

## 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 APRIL 28, 2020

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 Tuesday, the 28th day of April, 2020, at 2:00 P.M. Due to concerns regarding the spread of the Coronavirus (Covid-19) and the benefits to the control of the spread of the virus by limiting in-person contact, this District Board Meeting was held by conference call without any individuals (neither District Representatives nor the general public) attending in person. The meeting was open to the public via conference call.

#### ATTENDANCE

#### Directors In Attendance Were:

James E. Marshall  
Christopher ("CJ") Kirst  
Scott Marshall  
Holly Robinson

#### Also In Attendance Were:

David Solin; Special District Management Services, Inc. ("SDMS")  
  
Christopher Brummitt, Esq.; McGeady Becher P.C.  
  
MaryAnn McGeady, Esq.; McGeady Becher P.C. (for a portion of the meeting)  
  
Wayne Ramey; Ramey Environmental Compliance, Inc.  
  
Joy Tatton; Simmons & Wheeler, PC (for a portion of the meeting)

#### 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 Brummitt noted that Disclosure Statements have been filed for all directors. No additional conflicts were disclosed.

### PUBLIC COMMENTS

There were no public comments at this time.

### 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 Kirst, seconded by Director S. Marshall 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 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 Kirst, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board determined that due to concerns regarding the spread of the Coronavirus (Covid-19) and the benefits to the control of the spread of the virus by limiting in-person contact, this District Board Meeting would be held by conference call without any individuals (neither District Representatives nor the general public) attending in person. The Board further noted that notice of the time, date and location 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 its boundaries.

**Status of May 5, 2020 Regular Election for Directors:** Mr. Solin discussed with the Board the cancellation of the May 5, 2020 Regular Election for Directors, pursuant to statute.

**Resignation of Simmons & Wheeler, PC:** The Board acknowledged the resignation of Simmons & Wheeler, P.C. as the District Accountant, effective as per the resignation letter.

### CONSENT AGENDA

The Board considered the following actions:

- Review and approve Minutes of the January 28, 2020 Special Meeting and March 9, 2020 Special Meeting.

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- Ratify approval of the purchase and installation of a Wastewater Treatment Plant Regulator for an amount not to exceed \$1,007.74.
- Ratify approval of the purchase and installation of a Wastewater Treatment Plant Pneumatic Valve for an amount not to exceed \$3,338.96.

Following discussion, upon motion duly made by Director Kirst, seconded by Director J. Marshall and, upon vote, unanimously carried, the Board approved the above actions, as presented.

### FINANCIAL MATTERS

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

Fund	Period ending Feb. 21, 2020	Period Ending Feb. 27, 2020	Period ending March 13, 2020
General	\$ 47,580.26	\$ -0-	\$ -0-
Debt Service	\$ -0-	\$ -0-	\$ -0-
Capital	\$ 34,983.47	\$ 55,666.93	\$ 1,574.00,
Enterprise	\$ 87,040.01	\$ -0-	\$ -0-
<b>Total Claims</b>	<b>\$ 169,603.74</b>	<b>\$ 55,666.93</b>	<b>\$ 1,574.00</b>

Fund	Period ending March 18, 2020	Period ending April 16, 2020
General	\$ 483,244.77	\$ -0-
Debt Service	\$ 3,700.00	\$ -0-
Capital	\$ 22,026.00,	\$ 7,200.00
Enterprise	\$ 34,314.12	\$ -0-
<b>Total Claims</b>	<b>\$ 543,284.89</b>	<b>\$ 7,200.00</b>

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

**Claims:** The Board considered approval of the payment of claims through the period ending April 28, 2020.

Following discussion, upon motion duly made by Director Kirst, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board approved the payment of claims through the period ending April 28, 2020 in the amount of \$1,798,899.78.

**Unaudited Financial Statements:** The Board discussed the unaudited financial statements and schedule of cash position for the period ending December 31, 2019.

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Following discussion, upon motion duly made by Director S. 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, 2019.

**District Accountant:** The Board discussed the appointment of Marchetti & Weaver as District Accountant.

Following discussion, upon motion duly made by Director Kirst, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board approved the engagement of Marchetti & Weaver as District Accountant and appointed Director Marshall to review a proposal to get them started, subject to legal review.

### LEGAL MATTERS

**2020 Facilities Acquisition Agreement by and between Spring Valley District No. 1 and Spring Valley Land Investment, LLC for IREA Pole Relocation:** The Board discussed a 2020 Facilities Acquisition Agreement by and between Spring Valley District No. 1 and Spring Valley Land Investment, LLC for IREA Pole Relocation.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Kirst and, upon vote, unanimously carried, the Board approved the 2020 Facilities Acquisition Agreement by and between Spring Valley District No. 1 and Spring Valley Land Investment, LLC for IREA Pole Relocation.

**Cost Verification Report from Schedio Group on Public Improvements Funded by or Caused to be Funded by Running Creek Investments, LLC:** The Board discussed a Cost Verification Report from Schedio Group on Public Improvements funded by or caused to be funded by Running Creek Investments, LLC, dated April 7, 2020.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board approved the Cost Verification Report from Schedio Group on Public Improvements funded by or caused to be funded by Running Creek Investments, LLC, dated April 7, 2020.

**Charging a Fee for Private Facilities Located on District Property:** The Board discussed research on the ability to charge a fee for private facilities located on District property.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board determined to create a committee comprised of Mr. Solin and Director Kirst to address the situation with two property owners and authorized Director Kirst and

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Mr. Solin to speak with residents regarding assessing the property. It was noted that the District would begin working with a landscape architect in an amount not to exceed \$25,000.00 and that legal counsel will draft license agreements.

**South Augusta Construction Project:** The Board discussed the South Augusta Construction Project.

*Acquisition of Right of Way:* The Board discussed an acquisition of Right of Way on the South Augusta Construction Project.

*Adoption of Resolution of Necessity to Acquire:* The Board discussed the Adoption of Resolution of Necessity to Acquire.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board adopted Resolution of Necessity to Acquire.

*Engagement with Alderman Bernstein as Special Counsel:* The Board reviewed the engagement of Alderman Bernstein as Special Counsel.

Following review and discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board ratified approval of the engagement of Alderman Bernstein as Special Counsel.

*Engagement of Appraiser:* The Board discussed the engagement of an Appraiser.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board approved the engagement of an Appraiser with a fixed cost contract up to \$10,000.00 for South Augusta Construction Project and Delbert County Road Construction Project. It was noted that Director Kirst, Mr. Solin, and Director J. Marshall were appointed to work with Special Counsel and other District Representatives in connection with these pending condemnation actions.

**Delbert Road Construction Project:** The Board discussed the Delbert Road Construction Project.

*Acquisition of Right of Way:* The Board discussed an acquisition of Right of Way on the Delbert Road Construction Project.

*Adoption of Resolution of Necessity to Acquire:* The Board discussed the Adoption of Resolution of Necessity to Acquire.

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Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board adopted the Resolution of Necessity to Acquire.

*Engagement with Alderman Bernstein as Special Counsel:* The Board reviewed the engagement of Alderman Bernstein as Special Counsel.

Following review and discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board ratified approval of the engagement of Alderman Bernstein as Special Counsel.

*Engagement of Appraiser:* The Board discussed the engagement of an Appraiser.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Kirst and, upon vote, unanimously carried, the Board approved the engagement of an Appraiser with a fixed cost contract up to \$10,000.00 for South Augusta Construction Project and Delbert County Road Construction Project. It was noted that Director Kirst, Mr. Solin, and Director J. Marshall were appointed to work with Special Counsel and other District Representatives in connection with these pending condemnation actions.

### OPERATION MATTERS

**Monthly Activities Reports from January 2020 through March 2020:** Mr. Ramey discussed with the Board the monthly activities reports from January 2020 through March 2020.

**Status of Road Improvements for the Waste Water Treatment Plant ("WWTP") from H&M Earthworx:** The Board discussed the status of the road improvements for WWTP from H&M Earthworx. It was noted that the contractor is doing great work..

**Carbon Filtration and Water General Project:** The Board discussed the status of the Carbon Filtration and Water General Project. It was noted that the process is moving forward and work is scheduled to begin August 26, 2020.

**Process to Allow Treatment to Regulation 84 Standards:** The Board discussed the status of the process to allow treatment to Regulation 84 Standards. It was noted that the process is moving forward and the last item needed is the chlorination system.

**Proposals for Stormwater Fee Analysis:** The Board deferred discussion at this time and determined to remove this agenda item from future agendas.

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**Existing Roads in Spring Valley Metropolitan District No. 2 being Assessed by Cesare, Inc.:** Director Kirst discussed with the Board the existing roads in Spring Valley Metropolitan District No. 2 being assessed by Cesare, Inc.

**Arapahoe and Denver Well Drilling:** The Board discussed Arapahoe and Denver well drilling. It was noted that casings are installed, Arapahoe is still being drilled, Denver will begin after Arapahoe, and should be done in July. It was also noted that pump specifications should be out to bid in August.

**Waterline from New Well to Tank:** Director Kirst discussed with the Board the waterline from new well to the tank. It was noted that the project is being bid and that the bid notice is being published this week.

**Well Pumps and Power Supply:** Director Kirst discussed with the Board the well pumps and power supply. It was noted that a work order was being submitted to IREA.

**Water Boost Pumps:** Mr. Ramey discussed with the Board the water booster pumps.

**Century Link Fiber to Water Tank Plan:** Director Kirst discussed with the Board the proposal from Century Link and noted that he will keep working with them to pursue the fiber link.

**Filings 1 through 3 Asphalt Testing:** It was noted that this agenda item was previously discussed above with existing roads in Spring Valley Metropolitan District No. 2.

**Service Agreement for Integrator Services with Jeff Robison:** The Board discussed a Service Agreement for Integrator Services with Jeff Robison.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board approved the Service Agreement for Integrator Services with Jeff Robison.

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### **OTHER BUSINESS**

There were no other business matters for discussion at this time.

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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 Kirst, and upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By



Secretary for the Meeting