

RECORD OF PROCEEDINGS

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 AUGUST 18, 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, August 18, 2022 at 4:00 p.m. via conference call. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

James E. Marshall (for a portion of the meeting)
Shelley Marshall
Holly D. Robinson

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)

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 McGeady 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 Regular Meeting.

Following discussion, upon motion duly made by Director Robinson, seconded by Director S. 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 Robinson, seconded by Director S. 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 July 21, 2022 Regular Meeting.

Following discussion, upon motion duly made by Director Robinson, seconded by Director S. Marshall and, upon vote, unanimously carried, the Minutes of the July 21, 2022 Regular Meeting were approved.

FINANCIAL MATTERS

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

Fund	Period ending July 31, 2022	Special Check Core Industries & Hale Companies	Special Check Hale Companies	Special Check Elbert County
General	\$ 16,888.26	\$ -0-	\$ -0-	\$ -0-
Debt Service	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital	\$ 438,107.08	\$ 33,850.00	\$ 11,549.00	\$ 2,900.00
Enterprise	\$ 77,227.09	\$ -0-	\$ -0-	\$ -0-
Total Claims	\$ 532,222.43	\$ 33,850.00	\$ 11,549.00	\$ 2,900.00

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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 ratified approval of the payment of claims, as presented.

Cost Verification Report No. 31: The Board reviewed Cost Verification Report No. 31 dated August 10, 2022, prepared by Schedio Group, LLC, verifying costs associated with the design and construction of public improvements in the amount of \$179,872.90.

Following discussion, upon motion duly made by Director Robinson, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board approved Cost Verification Report No. 31 dated August 10, 2022, prepared by Schedio Group, LLC, verifying the costs associated with the design and construction of public improvements in the amount of \$179,872.90. The Board further acknowledged Spring Valley Metropolitan District No. 2 Requisition No. 22 in the amount of \$11,449.85 and Spring Valley Metropolitan District No. 6 Requisition No. 8 under the Series 2021(3) Bonds in the amount of \$168,423.05 for verified costs.

2021 Audit Extension: The Board discussed the status of the 2021 Audit.

Following discussion, upon motion duly made by Director Robinson, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board ratified approval of the request for extension of time to file the 2021 Audit with the State Auditor's office.

LEGAL MATTERS

Termination of Primary Facilities Funding and Acquisition Agreement between the District and MG Land Investments, LLC: The Board deferred discussion.

Emergency Water Restriction Policy: The Board entered into discussion regarding implementing an emergency Water Restriction Policy.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board authorized the District's implementation of an emergency Water Restriction Policy, effective as of August 15, 2022.

Community Engagement Relating to Potential Water Restrictions in 2023: The Board entered into discussion regarding community engagement relating to potential water restrictions in 2023. It was noted that Director J. Marshall will hold a meeting with the community this fall to discuss the planned water restrictions and conservation methods. Mr. Solin and Mr. Ramey were directed to coordinate on a presentation for the community meeting.

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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.

OPERATIONS & MAINTENANCE

Monthly Activities Report for July 2022: Mr. Ramey discussed with the Board the Ramey Environmental Compliance monthly activities report detailing the status of operations of the Water Treatment Plant and the Waste Water Treatment Plant for July 2022.

Change Order from Ramey Environmental Compliance Inc. for the Installation of Concrete Pads and Bollards on the A2 and D2 Wellheads: The Board reviewed the Change Order from Ramey Environmental Compliance Inc. for the installation of concrete pads and bollards on the A2 and D2 Wellheads.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board acknowledged the Change Order from Ramey Environmental Compliance Inc. for the installation of concrete pads and bollards on the A2 and D2 Wellheads, in an amount not to exceed \$8,993.58.

Proposal from CORE Electric Cooperative for the Installation of Electricity to Well Pad 3: The Board reviewed the proposal from CORE Electric Cooperative for the installation of electricity to Well Pad 3.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board acknowledged the proposal from CORE Electric Cooperative for the installation of electricity to Well Pad 3.

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

Respectfully submitted,

By 
Secretary for the Meeting