

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE SPRING VALLEY METROPOLITAN DISTRICT NO. 1 AND THE BOARD OF DIRECTORS OF THE SPRING VALLEY METROPOLITAN DISTRICT NO. 1 WATER AND SEWER ACTIVITY ENTERPRISE HELD FEBRUARY 17, 2022

A Special Meeting of the Board of Directors of the Spring Valley Metropolitan District No. 1 (referred to hereafter as the "District") and the Board of Directors of the Spring Valley Metropolitan District No. 1 Water and Sewer Activity Enterprise (referred to hereafter as the "Enterprise", referred to hereafter collectively as the "Board"), was convened on Thursday, February 17, 2022 at 4:00 p.m. via conference call. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

James E. Marshall
Holly D. Robinson
Shelley Marshall

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the absence of Director Scott Marshall was excused.

Also In Attendance Were:

David Solin; Special District Management Services, Inc. ("SDMS")

MaryAnn McGeady, Esq., Erica Montague, Esq. and Craig Sorensen; McGeady Becher P.C.

Eric Weaver and Cheri Curtis; Marchetti & Weaver LLC

Wayne Ramey; Ramey Environmental Compliance, Inc. (for a portion of the meeting)

PUBLIC COMMENTS

There were no public comments.

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosures 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.

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Mr. Solin 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 Montague noted that Disclosure Statements have been filed for all directors. No additional conflicts were disclosed.

ADMINISTRATIVE MATTERS

Agenda: Mr. Solin distributed, for the Board's review and approval, a proposed agenda for the District's Special Meeting.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the agenda was approved, as amended.

Meeting Location and Posting of Meeting Notices: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board determined the meeting would be held by telephonic means, and encouraged public participation via telephone. The Board further noted that notice of the time, date and location was duly posted and that no objections to the telephonic manner of the meeting, or any requests that the telephonic manner of the meeting be changed by taxpaying electors within the District boundaries, have been received.

Minutes: The Board reviewed the Minutes of the October 21, 2021, November 18, 2021, November 23, 2021, December 16, 2021, December 17, 2021 and January 27, 2022 Special Meetings.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Shelley Marshall and, upon vote, unanimously carried, the Minutes of the October 21, 2021, November 18, 2021, November 23, 2021, December 16, 2021, December 17, 2021 and January 27, 2022 Special Meetings were approved.

FINANCIAL MATTERS

Cost Verification Report No. 25: The Board reviewed Cost Verification Report No. 25 dated February 9, 2022, prepared by Schedio Group, LLC, verifying costs associated with the design and construction of public improvements in the amount of \$88,764.14.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board approved Cost Verification Report No. 25 dated February 9, 2022, prepared by Schedio

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Group, LLC, verifying the costs associated with the design and construction of public improvements in the amount of \$88,764.14. The Board further acknowledged Spring Valley Metropolitan District No. 2 Requisition No. 16 in the amount of \$58,535.58 and Spring Valley Metropolitan District No. 6 Requisition No. 2 in the amount of \$30,228.56 for verified costs.

Claims: The Board considered ratifying the approval of the payment of claims as follows:

Fund	Period ending Dec. 31, 2021	Period ending Jan. 31, 2022
General	\$ 10,247.76	\$ 30,700.25
Debt Service	\$ -0-	\$ -0-
Capital	\$ 324,123.41	\$ 50,207.55
Enterprise	\$ 108,528.03	\$ 97,172.76
Total Claims	\$ 442,889.20	\$ 178,080.56

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board ratified approval of the payment of claims, as presented.

Unaudited Financial Statements: Mr. Weaver presented to the Board the unaudited financial statements and schedule of cash position for the period ending December 31, 2021.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board accepted the unaudited financial statements and the schedule of cash position for the period ending December 31, 2021.

LEGAL MATTERS

Quitclaim Deed from ALF-Spring Valley Ranch, LLC for Tracts A, B, C, D, E, F, G, H and K, Spring Valley Ranch, Filing 6: The Board reviewed the Quitclaim Deed from ALF-Spring Valley Ranch, LLC for Tracts A, B, C, D, E, F, G, H and K, Spring Valley Ranch, Filing 6.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board accepted the Quitclaim Deed from ALF-Spring Valley Ranch, LLC for Tracts A, B, C, D, E, F, G, H and K, Spring Valley Ranch, Filing 6.

CAPITAL IMPROVEMENTS MATTERS

Report from Construction Committee: Director J. Marshall reported to the Board that Elbert County has agreed to pay for half of the costs of a guardrail located on the south end of County Road 13. The Board directed Mr. Solin to invoice Elbert County for the cost. It was noted that the amount of \$30,000 will be

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paid by GMT Exploration Company LLC (“GMT”) towards the cost of the intersection at County Road 13 and County Road 178. Mr. Solin was further directed to follow up with Christopher (“CJ”) Kirst with Tahoe Consulting, LLC to invoice.

Adjustment to the Parameters of the Authority of the Construction Committee to Act: No discussion was needed regarding an adjustment to the parameters of the authority of the Construction Committee to act. No action was necessary at this time.

OPERATION & MAINTENANCE

Monthly Activities Reports for November and December 2021: Mr. Ramey discussed with the Board the Ramey Environmental Compliance monthly activities report for November and December 2021.


OTHER BUSINESS

There was no other business.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director J. Marshall, seconded by Director Shelley Marshall, and upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By  _____
Secretary for the Meeting