seeding in Tract G and Tract Q.

Change Order No. 13 to the Landscape Improvements Contract with EDI: Mr. Marrocco reviewed with the Board Change Order No. 13 to the Landscape Improvements Contract with EDI.

Following discussion, upon motion duly made by Director Knopinski, seconded by Director Lehman and, upon vote, unanimously carried, the Board approved Change Order No. 13 to the Landscape Improvements Contract with EDI, in the amount of \$5,867.86 for MSE wall engineering.

Pay Application No. 6 to the Landscape Improvements Contract with EDI: Mr. Marrocco reviewed with the Board Pay Application No. 6 to the Landscape Improvements Contract with EDI.

Following discussion, upon motion duly made by Director Lehman, seconded by Director Harding and, upon vote, unanimously carried, the Board approved Pay Application No. 6 to the Landscape Improvements Contract with EDI, in the amount of \$325,109.93.

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### COMMUNITY MANAGEMENT MATTERS

Community Outreach: Director Harding discussed that the first resident has moved in.

Ms. Ripko presented to the Board a calendar of events for a 2020 community outreach program for 2020 and the remainder of 2019.

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### FINANCIAL MATTERS

Claims: The Board considered approval of the payment of claims for the period beginning September 14, 2019 through October 11, 2019, as follows:

## RECORD OF PROCEEDINGS

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General Fund:	\$ 19,791.00
Debt Service Fund:	\$ -0-
Capital Projects Fund:	<u>\$ 885,555.17</u>
<b>Total:</b>	<b>\$ 905,346.17</b>

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 reviewed with the Board the unaudited financial statements through the period ending July 31, 2019.

Following review and discussion, upon motion duly made by Director Harding, seconded by Director Knopinski and, upon vote, unanimously carried, the Board accepted the unaudited financial statements through the period ending July 31, 2019.

**Accounting Services:** The Board reviewed the engagement letter from Clifton LarsonAllen LLP for accounting services.

Following discussion, upon motion duly made by Director Lehman, seconded by Director Harding and, upon vote, unanimously carried, the Board ratified the approval of the engagement of CliftonLarsonAllen LLP for accounting services.

**Master Indenture:** The Board discussed the terms of the Master Indenture and directed staff to put on the next meeting agenda for consideration.

### **FIRST READINGS:**

**2019 Budget Amendment Hearing:** Attorney McGeady noted that publication of a First Reading to consider an amendment to the 2019 Budget was made in a newspaper having general circulation within the District. The Board discussed an amendment the 2019 Budget.

Following discussion, upon motion duly made by Director Harding, seconded by Director Knopinski and, upon vote, unanimously carried, the Board moved to advance the 2019 Budget amendment to the Second Reading at the October 25, 2019 meeting.

**Resolution Authorizing the Issuance of Limited Tax Supported District No. 1 Senior Bonds, Series 2019A, and Limited Tax Supported District No. 1 Subordinate Bonds, 2019B:** Attorney McGeady noted that publication of a First Reading to consider the Bond issuance was made in a newspaper having general circulation within the District. The Board discussed adoption of the Resolution



## RECORD OF PROCEEDINGS

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authorizing the issuance of Limited Tax Supported District No. 1 Senior Bonds (Tax-Exempt Fixed Rate ), Series 2019A, and Limited Tax Supported District No. 1 Subordinate Bonds (Tax-Exempt Fixed Rate), Series 2019B, in a combined principal amount not to exceed \$14,000,000 and approve the related Indentures of Trust, Preliminary and Final Limited Offering Memoranda, Continuing Disclosure Agreement; and authorize the execution of certain other documents relating to the Bonds.

Following discussion, upon motion duly made by Director Harding, seconded by Director Lehman and, upon vote, unanimously carried, the Board moved to advance the authorization of the Bond issuance and adoption of the Bond Resolution to a Second Reading at the October 25, 2019 meeting.

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### OTHER MATTERS

There were no other matters to discuss.

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### 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

# Sky Ranch CAB – Project Manager Board Report

Date: 10/11/19

## DESIGN AND CONSTRUCTION

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### Status Report and Progress Updates

- Earthwork – performing corrections and certifications for close-out
- Dirt Shortage – Recalibrating with new home starts; KB import; PEI import
- Drainage and Utilities – pedestrian bridge in channel; meter pits after curb in Ph 2 and 3
- Concrete and Asphalt Phase 1 – Ph 1 streets complete; working on signage and striping; KB TD#3 streets complete; Richmond TD#2 approximately 30% complete; Start 6<sup>th</sup> Ave in October
- Xcel – working on remaining gas and electric in Ph 1; street lights in Ph 1; pre-con for Ph 3
- Landscaping – 8<sup>th</sup> Ave entry 80% complete and started watering; Central Park plaza hardscapes 80% complete, irrigation started and plan to sod by end of October; Monaghan fencing and columns complete; Working on 8<sup>th</sup> Ave fencing; drainage channel and pond 50% complete; Monduments 75% complete
- Maintaining SEMSWA and Urban Drainage compliance – Builder SWMP transfer once plans approved
- Preliminary planning/engineering for Filing 2 (Changing to Filing 4) – GDP comments received and working on responses; meetings required with CDOT, Urban Drainage, Open Space; Ongoing discussions with Interchange/1601 group

## BUDGET

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- Budget review – review and amendment in process

## CONTRACTS, CHANGE ORDERS AND TASK ORDERS

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### Filing 1

- EDI – CO #10 (82560) – (\$22,510.57) – credit for deletion of 8<sup>th</sup> Ave landscaping
- EDI – CO #11 - \$4,455.01
  - COR 84142 – \$4,563.10 – 8<sup>th</sup> ave median strip not in design
  - COR 84052 – (\$108.09) – change cobble to turf at 8<sup>th</sup> and Waterloo
- EDI – CO #12 - \$2,881.40
  - COR 84135 - \$2,591.57 – Tract G (8<sup>th</sup> Ave) seeding
  - COR 84320 -- \$289.83 – Tract Q (8<sup>th</sup> Ave) seeding
- EDI – CO #13 (82573) - \$5,867.86 – retaining wall engineering
- KT Engineering – TO#15 - \$19,880.00 – grade checks, as-builts, landscaping, dry utilities
- PEI Roadways – CO #11 (COR 25) - \$9,197.23 – Phase 2 cost revisions per final pavement design
- Pure Cycle – Master Contract - \$418,575.84 – fencing and landscaping
- Xcel Energy - \$324,707.42

- \$97,711.69 – Phase 3 Gas Distribution
- \$226,995.73 – Phase 3 Street Lights

Filing 2 (Changing to Filing 3)

**PAYABLES (OUTSIDE OF CONTRACT)**

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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	127,100	127,100	-	104,516	100%	-	-
CAB	201	Legal and Title	Butler Snow	425	425	-	-	100%	-	-
CAB	303	Erosion Control	CM5	20,000	2,500	-	2,056	13%	17,500	125
CAB	302	Geotech	CTL Thompson	361,958	366,967	-	301,762	101%	(5,009)	18,348
CAB	205	Engineering	CVL Consultants	69,026	69,026	-	56,761	100%	-	-
CAB	311	Landscaping	Environmental Designs	3,414,382	1,022,903	43,576	1,022,903	30%	2,391,480	51,145
CAB	205	Engineering	ERO Resources Group	580	580	-	477	100%	-	-
CAB	303	Erosion Control	ERO Controls of CO	84,680	70,965	-	58,355	84%	13,715	3,548
CAB	201	Legal and Title	Hoffman, Parker, etc	8,304	8,304	-	-	100%	-	-
CAB	202	District	IDES	150,000	131,507	-	108,140	88%	18,493	-
CAB	301	Survey	KT Engineering	493,060	461,510	-	379,506	94%	31,550	23,076
CAB	202	District	McGeedy Becher	33,225	33,225	-	27,321	100%	-	-
CAB	311	Landscaping	MPI Designs	23,970	18,630	-	18,630	78%	5,340	932
CAB	201	Legal and Title	Otis-Beadingfield & Peters	235	235	-	-	100%	-	-
CAB	304	Grading	PEI	1,538,880	1,538,937	51,298	800,247	100%	(57)	76,947
CAB	305	Sanitary Sewer	PEI	2,475,352	2,462,457	83,391	2,462,457	99%	12,895	123,123
CAB	306	Water	PEI	2,395,062	2,377,376	80,984	2,377,376	99%	18,686	118,869
CAB	307	Storm Sewer	PEI	4,965,666	4,831,817	162,684	4,831,817	97%	133,849	241,591
CAB	310	Dry Utilities	PEI	195,271	192,103	6,403	-	98%	3,168	9,605
CAB	308	Concrete	PEI	3,518,417	2,541,165	127,058	2,541,165	72%	977,252	127,058
CAB	309	Asphalt	PEI	4,987,232	3,012,393	150,620	3,012,393	60%	1,974,839	150,620
CAB	303	Erosion Control	Pure Cycle Erosion Control	64,800	-	-	-	0%	64,800	-
CAB	311	Landscaping	Pure Cycle Landscaping	418,576	-	-	-	0%	418,576	-
CAB	202	District	SDMS	25,583	25,583	-	21,037	100%	-	-
CAB	203	Fees, Permits and Administration	SEMMSWA	18,750	18,750	-	15,418	100%	-	-
CAB	107	District	Sentinel	-	-	-	-	0%	-	-
CAB	202	District	Sentinel	78	78	-	64	100%	-	-
CAB	201	Legal and Title	Spencer Fane	228	228	-	-	100%	-	-
CAB	310	Dry Utilities	Xcel Energy	2,368,589	2,368,589	-	597,189	100%	-	118,429
			<b>Total</b>	<b>27,760,429</b>	<b>21,693,353</b>	<b>706,014</b>	<b>18,799,589</b>		<b>6,077,077</b>	<b>1,063,416</b>

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	Apache County	61,500	61,500	-	50,572	100%	-	-
CAB	205	Engineering	CVL Consultants	171,900	199,449	-	164,009	116%	(27,549)	-
CAB	205	Engineering	ERC	15,886	7,887	-	6,486	50%	7,999	-
CAB	205	Engineering	ERO	2,000	2,427	-	1,996	121%	(427)	-
CAB	205	Engineering	LSC	14,950	14,288	-	11,750	96%	662	-
CAB	204	Planning	PCS Group	183,500	106,071	-	87,224	58%	77,429	-
CAB	203	Fees, Permits and Administration	Tri-County Health	330	330	-	271	100%	-	-
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%	-	-
CAB				-	-	-	-	0%	-	-
CAB				-	-	-	-	0%	-	-
CAB				-	-	-	-	0%	-	-
<b>Total</b>				<b>450,066</b>	<b>391,952</b>		<b>322,307</b>	<b>6</b>	<b>58,114</b>	

**SKY RANCH COMMUNITY AUTHORITY BOARD**  
**Board Meeting Project Status**  
**October 11, 2019**

**Construction Contract Documents**

**Drainage and Utilities Contract – Premier Earthworks & Infrastructure**

*Change Orders*

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

*Pay Applications*

- Pay Application #16 is recommended for payment: \$105,708.01 (\$110,444.79 District; \$826.80 Non-District; \$5,563.58 Retained)
  - \$9,863,752.41 Billed to Date. \$333,461.82 Retained. \$9,530,290.59 Paid to Date.

**Roadways Contract – Premier Earthworks & Infrastructure**

*Change Orders*

- Recommend Ratification:
  - None
- Recommend Approval:
  - Change Order #11: \$9,197.23 for Phase 2 Final Payment Design

*Pay Applications*

- Pay Application #11 is recommended for payment: \$701,480.69 (\$738,400.73 District; \$0.00 Non-District; \$36,920.04 Retained)
  - \$5,570,450.46 Billed to Date. \$278,522.52 Retained. \$5,291,927.94 Paid to Date.

**Landscape Contract – Environmental Designs, Inc.**

*Change Orders*

- Recommend Ratification:
  - None
- Recommend Approval:
  - Change Order #10: -\$22,510.57 for Irrigation Changes in front of Model Homes
  - Change Order #11: \$4,455.01 for Additional Median Landscape and Replace Rock with Grass at 8<sup>th</sup> Place & White Crow
  - Change Order #12: \$2,881.40 for Drill Seeding in Tract G and Tract Q
  - Change Order #13: \$5,867.86 for MSE Wall Engineering

*Pay Applications*

- Pay Application #6 is recommended for payment: \$325,109.93 (\$342,220.97 District; \$0.00 Non-District; \$17,111.05 Retained)
  - \$1,040,013.58 Billed to Date. \$52,000.68 Retained. \$988,012.90 Paid to Date.

## **Earthwork Contract – Premier Earthworks & Infrastructure**

### *Change Orders*

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

### *Pay Applications*

- None

## **Other Matters**

- IDES has reviewed \$2,815,099.16 in expenditures for Cost Certification #2 and has certified \$2,677,007.63 as District Eligible.

# Sky Ranch Community Authority Board

## Contractors Change Order Log Paid-To-Date Summary

<b>Contractor</b>	<b>Change Orders</b>	<b>Total Contract Amount</b>	<b>Amount Billed</b>	<b>Remaining</b>
PEI - Grading	7	\$1,538,936.87	\$1,487,638.98	\$51,297.89
PEI - Drainage & Utilities	16	\$10,032,349.56	\$9,424,582.58	\$607,766.98
PEI - Roadways	10	\$8,513,344.25	\$4,590,447.25	\$3,922,897.00
EDI - Landscape	9	\$1,771,024.69	\$662,902.98	\$1,108,121.71
<b>Total</b>		<b>\$21,855,655.37</b>	<b>\$16,165,571.79</b>	<b>\$5,690,083.58</b>



# 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	\$120,051.34	31	\$1,538,936.87	31
2	PEI - Drainage & Utilities	\$8,971,057.30	\$1,061,292.26	55	\$10,032,349.56	55
3	PEI - Roadways	\$8,368,649.67	\$144,694.58	26	\$8,513,344.25	26
4	EDI - Landscape	\$1,633,252.04	\$137,772.65	119	\$1,771,024.69	119
5						
6						
7						
<b>Total</b>		<b>\$20,391,844.54</b>	<b>\$1,463,810.83</b>		<b>\$21,855,655.37</b>	

### Potential Change Order Log

#	Contractor	Current Contract	Days	Potential Change Orders		Potential Contract	
				Amount	Days	Amount	Days
1	PEI - Grading	\$1,538,936.87	31	\$0.00	0	\$1,538,936.87	31
2	PEI - Drainage & Utilities	\$10,032,349.56	55	\$34,687.27	1.5	\$10,067,036.83	57
3	PEI - Roadways	\$8,513,344.25	26	\$42,070.86	2	\$8,555,415.11	28
4	EDI - Landscape	\$1,771,024.69	215	\$57,462.39	31	\$1,828,487.08	246
5							
6							
7							
<b>Total</b>		<b>\$21,855,655.37</b>		<b>\$134,220.52</b>		<b>\$21,989,875.89</b>	
Potential Total of All Change Orders						\$134,220.52	

### 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	EDI - Landscape	\$85.00	\$0.00	\$85.00
5				
6				
7				
<b>Total</b>			<b>\$0.00</b>	<b>\$0.00</b>



**CliftonLarsonAllen**

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## **Accountant's Compilation Report**

Board of Directors  
Sky Ranch Community Authority Board

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Sky Ranch Community Authority Board for the year ending December 31, 2020, including the estimate of comparative information for the year ending December 31, 2019, and the actual comparative information for the year ended December 31, 2018, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Sky Ranch Community Authority Board.

Greenwood Village, Colorado  
\_\_\_\_\_, 2019



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PRELIMINARY DRAFT - SUBJECT TO REVISION

**SKY RANCH COMMUNITY AUTHORITY BOARD  
SUMMARY  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

10/15/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 8/31/2019	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ (825)	\$ 235,563	\$ 206,909	\$ 206,909	\$ 2,663,643
REVENUES					
Net investment income	11,797	3,000	2,301	9,000	21,500
Public improvement fees	-	-	136,997	250,000	360,000
Bond issuance	-	-	-	12,378,000	-
O&M fee revenue	-	20,081	11,550	30,000	125,250
Developer advance	11,572,409	8,669,049	9,227,152	14,962,620	19,177,545
Transfer from Sky Ranch District No. 1	657	500	456	492	274,981
Transfer from Sky Ranch District No. 5	327,679	100,629	104,362	144,921	175,542
Total revenues	<u>11,912,542</u>	<u>8,793,259</u>	<u>9,482,818</u>	<u>27,775,033</u>	<u>20,134,818</u>
TRANSFERS IN	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>2,719,912</u>	<u>-</u>
Total funds available	<u>11,911,717</u>	<u>9,278,822</u>	<u>9,689,727</u>	<u>30,701,854</u>	<u>22,798,461</u>
EXPENDITURES					
General Fund	81,997	381,822	61,423	127,911	166,000
Debt Service Fund	-	-	-	133,800	596,525
Capital Projects Fund	11,622,811	8,647,000	482,360	25,056,588	19,041,700
Total expenditures	<u>11,704,808</u>	<u>9,028,822</u>	<u>543,783</u>	<u>25,318,299</u>	<u>20,065,320</u>
TRANSFERS OUT	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>2,719,912</u>	<u>250,000</u>
Total expenditures and transfers out requiring appropriation	<u>11,704,808</u>	<u>9,278,822</u>	<u>543,783</u>	<u>28,038,211</u>	<u>20,315,320</u>
ENDING FUND BALANCES	<u>\$ 206,909</u>	<u>\$ -</u>	<u>\$ 9,145,944</u>	<u>\$ 2,663,643</u>	<u>\$ 2,483,141</u>
EMERGENCY RESERVE	\$ -	\$ -	\$ 7,600	\$ 12,800	\$ 17,400
DEBT SERVICE RESERVE	-	-	-	907,300	907,300
CAPITALIZED INTEREST	-	-	-	1,434,812	1,088,940
TOTAL RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,600</u>	<u>\$ 2,354,912</u>	<u>\$ 2,013,640</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

2  
PRELIMINARY DRAFT - SUBJECT TO REVISION

**SKY RANCH COMMUNITY AUTHORITY BOARD**  
**GENERAL FUND**  
**2020 BUDGET**  
**WITH 2018 ACTUAL AND 2019 ESTIMATED**  
**For the Years Ended and Ending December 31,**

10/15/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 8/31/2019	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 15,893	\$ 235,563	\$ 274,029	\$ 274,029	\$ 321,531
<b>REVENUES</b>					
Net investment income	11,797	-	-	-	-
Developer advance	-	275,049	-	-	-
O&M fee revenue	-	20,081	11,550	30,000	-
Public improvement fees	-	-	136,997	250,000	360,000
Transfer from Sky Ranch District No. 1	657	500	456	492	45,828
Transfer from Sky Ranch District No. 5	327,679	100,629	104,362	144,921	175,542
Total revenues	<u>340,133</u>	<u>396,259</u>	<u>253,365</u>	<u>425,413</u>	<u>581,370</u>
Total funds available	<u>356,026</u>	<u>631,822</u>	<u>527,394</u>	<u>699,442</u>	<u>902,901</u>
<b>EXPENDITURES</b>					
General and administrative					
Accounting	5,000	5,000	400	20,000	50,000
Audit	-	-	-	6,500	5,000
Dues and memberships	-	-	1,048	1,048	1,500
Insurance and bonds	8,633	8,500	2,363	2,363	8,500
CAB management	19,299	20,000	-	18,000	20,000
Legal	47,037	45,000	50,270	70,000	45,000
Miscellaneous	2,028	1,500	-	-	-
Election expense	-	-	-	-	2,000
Contingency	-	38,402	-	-	20,000
Operations and maintenance					
Engineering	-	5,000	-	-	5,000
Fence and sign maintenance	-	-	-	-	7,500
Detention ponds	-	20,000	-	-	-
Landscaping	-	94,150	-	-	-
Fencing	-	2,500	-	-	-
Parks & trails	-	32,009	-	-	-
Utilities	-	53,000	-	-	-
Monuments	-	5,000	-	-	-
Mailboxes	-	750	-	-	-
Operations and maintenance reserve	-	16,906	-	-	-
Office supplies	-	-	-	-	1,500
Covenant control	-	34,105	-	-	-
SDMS fees	-	-	7,342	10,000	-
Total expenditures	<u>81,997</u>	<u>381,822</u>	<u>61,423</u>	<u>127,911</u>	<u>166,000</u>
<b>TRANSFERS OUT</b>					
Transfers to other fund	-	250,000	-	250,000	250,000
Total expenditures and transfers out requiring appropriation	<u>81,997</u>	<u>631,822</u>	<u>61,423</u>	<u>377,911</u>	<u>416,000</u>
ENDING FUND BALANCE	<u>\$ 274,029</u>	<u>\$ -</u>	<u>\$ 465,971</u>	<u>\$ 321,531</u>	<u>\$ 486,901</u>
EMERGENCY RESERVE	\$ -	\$ -	\$ 7,600	\$ 12,800	\$ 17,400
TOTAL RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,600</u>	<u>\$ 12,800</u>	<u>\$ 17,400</u>

This financial information should be read only in connection with the accompanying accountant's  
compilation report and summary of significant assumptions.

**SKY RANCH COMMUNITY AUTHORITY BOARD  
FEE REVENUE FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

10/15/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 8/31/2019	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
O&M fee revenue	-	-	-	-	125,250
Developer advance	-	-	-	-	135,845
Total revenues	-	-	-	-	261,095
Total funds available	-	-	-	-	261,095
EXPENDITURES					
Operations and maintenance					
Billing & fee collection	-	-	-	-	11,400
Detention ponds	-	-	-	-	20,000
Landscaping	-	-	-	-	94,150
Fencing	-	-	-	-	2,500
Parks & trails	-	-	-	-	32,009
Monuments	-	-	-	-	5,000
Mailboxes	-	-	-	-	750
Utilities	-	-	-	-	53,000
Covenant control	-	-	-	-	25,205
Operations and maintenance reserve	-	-	-	-	17,081
Total expenditures	-	-	-	-	261,095
Total expenditures and transfers out requiring appropriation	-	-	-	-	261,095
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**SKY RANCH COMMUNITY AUTHORITY BOARD  
DEBT SERVICE FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

10/15/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 8/31/2019	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ 2,342,112
REVENUES					
Net investment income	-	-	-	6,000	21,500
Transfer from Sky Ranch District No. 1	-	-	-	-	229,153
Total revenues	-	-	-	6,000	250,653
TRANSFERS IN					
Transfers from other funds	-	-	-	2,469,912	-
Total funds available	-	-	-	2,475,912	2,592,765
EXPENDITURES					
General and administrative					
Trustee/Paying agent fees	-	-	-	-	5,000
Contingency	-	-	-	50,000	-
Debt Service					
Bond interest	-	-	-	83,800	591,525
Total expenditures	-	-	-	133,800	596,525
Total expenditures and transfers out requiring appropriation	-	-	-	133,800	596,525
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ 2,342,112	\$ 1,996,240
DEBT SERVICE RESERVE	\$ -	\$ -	\$ -	\$ 907,300	\$ 907,300
CAPITALIZED INTEREST	-	-	-	1,434,812	1,088,940
TOTAL RESERVE	\$ -	\$ -	\$ -	\$ 2,342,112	\$ 1,996,240

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**SKY RANCH COMMUNITY AUTHORITY BOARD  
CAPITAL PROJECTS FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

10/15/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 8/31/2019	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ (16,718)	\$ -	\$ (67,120)	\$ (67,120)	\$ -
REVENUES					
Net investment income	-	3,000	2,301	3,000	-
Developer advance	11,572,409	8,394,000	9,227,152	14,962,620	19,041,700
Bond issuance	-	-	-	12,378,000	-
Total revenues	<u>11,572,409</u>	<u>8,397,000</u>	<u>9,229,453</u>	<u>27,343,620</u>	<u>19,041,700</u>
TRANSFERS IN					
Transfers from other funds	-	250,000	-	250,000	-
Total funds available	<u>11,555,691</u>	<u>8,647,000</u>	<u>9,162,333</u>	<u>27,526,500</u>	<u>19,041,700</u>
EXPENDITURES					
General and Administrative					
CAB management	-	25,000	-	25,000	25,000
Legal	-	25,000	-	25,000	25,000
Contingency	-	-	-	65,988	-
SDMS fees	-	-	11,012	11,012	-
Bond issuance costs	-	-	-	499,654	-
Interest expense	-	65,000	471,348	-	65,000
Promotional activities	-	-	-	117,000	99,900
District other expenses	-	123,000	-	127,000	102,000
Capital Projects					
Legal - construction	-	25,000	-	-	265,600
Title	-	20,000	-	-	19,000
Planning & engineering	-	20,000	-	-	30,800
General site work	-	10,000	-	26,000	351,300
Interchange	-	500,000	-	-	441,700
Legal & title	-	111,000	-	84,000	274,200
Fees, permits & administration	-	169,000	-	19,000	782,900
Planning	-	250,000	-	188,000	269,600
Survey	-	60,000	-	296,000	231,200
Repay developer advance	-	-	-	9,408,434	-
Engineering and management	-	275,000	-	239,000	1,274,900
Landscaping	-	1,239,000	-	1,179,000	1,892,400
Geotech	-	58,000	-	196,000	209,400
Erosion control	-	66,000	-	227,000	472,500
Grading	-	250,000	-	288,000	1,918,700
Sanitary sewer	-	200,000	-	843,000	1,578,000
Water	-	200,000	-	991,000	1,777,700
Storm sewer	-	200,000	-	1,996,000	3,020,400
Concrete	-	2,087,000	-	2,150,000	1,056,700
Asphalt	-	1,429,000	-	3,064,000	1,083,300
Dry utilities	-	279,000	-	996,000	1,373,000
Warranty & turnover	-	103,000	-	40,000	101,500
Construction contingency	-	614,000	-	1,055,000	-
Rec center	-	-	-	40,000	-
Project management fee	-	244,000	-	860,500	300,000
Capital outlay	11,622,811	-	-	-	-
Total expenditures	<u>11,622,811</u>	<u>8,647,000</u>	<u>482,360</u>	<u>25,056,588</u>	<u>19,041,700</u>
TRANSFERS OUT					
Transfers to other fund	-	-	-	2,469,912	-
Total expenditures and transfers out requiring appropriation	<u>11,622,811</u>	<u>8,647,000</u>	<u>482,360</u>	<u>27,526,500</u>	<u>19,041,700</u>
ENDING FUND BALANCE	<u>\$ (67,120)</u>	<u>\$ -</u>	<u>\$ 8,679,973</u>	<u>\$ -</u>	<u>\$ -</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

6  
PRELIMINARY DRAFT - SUBJECT TO REVISION

**SKY RANCH COMMUNITY AUTHORITY BOARD  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The Sky Ranch Community Authority Board (CAB) was organized to own, operate and maintain certain public improvements within the boundaries of the Sky Ranch Metropolitan District Nos. 1, 3, 4, 5 (collectively, the "Districts"), under a Community Authority Board Establishment Agreement (the "CABEA") entered into by the Districts.

The CAB prepares its budget on the modified accrual basis of accounting in accordance with the requirements of C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

**Revenues**

**Transfers from Metro Districts Nos. 1 and 5**

Pursuant to a Pledge Agreement, District No. 1 has covenanted to levy an ad valorem mill levy upon all taxable property within its boundaries to pay the principal of and interest on the anticipated 2019 Bonds (see Debt and Leases). Upon collection, District No. 1 will transfer tax revenue, net of collection fees, to the CAB.

Pursuant to certain operation agreement, District Nos. 1 and 5 will impose an operations mill levy and will transfer tax revenues, net of collection fees, to the CAB to pay for operations and maintenance costs.

**Net Investment Income**

Interest earned on the CAB's available funds has been estimated based on an average interest rate of approximately 1%.

**O&M Fees**

To pay for costs associated with operating and maintaining District improvements, and to meet the costs of providing essential services, the District has determined that it is necessary to impose District Fees in the form of an Operation and Maintenance Fee (O&M Fee) and Administrative Fee on each lot and/or single family residential dwelling unit. The O&M Fee is anticipated to be (i) based upon the completion of two neighborhood parks and the clubhouse facility, (ii) charged monthly, and (iii) payable quarterly.

**Developer Advances**

The District is in the development stage. As such, a significant portion of the District's capital, general and administrative expenditures will be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds (if applicable) and other legally available revenues.



**SKY RANCH COMMUNITY AUTHORITY BOARD  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures**

**General, Administrative, Operations and Maintenance**

The CAB's 2020 budget includes fees for outsourced services (legal, accounting, management, others), insurance, dues, and other administrative expenditures. The 2020 budget also includes operations and maintenance costs for parks and streets, covenant control, utilities and other related expenditures. The Fee Revenue Fund budget also include budgeted expenditures for the operations and maintenance of the grounds within the Districts (e.g. utilities, covenant control, repairs, trash, etc.).

**Debt Service**

Interest payments in 2020 are based on the proposed financing set to occur in the fourth quarter of 2019. Specific terms will be provided when final.

**Capital Outlay**

The CAB anticipates infrastructure improvements during 2020 as displayed on page 6 of the budget.

**Debt and Leases**

The District has no outstanding debt, nor any operating or capital leases.

**Reserve Funds**

**Emergency Reserve**

The CAB has provided for an emergency reserve in 2020 equal to at least 3% of fiscal year spending, excluding advances and debt issuances, as defined under TABOR.

**Debt Service Reserve Fund**

The CAB is required to maintain a debt service reserve in accordance with the anticipated 2019 bond issuance. This reserve has been established.

**This information is an integral part of the accompanying forecasted budget.**