

## RECORD OF PROCEEDINGS

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### 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 MARCH 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, March 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  
Scott Marshall  
Holly D. Robinson  
Shelley Marshall

##### 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

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

Christopher ("CJ") Kirst; Tahoe Consulting, LLC

#### 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.

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

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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.

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### ADMINISTRATIVE MATTERS

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

Following discussion, upon motion duly made by Director Shelley Marshall, seconded by Director Scott Marshall and, upon vote, unanimously carried, the agenda was approved, as presented.

**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 Shelley Marshall, seconded by Director Scott Marshall 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 February 17, 2022 Regular Meeting.

Following discussion, upon motion duly made by Director Shelley Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Minutes of the February 17, 2022 Regular Meeting were approved.

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### FINANCIAL MATTERS

**Cost Verification Report No. 26:** The Board reviewed Cost Verification Report No. 26 dated March 9, 2022, prepared by Schedio Group, LLC, verifying costs associated with the design and construction of public improvements in the amount of \$281,689.87 (as revised).

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Shelley Marshall and, upon vote, unanimously carried, the Board approved Cost Verification Report No. 26 dated March 9, 2022, prepared by Schedio Group, LLC, verifying the costs associated with the design and construction of public improvements in the amount of \$281,689.87. The Board further acknowledged Spring Valley Metropolitan District No. 2 Requisition No.

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17 in the amount of \$20,311.63, and Spring Valley Metropolitan District No. 6 Requisition No. 3 in the amount of \$261,378.24 for verified costs.

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

Fund	Period ending Feb. 28, 2022
General	\$ 8,839.81
Debt Service	\$ -0-
Capital	\$ 36,364.14
Enterprise	\$ 49,938.93
<b>Total Claims</b>	<b>\$ 95,142.88</b>

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

### LEGAL MATTERS

#### **Required District Funding Commitment under Step-In Rights Agreement between the District and Century Land Holdings, LLC (“Century”) dated December 10, 2021 Related to Construction of Calusa Pines Road and River Highlands Drive:**

*District Engineer’s Certification of the District’s Cost to Complete Construction of Public Improvements in Accordance with Step-In Rights Agreement:* The Board entered into discussion regarding the District Engineer’s Certification of the District’s Cost to Complete Construction of Public Improvements in Accordance with Step-In Rights Agreement.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Shelley Marshall and, upon vote, unanimously carried, the Board acknowledged the District Engineer’s Certification of the District’s Cost to Complete Construction of Public Improvements in Accordance with Step-In Rights Agreement.

*District Accountant’s Certification of the District’s Deposit of Funds for the Construction of Public Improvements in Accordance with Step-In Rights Agreement:* The Board entered into discussion regarding the District Accountant’s Certification of the District’s Deposit of Funds for the Construction of Public Improvements in Accordance with Step-In Rights Agreement.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Shelley Marshall and, upon vote, unanimously carried, the Board

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acknowledged the District Accountant's Certification of the District's Deposit of Funds for the Construction of Public Improvements in Accordance with Step-In Rights Agreement.

*Surety Bonds:* The Board entered into discussion regarding the District's commitment to post (or cause to post) the required surety bonds related to the offsite road improvements on River Highlands Drive and Calusa Pines Drive in Filing 7.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Shelley Marshall and, upon vote, unanimously carried, the Board acknowledged the District's commitment to post (or cause to post) the required surety bonds related to the offsite road improvements on River Highlands Drive and Calusa Pines Drive in Filing 7.

*Resolution No. 2022-03-01 of the Board of Directors of Spring Valley Metropolitan District No. 1 Appropriating, Encumbering and Committing Funds for the Construction of Public Improvements in Accordance with Step-In Rights Agreement:* The Board reviewed Resolution No. 2022-03-01 of the Board of Directors of Spring Valley Metropolitan District No. 1 Appropriating, Encumbering and Committing Funds for the Construction of Public Improvements in Accordance with Step-In Rights Agreement.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Shelley Marshall and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-03-01 of the Board of Directors of Spring Valley Metropolitan District No. 1 Appropriating, Encumbering and Committing Funds for the Construction of Public Improvements in Accordance with Step-In Rights Agreement.

*Cost-Sharing Agreement for Funding Calusa Pines Road and River Highlands Drive:* The Board discussed the cost-sharing arrangement for funding the construction of Calusa Pines Road and River Highlands Drive and acknowledged that the District will pay 100% of the costs for Calusa Pines Road, and 50% of the costs for River Highlands Drive, with Century being responsible for the remaining 50%. The District will be constructing both roads and will invoice Century for its 50% share of the costs. The District will not be grading either road, but it will reimburse Century for 50% of the grading costs.

**May 3, 2022 Regular Directors' Election:** Mr. Solin advised the Board that the May 3, 2022 Regular Directors' Election was cancelled, as allowed under Colorado law, by the Designated Election Official because there were not more candidates than positions available on the Board of Directors. It was noted that Directors Shelley Marshall and Robinson were each deemed elected to 3-year terms ending in May, 2025.

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### CAPITAL IMPROVEMENTS MATTERS

**Report from Construction Committee:** Mr. Kirst provided an update on the status of construction projects.

**Adjustment to the Parameters of the Authority of the Construction Committee to Act:** No adjustment to the parameters of the authority of the Construction Committee to act was required.

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### OPERATION & MAINTENANCE

**Monthly Activities Report for January 2022:** Mr. Eilert discussed with the Board the Ramey Environmental Compliance monthly activities report for January 2022.

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### OTHER BUSINESS

There was no other business.

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### 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 

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Secretary for the Meeting