

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 AUGUST 3, 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 Monday, the 3rd day of August, 2020, at 10:00 A.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 other than Mr. Solin, who was present at the physical location noted on the meeting Agenda. The meeting was open to the public via conference call.

ATTENDANCE

Directors In Attendance Were:

James E. Marshall
Scott Marshall
Christopher ("CJ") Kirst
Shelley Marshall

Following discussion, upon motion duly made by Director Kirst, 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") (at the physical location)

MaryAnn McGeady, Esq. and Christopher Brummitt, Esq.; McGeady Becher P.C.

Eric Weaver and Cheri Curtis; Marchetti & Weaver LLC

Kim Reed and Ethan Anderson; Ballard Spahr LLP

Tiffany Leichman and Shelby Turner; D.A. Davidson & Co.

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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 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 J. Marshall and, upon vote, unanimously carried, the Agenda was approved, as presented.

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 J. 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 with only one individual, Mr. Solin, at the physical location but no other District Representatives nor the general public would attend 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.

Conducting Meetings Telephonically: Attorney McGeady discussed with the Board conducting the meeting telephonically.

Results of May 5, 2020 Regular Election for Directors: Mr. Solin discussed with the Board the results of the May 5, 2020 Regular Election for Directors ("Election"). It was noted that the Election was cancelled, as permitted by statute

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and that Directors J. Marshall, Scott Marshall, and Kirst were deemed elected to three-year terms ending May 2023. Directors Shelley Marshall was deemed elected to a two-year term ending May 2022.

Appointment of Officers: The Board entered into discussion regarding the appointment of officers.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Kirst and, upon vote, unanimously carried, the following slate of officers was appointed:

President	James E. Marshall
Treasurer	Scott Marshall
Secretary	David Solin
Assistant Secretary	C.J. Kirst
Assistant Secretary	Holly Robinson
Assistant Secretary	Shelley Marshall

CONSENT AGENDA The Board considered the following actions:

- Review and approve Minutes of the April 28, 2020 Special Meeting.
- Ratify acknowledgement of the resignation of Simmons & Wheeler, PC as the District’s Accountant, effective as per resignation letter.
- Ratify approval of the engagement of Marchetti & Weaver , LLC as District’s Accountant.
- Ratify appointment of committee consisting of Mr. Solin, Director Kirst, and Director J. Marshall to work with Special Counsel and other District Representatives in connection with pending condemnation actions.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Shelley 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 Mar. 21, 2020	Period Ending June 19, 2020	Period ending July 16, 2020	Period ending July 8, 2020
General	\$ <26,188.12>	\$ 53,998.63-0-	\$ 55,103.97	\$ -0-
Debt Service	\$ 1,950.00	\$ -0-	\$ -0-	\$ -0-
Capital	\$ 391,219.25	\$ 572,324.47	\$ 454,538.02,	\$ 13,246.00
Enterprise	\$ 46,087.82	\$ 71,755.27	\$ 61,615.33	\$ -0-
Total Claims	\$ 413,068.95	\$ 698,078.37	\$ 571,257.32	\$ 13,246.00

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Following review, upon motion duly made by Director Kirst, seconded by Director J. Marshall 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 June 30, 2020.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Shelley Marshall and, upon vote, unanimously carried, the Board accepted the unaudited financial statements and the schedule of cash position for the period ending June 30, 2020.

2019 Budget Amendment Hearing: The Board opened the public hearing to consider amending the 2019 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2019 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District.

No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

Following discussion, upon motion duly made by Director Kirst, seconded by Director J. Marshall, and, upon vote, unanimously carried, the Board adopted the Resolution to Amend the 2019 Budget.

2020 Budget Amendment Hearing: The Board opened the public hearing to consider amending the 2020 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2020 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District.

No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Kirst, and, upon vote, unanimously carried, the Board adopted the Resolution to Amend the 2020 Budget.

2019 Audit Extension: The Board reviewed the extension application for 2019 Audit.

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Following review and discussion, upon motion duly made by Director J. Marshall, seconded by Director Shelley Marshall, and, upon vote, unanimously carried, the Board ratified approval of the extension application for 2019 Audit.

LEGAL MATTERS

License Agreement with Two Homeowners Located on District Property: Attorney Brummitt discussed with the Board the status of a license agreement with two homeowners located on District property and work with landscape architect. It was noted that the District has expended all good faith efforts to the homeowners.

Engagement of McCloud & Associates as the Appraiser for ROW Acquisitions South Augusta Construction Project and Delbert Road Construction Project: The Board discussed the engagement of McCloud & Associates as the appraiser for ROW Acquisitions South Augusta Construction Project and Delbert Road Construction Project.

Following discussion, upon motion duly made by Director Scott Marshall, seconded by Director Kirst, and, upon vote, unanimously carried, the Board approved the engagement of McCloud & Associates as the appraiser for ROW Acquisitions South Augusta Construction Project and Delbert Road Construction Project.

Bond Issuance for Spring Valley Metropolitan District No. 4: Attorney McGeady provided a status on the Bond Issuance for Spring Valley Metropolitan District No. 4.

Amended and Restated Intergovernmental Agreement Regarding Assignment of Revenue between Spring Valley Metropolitan District No. 1 and Spring Valley Metropolitan District No. 4: The Board discussed an Amended and Restated Intergovernmental Agreement Regarding Assignment of Revenue between Spring Valley Metropolitan District No. 1 and Spring Valley Metropolitan District No. 4.

Following discussion, upon motion duly made by Director Scott Marshall, seconded by Director Kirst, and, upon vote, unanimously carried, the Board approved the Amended and Restated Intergovernmental Agreement Regarding Assignment of Revenue between Spring Valley Metropolitan District No. 1 and Spring Valley Metropolitan District No. 4.

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**OPERATION &
MAINTENANCE
MATTERS/
CAPITAL
IMPROVEMENTS
MATTERS**

Monthly Activities Reports from April 2020 through June 2020: Mr. Solin discussed with the Board the Ramey Environmental monthly activities reports from April 2020 through June 2020.

Carbon Filtration and Water General Project: The Board deferred discussion on the status of the Carbon Filtration and Water General Project.

Process to Allow Treatment to Regulation 84 Standards: The Board deferred discussion the status of the process to allow treatment to Regulation 84 Standards.

Arapahoe and Denver Well Drilling: The Board deferred discussion of Arapahoe and Denver well drilling

Waterline from New Well to Tank: The Board deferred discussion of the waterline from new well to the tank.

Well Pumps and Power Supply: The Board deferred discussion of the well pumps and power supply.

Century Link Fiber to Water Tank Plan: The Board deferred discussion of the status of Century Link.

Proposals for Elizabeth Pump Station: The Board discussed proposals for Elizabeth Pump Station.

Following discussion, upon motion duly made by Director Kirst, seconded by Director Scott Marshall, and, upon vote, unanimously carried, the Board determined to appoint a committee and appoint Director Kirst and Director J. Marshall to review and take any actions necessary relative to this project.

OTHER BUSINESS

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

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

TITLE	Spring Valley MD No. 1 - Approved Minutes
FILE NAME	08.03.20 Special.docx and 2 others
DOCUMENT ID	5cd30f22a7cef71f7d97a141e09686e5eb6df0b3
AUDIT TRAIL DATE FORMAT	MM / DD / YYYY
STATUS	● Completed

Document History



SENT

03 / 01 / 2021

17:21:17 UTC

Sent for signature to David Solin (dsolin@sdmsi.com) from apadilla@sdmsi.com
IP: 50.78.200.153



VIEWED

03 / 01 / 2021

20:35:42 UTC

Viewed by David Solin (dsolin@sdmsi.com)
IP: 50.78.200.153



SIGNED

03 / 01 / 2021

20:35:57 UTC

Signed by David Solin (dsolin@sdmsi.com)
IP: 50.78.200.153



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03 / 01 / 2021

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The document has been completed.

RESOLUTION TO AMEND 2019 BUDGET
SPRING VALLEY METROPOLITAN DISTRICT NO. 1

WHEREAS, the Board of Directors of the Spring Valley Metropolitan District No. 1 adopted a budget and appropriated funds for the fiscal year 2019 as follows:

General Fund:	\$	1,009,607
Enterprise Fund	\$	1,074,848
Capital Projects Fund	\$	840,000

WHEREAS, the necessity has arisen for additional expenditures in the Capital Projects Fund requiring the unanticipated expenditure of funds in excess of those appropriated for the fiscal year 2019; and

WHEREAS, the expenditure of such funds is a contingency which could not have been reasonably foreseen at the time of adoption of the budget; and

WHEREAS, funds are available for such expenditures in the Capital Projects Fund from a transfer of debt from Spring Valley Metropolitan District No. 2.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Spring Valley Metropolitan District No. 1 shall and hereby does amend the adopted Budget for the fiscal year 2019 and adopts a supplemental budget and appropriation for the Capital Projects Fund for the fiscal year 2019, as follows:

Capital Projects Fund:	\$	2,696,036
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BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the proper funds for the purposes stated.

DATED this 3rd day of August, 2020.

SPRING VALLEY METROPOLITAN DISTRICT
NO. 1

By: _____

Secretary

RESOLUTION TO AMEND 2020 BUDGET
SPRING VALLEY METROPOLITAN DISTRICT NO. 1

WHEREAS, the Board of Directors of the Spring Valley Metropolitan District No. 1 adopted a budget and appropriated funds for the fiscal year 2020 as follows:

General Fund:	\$	290,517
Enterprise Fund	\$	1,356,150
Capital Projects Fund	\$	6,019,250

WHEREAS, the necessity has arisen for additional expenditures in the Capital Projects Fund requiring the unanticipated expenditure of funds in excess of those appropriated for the fiscal year 2020; and

WHEREAS, the expenditure of such funds is a contingency which could not have been reasonably foreseen at the time of adoption of the budget; and

WHEREAS, funds are available for such expenditures in the Capital Projects Fund from Bond Proceeds..

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Spring Valley Metropolitan District No. 1 shall and hereby does amend the adopted Budget for the fiscal year 2020 and adopts a supplemental budget and appropriation for the Capital Projects Fund for the fiscal year 2020, as follows:

Capital Projects Fund:	\$	24,898,577
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BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the proper funds for the purposes stated.

DATED this 3rd day of August, 2020.

SPRING VALLEY METROPOLITAN DISTRICT
NO. 1

By: _____

Secretary