

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 FEBRUARY 16, 2023

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, February 16, 2023 at 4:00 p.m. via Zoom video/telephone conference. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

James E. Marshall
Shelley Marshall

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

Also In Attendance Were:

David Solin; Special District Management Services, Inc. ("SDMS")

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

Eric Weaver and Cheri Curtis; Marchetti & Weaver, LLC

Mike Murphy, Dan Wolf and Wayne Ramey; Ramey Environmental Compliance, Inc. (all 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.

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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 Montague 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 J. Marshall, seconded by Director S. 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 J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board determined the meeting would be held by video/telephonic means, and encouraged public participation via video or telephone. The Board further noted that notice of the time, date and location was duly posted and that no objections to the video/telephonic manner of the meeting, or any requests that the video/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 January 19, 2023 Regular Meeting.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Minutes of the January 19, 2023 Regular Meeting were approved.

Resignation and Appointment of Secretary to the Board: The Board discussed the resignation of James Ruthven and considered the appointment of David Solin as Secretary to the Board.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board acknowledged the resignation of James Ruthven as Secretary to the Board and appointed David Solin as Secretary to the Board.

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FINANCIAL MATTERS

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

Fund	Period ending January 31, 2023
General	\$ 40,418.21
Debt Service	\$ -0-
Capital	\$ 11,930.20
Enterprise	\$ 46,224.06
Total Claims	\$ 98,572.47

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

Cost Verification Report No. 37: The Board reviewed Cost Verification Report No. 37 dated February 8, 2023, prepared by Schedio Group, LLC, verifying costs associated with the design and construction of public improvements in the amount of \$23,633.89.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Robinson and, upon vote, unanimously carried, the Board approved Cost Verification Report No. 37 dated February 8, 2023, prepared by Schedio Group, LLC, verifying the costs associated with the design and construction of public improvements in the amount of \$23,633.89. The Board further acknowledged Spring Valley Metropolitan District No. 6 Requisition No. 15 under the Series 2021(3) Bonds in the amount of \$23,633.89 for verified costs.

Cost Verification Report No. 1: The Board reviewed Cost Verification Report No. 1 dated February 1, 2023, prepared by Schedio Group, LLC, verifying costs associated with the design and construction of public improvements in Spring Valley Ranch, Filing 5 in the amount of \$6,978,037.16, including \$861,772.50 in Regional Public Improvements.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board approved Cost Verification Report No. 1 dated February 1, 2023, prepared by Schedio Group, LLC, verifying costs associated with the design and construction of public improvements in Spring Valley Ranch, Filing 5 in the amount of \$6,978,037.16, including \$861,772.50 in Regional Public Improvements.

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

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

LEGAL MATTERS

Special Warranty Deed conveying Tracts A through I, Spring Valley Subdivision Filing No. 5 from Spring Valley Land Investments, LLC to the District: The Board reviewed the Special Warranty Deed conveying Tracts A through I, Spring Valley Subdivision Filing No. 5 from Spring Valley Land Investments, LLC to the District.

Following 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 Special Warranty Deed conveying Tracts A through I, Spring Valley Subdivision Filing No. 5 from Spring Valley Land Investments, LLC to the District.

Utility Underground Access Easement Conveying an Easement from the District to CORE Electric Cooperative: The Board reviewed the Utility Underground Access Easement conveying an easement from the District to CORE Electric Cooperative.

Following 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 Utility Underground Access Easement conveying an easement from the District to CORE Electric Cooperative.

Letter Regarding Extraterritorial Water & Sewer Service between the District and Moorstead Real Estate, LLC: The Board reviewed the Letter Regarding Extraterritorial Water & Sewer Service between the District and Moorstead Real Estate, LLC.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board approved the Letter Regarding Extraterritorial Water & Sewer Service between the District and Moorstead Real Estate, LLC.

CAPITAL IMPROVEMENTS MATTERS

Report from Construction Committee: Mr. Kirst provided an update on construction activities in the District.

Adjustment to the Parameters of the Authority of the Construction Committee to Act: There was no need for adjustments to be made at this time.

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Bids for Construction of the Water Well Site – Ornamental Security Fence:

Mr. Kirst reviewed with the Board the bids for the construction of the Water Well Site – Ornamental Security Fence from Commercial Fence & Iron, EMR Enterprises, and Peak Fencing. Mr. Kirst recommended awarding the contract for construction of the fence to Commercial Fence & Iron, as the low bidder at \$80,508.00. He also informed the Board that he has worked with this contractor in the past and has found them to be reliable.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board awarded the contract for construction of the Water Well Site – Ornamental Security Fence to Commercial Fence & Iron Works Colorado, LLC, for the amount of \$80,508.00.

OPERATIONS & MAINTENANCE

Monthly Activities Report for January 2023: Mr. Ramey discussed with the Board the Ramey Environmental Compliance monthly activities report for January 2023.

OTHER BUSINESS

There was no other business.

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 S. Marshall and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By



Secretary for the Meeting