

## 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 OCTOBER 20, 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, October 20, 2022 at 4:00 p.m. via conference call. The meeting was open to the public.

#### ATTENDANCE

##### Directors In Attendance Were:

James E. Marshall  
Holly D. Robinson

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

##### Also In Attendance Were:

James Ruthven; Special District Management Services, Inc. ("SDMS")

Erica Montague, Esq. and Craig Sorensen; McGeady Becher P.C.

Eric Weaver and Cheri Curtis; Marchetti & Weaver, LLC

Wayne Ramey; Ramey Environmental Compliance, Inc.

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.

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Mr. Ruthven 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. Ruthven 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 J. 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 Robinson, 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 taxpaying electors within the District boundaries, have been received.

**Minutes:** The Board reviewed the Minutes of the September 15, 2022 Regular Meeting.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Minutes of the September 15, 2022 Regular Meeting were approved.

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### FINANCIAL MATTERS

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

Fund	Period ending Sept. 30, 2022	Special Check Sept. 26, 2022
General	\$ 23,288.85	\$ -0-
Debt Service	\$ -0-	\$ -0-
Capital	\$ 157,521.16	\$ 1,200.00
Enterprise	\$ 79,024.65	\$ -0-
<b>Total Claims</b>	<b>\$ 259,834.66</b>	<b>\$ 1,200.00</b>

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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 ratified approval of the payment of claims, as presented.

**Independent Professional Engineer's Review of Costs Incurred and Verification of Costs Associated with the Design and Construction of Public Improvements, dated August 29, 2020, prepared by Schedio Group LLC:** The Board reviewed the Independent Professional Engineer's Review of Costs Incurred and Verification of Costs Associated with the Design and Construction of Public Improvements, dated August 29, 2020, prepared by Schedio Group LLC, verifying public improvements costs in the total amount of \$2,220,011.00 and allocating such amount among Spring Valley Metropolitan District Nos. 3, 4, 5 and 6.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board approved the Independent Professional Engineer's Review of Costs Incurred and Verification of Costs Associated with the Design and Construction of Public Improvements, dated August 29, 2020, prepared by Schedio Group LLC. The Board further acknowledged Spring Valley Metropolitan District No. 6 Requisition No. 10 under the Series 2021(3) Bonds in the amount of \$567,433.24, for its share of verified costs under the August 29, 2020 report.

**Cost Verification Report No. 33:** The Board reviewed Cost Verification Report No. 33 dated October 12, 2022, prepared by Schedio Group, LLC, verifying costs associated with the design and construction of public improvements in the amount of \$476,109.81.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board approved Cost Verification Report No. 33 dated October 12, 2022, prepared by Schedio Group, LLC, verifying the costs associated with the design and construction of public improvements in the amount of \$476,109.81. The Board further acknowledged Spring Valley Metropolitan District No. 6 Requisition No. 11 under the Series 2021(3) Bonds in the amount of \$476,109.81 for verified costs.

**Unaudited Financial Statements and Schedule of Cash Position:** Mr. Weaver discussed with the Board the unaudited financial statements, dated August 31, 2022 and the schedule of cash position, dated August 31, 2022.

Following discussion, upon motion duly made by Director Robinson, seconded by Director J. Marshall and, upon vote, unanimously carried, the Board accepted the unaudited financial statements, dated August 31, 2022 and the schedule of cash position, dated August 31, 2022.

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### LEGAL MATTERS

**Termination of Primary Facilities Funding and Acquisition Agreement between the District and MG Land Investments, LLC:** Attorney Montague discussed with the Board the Termination of Primary Facilities 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 Robinson and, upon vote, unanimously carried, the Board approved the Termination of Primary Facilities Funding and Acquisition Agreement between the District and MG Land Investments, LLC.

**Retention of Water Attorney in Connection with Water Acquisition Agreement between the District and Arapahoe County Water and Wastewater Authority:** The Board deferred discussion.

**Non-Exclusive Access and Maintenance Easement Agreement (Stormwater Improvements) between LGI Homes – Colorado, LLC and the District:** The Board reviewed the Non-Exclusive Access and Maintenance Easement Agreement (Stormwater Improvements) between LGI Homes – Colorado, LLC and the District.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board approved the Non-Exclusive Access and Maintenance Easement Agreement (Stormwater Improvements) between LGI Homes – Colorado, LLC and the District, subject to legal counsel review and review by the Board President.

**Service Agreement for Cost Verification Services between Schedio Group LLC and the District:** The Board reviewed a Service Agreement for Cost Verification Services between Schedio Group LLC and the District.

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 Cost Verification Services between Schedio Group LLC and the District.

### CAPITAL IMPROVEMENTS MATTERS

**Report from Construction Committee:** Mr. Kirst provided an update on the status of construction projects. He reported Augusta Road paving would be done by the end of November and the bridge would be done by the end of the year. The River Highlands grading is complete and ready for construction during the summer of 2023. He also noted the 2.1-million-gallon water tank construction is deferred to 2024 or 2025.

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

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### **OPERATIONS & MAINTENANCE**

**Monthly Activities Report for September 2022:** Mr. Ramey discussed with the Board the Ramey Environmental Compliance monthly activities for September 2022, and the potential need to replace old residential water meters in 2023.

**Service Agreement for Integrator Services between the District and Jeff Robison:** Attorney Montague discussed with the Board rescinding the District's April 28, 2020 approval of a Service Agreement for Integrator Services between the District and Jeff Robison.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board rescinded the District's April 28, 2020 approval of a Service Agreement for Integrator Services between the District and Jeff Robison.

#### **Integrator Services:**

**Service Agreement for Integrator Services between the District and Fluid Design and Build, LLC ("Integrator Services Agreement"):** The Board reviewed the Integrator Services Agreement.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board approved the Integrator Services Agreement, to be effective as of April 28, 2020.

**Change Order No. 1 to the Integrator Services Agreement:** The Board reviewed Change Order No. 1 to the Integrator Services Agreement.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board approved Change Order No. 1 to the Integrator Services Agreement, for an increase in the contract amount of \$17,800.

**Change Order No. 2 to the Integrator Services Agreement:** The Board reviewed Change Order No. 2 to the Integrator Services Agreement.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board approved Change Order No. 2 to the Integrator Services Agreement, for an increase in the contract amount of \$9,700.

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**Will Serve Letter from the District to Spring Valley Land Investments, LLC for property located in Filing 10 (Part of Planning Area M), Spring Valley Ranch:** The Board entered into discussion regarding the Will Serve Letter from the District to Spring Valley Land Investments, LLC for property located in Filing 10 (Part of Planning Area M), Spring Valley Ranch.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board acknowledged the Will Serve Letter from the District to Spring Valley Land Investments, LLC for property located in Filing 10 (Part of Planning Area M), Spring Valley Ranch.

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### **OTHER BUSINESS**


**2022 Residential Water Rate Comparison:** The Board reviewed the 2022 Residential Water Rate Comparison. Director J. Marshall directed Mr. Ruthven to generate a sewer rate comparison.

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### **ADJOURNMENT**

There being no further business to come before the Board at this time, upon motion duly made by Director Robinson, seconded by Director J. Marshall, and upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By  \_\_\_\_\_  
Secretary for the Meeting