

## RECORD OF PROCEEDINGS

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### MINUTES OF A REGULAR 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 APRIL 21, 2022

A Regular 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, April 21, 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  
Shelley Marshall

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

## RECORD OF PROCEEDINGS

### 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 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 J. Marshall 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 Shelley Marshall, seconded by Director J. 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 taxing electors within the District boundaries, have been received.

**Minutes:** The Board reviewed the Minutes of the March 17, 2022 Regular Meeting.

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

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### FINANCIAL MATTERS

**Cost Verification Report No. 27:** The Board reviewed Cost Verification Report No. 27 dated April 18, 2022, prepared by Schedio Group, LLC, verifying costs associated with the design and construction of public improvements in the amount of \$598,816.67.

## RECORD OF PROCEEDINGS

---

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Scott Marshall and, upon vote, unanimously carried, the Board approved Cost Verification Report No. 27 dated April 18, 2022, prepared by Schedio Group, LLC, verifying the costs associated with the design and construction of public improvements in the amount of \$598,816.67. The Board further acknowledged Spring Valley Metropolitan District No. 2 Requisition No. 19 in the amount of \$743.13, and Spring Valley Metropolitan District No. 6 Requisition No. 4 in the amount of \$598,073.55 for verified costs.

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

Fund	Period ending March 31, 2022
General	\$ 11,119.08
Debt Service	\$ -0-
Capital	\$ 230,796.11
Enterprise	\$ 66,918.35
<b>Total Claims</b>	<b>\$ 308,833.54</b>

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

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## **LEGAL MATTERS**

### **Agreements between the District and Century Land Holdings, LLC:**

*First Amendment to Step-In Rights Agreement:* The Board reviewed the First Amendment to Step-In Rights Agreement by and between the District, Spring Valley Land Investments II, LLC, and Century Land Holdings, LLC.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Scott Marshall and, upon vote, unanimously carried, the Board approved the First Amendment to Step-In Rights Agreement by and between the District, Spring Valley Land Investments II, LLC, and Century Land Holdings, LLC, and authorized Director J. Marshall to execute the final Agreement.

*First Amendment to Development Improvement Agreement:* The Board reviewed the First Amendment to Development Improvement Agreement by and between the District, Spring Valley Land Investments II, LLC, and Century Land Holdings, LLC.

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

## RECORD OF PROCEEDINGS

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approved the First Amendment to Development Improvement Agreement by and between the District, Spring Valley Land Investments II, LLC, and Century Land Holdings, and authorized Director J. Marshall to execute the final Agreement.

*Contract for Completion of Road Improvements, Wet Utilities and Curb and Gutter work on Calusa Pines Road and River Highlands Drive:* Mr. Kirst reviewed with the Board the bids received for the completion of road improvements, wet utilities and curb and gutter work on Calusa Pines Road and River Highlands Drive. Mr. Kirst indicated that Three Sons Construction, LLC was the lowest responsible bidder, in the amount of \$2,534,625.32.

Following discussion, upon motion duly made by Director Shelley Marshall, seconded by Director Scott Marshall and, upon vote, unanimously carried, the Board awarded the contract for the completion of road improvements, wet utilities and curb and gutter work on Calusa Pines Road and River Highlands Drive to Three Sons Construction, LLC, in the amount of \$2,534,625.32. The Board further authorized the Construction Committee to review and sign the contract.

**Rescission of Water Service Agreement by and between the District and Haynes Family Partnership or Affiliated Parties:** The Board entered into discussion regarding rescinding the approval by the District on August 22, 2019 of a Water Service Agreement by and between the District and Haynes Family Partnership or affiliated parties.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Shelley Marshall and, upon vote, unanimously carried, the Board rescinded the approval by the District on August 22, 2019 of a Water Service Agreement by and between the District and Haynes Family Partnership or affiliated parties.

**Provision of Augmentation Water to the Golf Course:** The Board entered into discussion regarding the provision of augmentation water to the golf course. The Board directed Mr. Solin to invoice augmentation water usage by the golf course, in accordance with the existing agreement.

**Rescission of Infrastructure Funding and Acquisition Agreement between the District and MG Land Investments, LLC:** The Board entered into discussion regarding rescinding approval by the District on August 22, 2019 of an Infrastructure Funding and Acquisition Agreement between the District and MG Land Investments, LLC.

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

## RECORD OF PROCEEDINGS

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rescinded the approval by the District on August 22, 2019 of the Infrastructure Funding and Acquisition Agreement between the District and MG Land Investments, LLC.

**Rescission of Termination of Lease Agreement between the District and Elevation Systems, LLC**: Attorney McGeady reported that on February 11, 2021, the Board approved a Termination of Lease Agreement between the District and Elevation Systems, LLC, but that the District never became a party to the Lease Agreement nor its Termination.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Scott Marshall and, upon vote, unanimously carried, the Board rescinded its February 11, 2021 approval of a Termination of Lease Agreement between the District and Elevation Systems, LLC.

**2-Year Maintenance Warranty Acceptance Letter from Elbert County for County Roads 13, 174 and 178**: The Board reviewed the 2-Year Maintenance Warranty Acceptance Letter from Elbert County for County Roads 13, 174 and 178.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Shelley Marshall and, upon vote, unanimously carried, the Board acknowledged the 2-Year Maintenance Warranty Acceptance Letter from Elbert County for County Roads 13, 174 and 178.

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### **CAPITAL IMPROVEMENTS MATTERS**

**Report from Construction Committee**: Mr. Kirst and Director J. Marshall 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.

**Conditions for Final Acceptance of County Road 178**: The Board entered into discussion regarding the Conditions for Final Acceptance of County Road 178.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Scott Marshall and, upon vote, unanimously carried, the Board ratified the acknowledgement of the Conditions for Final Acceptance of County Road 178.

**Resolution No. 2022-04-01, Resolution Declaring the Spring Valley Metropolitan District No. 1's Intent to Enter Into an Integrated Project Delivery Contract**: The Board reviewed Resolution No. 2022-04-01, Resolution Declaring the Spring Valley Metropolitan District No. 1's Intent to Enter Into an Integrated Project Delivery Contract.

## RECORD OF PROCEEDINGS

---

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. 2022-04-01, Resolution Declaring the Spring Valley Metropolitan District No. 1's Intent to Enter Into an Integrated Project Delivery Contract.

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### OPERATIONS & MAINTENANCE

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