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Colorado Springs, CO 80903
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June 15, 2018

Board of Directors
Powers Metropolitan District
111 South Tejon Street, Ste 705
Colorado Springs, CO 80903

Re: Carefree & Powers SW, Inc., Recommendation for Reimbursement for Public Improvement Costs
Powers Metropolitan District, Colorado Springs, Colorado

Dear Board of Directors:

We have been provided documentation from Carrie Bartow, CPA with Clifton Larson Allen, being the Developer's representatives for the Powers Pointe subdivision. The documentation depicts the costs incurred in connection with construction of public improvements. The documentation was provided for my evaluation pursuant to obtaining reimbursement by Powers Metropolitan District for public improvement costs.

Included in the documents that were provided for our review were; Site Development Plans, Construction Plans of District infrastructure improvements, Final Plat, Consolidated Service Plan, Request for Payment summaries and cost spreadsheets for District and Non-District items.

It is possible that our recommendations for reimbursement may upon subsequent review by District legal counsel, bonding counsel, and / or District accountants, be revised or amended. The recommendations herein, address costs for infrastructure construction by multiple contractors and vendors.

As a basis for preparing this letter, we have reviewed the District's Service Plan, construction plans; made a site visit to confirm that the construction has been completed commensurate with the costs for which reimbursement is being requested.

District Service Plan

Infrastructure facilities included in the District's Service Plan are provided for as reimbursable costs for those facilities generally identified as follows:

- Planning, design, acquisition, construction, installation, relocation, and redevelopment of public;
- Streets, Traffic and Safety
- Utilities; Water and Sanitary
- Storm Sewer, Detention & Water Quality
- Parks & Recreation, Trails & Landscaping
- Earthwork for public improvements
- Operation and Maintenance

The elements actually constructed in the completed project were confirmed to be in compliance with the above-listed District's Service Plan categories.

Review Methodology

The methodology that was used in reaching conclusions as to our recommendations for reimbursement generally followed the outline below:

- Review Service Plan for included infrastructure
- Review construction costs for consistency with prevailing costs in the area
- Make site visit

Findings

Pursuant to the above methodology to the following findings were confirmed.

- The costs were spent on public infrastructure and facilities as qualified by the District Service Plan
- The improvements have been installed per site visit on May 17, 2018.
- The costs are reasonable and consistent with the prevailing costs in the area

Reduction for Lot Grading

The District does not reimburse costs associated with the private development portions of the project to include dry utilities, grading outside street rights-of-way, etc. A review of the earthwork area was reviewed for the project and it was determined that the grading costs are proportioned at 100 percent to public infrastructure (public portion). The cumulative grading of the project represents approximately 20 percent for public grading. The private portions of the project grading were not considered eligible for District reimbursement.

Recommendations

To the best of my knowledge, and belief, the services rendered for the costs as listed on the attached spreadsheet are appropriate as District expenses and are consistent with those specified in the Service Plan. In my opinion, the costs are competitive with current pricing for similar services in the Colorado area. Accordingly, we recommend that the Board of Directors of the Powers Metropolitan District consistent with its rules and regulations, reimburse Carefree & Powers SW, Inc. the amount of \$496,815.75 for the construction / services as itemized on the attached spreadsheet.

We are available to answer any questions that might arise in connection with these reimbursement recommendations.

Sincerely,



Virgil A. Sanchez, P.E.

For and on behalf of;

M&S Civil Consultants, Inc.