

## 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 MARCH 20, 2023

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, March 20, 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")

Jay Morse, 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

AJ Beckman; Public Alliance, 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 Morse 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 Special 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 February 16, 2023 Regular Meeting.

Following discussion, upon motion duly made by Director S. Marshall, seconded by Director J. Marshall and, upon vote, unanimously carried, the Minutes of the February 16, 2023 Regular Meeting were approved.

### FINANCIAL MATTERS

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

Fund	Period ending March 31, 2023
General	\$ 19,283.04
Road	\$ 2,225.53
Capital	\$ 663,734.54
Enterprise	\$ 54,926.28
<b>Total Claims</b>	<b>\$ 740,169.39</b>

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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 ratified approval of the payment of claims, as presented.

**Cost Verification Report No. 38:** The Board reviewed Cost Verification Report No. 38 dated March 10, 2023, prepared by Schedio Group, LLC, verifying costs associated with the design and construction of public improvements in the amount of \$646,301.63.

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. 38 dated March 10, 2023, prepared by Schedio Group, LLC, verifying the costs associated with the design and construction of public improvements in the amount of \$646,301.63. The Board further acknowledged Spring Valley Metropolitan District No. 6 Requisition No. 16 under the Series 2021(3) Bonds in the amount of \$646,301.63 for verified costs.

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### **LEGAL MATTERS**

**First Amended Complaint for Inverse Condemnation in Elbert County District Court Case No. 2022CV30097, Div. 1, Christopher N. Hatton and Kristine M. Doke vs. Elbert County, Colorado by and through the Board of County Commissioners of the County of Elbert and Spring Valley Metropolitan District No. 1 (the “Litigation”):** Director J. Marshall provided a brief summary of the Litigation.

*Engagement of Special Counsel in connection with the Litigation:* The Board entered into discussion regarding the engagement of Special Counsel in connection with the Litigation.

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 Bob Bruce of RJB Lawyer, LLC as Special Counsel in connection with the Litigation, and authorized execution of an engagement agreement.

**May 2, 2023 Regular Directors’ Election:** Mr. Solin advised the Board that the May 2, 2023 Regular Directors’ Election was cancelled, as allowed under Colorado law, by the Designated Election Official because there were not more candidates than positions available on the Board of Directors. It was noted that Director James Marshall was deemed elected to a 4-year term ending in May, 2027.

**Direction to Staff Regarding Community Involvement and Solicitation of Public Comments Regarding the District’s Permanent Landscape Watering Restriction Policy (“Watering Restriction Policy”):** Director J. Marshall discussed the need to educate the community regarding the reasons for

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implementation of the Water Restriction Policy, noting that many other water providers are also implementing such policies in order to conserve water supplies. Director J. Marshall indicated he will work with staff on this matter.

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### 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.

**Reports Prepared by Timken Motor & Crane Services LLC, d/b/a Wazee Crane (“Wazee Crane”) Regarding Wastewater Treatment Plant Hoist:** The Board reviewed the reports prepared by Wazee Crane regarding the Wastewater Treatment Plant Hoist.

**Proposal from Wazee Crane for Replacement of the Hoist:** The Board reviewed the proposal from Wazee Crane for replacement of the hoist.

Following discussion, upon motion duly made by Director S. Marshall, seconded by Director J. Marshall and, upon vote, unanimously carried, the Board approved the proposal from Wazee Crane for replacement of the hoist, in the amount of \$9,446.67, and authorized preparation of an appropriate agreement for purchase and installation.

**Contract for Construction of the Water Well Site Ornamental Security Fence to Commercial Fence & Iron Works Colorado, LLC:** The Board entered into discussion regarding the District’s February 16, 2023 award of the contract for construction of the Water Well Site Ornamental Security Fence to Commercial Fence & Iron Works Colorado, LLC.

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 award of the contract for construction of the Water Well Site Ornamental Security Fence to Commercial Fence & Iron Works Colorado, LLC, in the amount of \$80,508.00.

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### OPERATIONS & MAINTENANCE

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

**March 26, 2019 Service Agreement for HVAC Maintenance Services between the District and MTECH Mechanical Technologies Group, Inc. (“MTECH Service Agreement”):** The Board considered the following actions:

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- Ratify approval of the MTECH Service Agreement, in the amount of \$2,287.00 and \$571.75 due quarterly thereafter.
- Ratify approval of Change Order No. 1 to the MTECH Service Agreement, in the amount of \$3,431.00 and \$857.75 due quarterly thereafter.
- Ratify approval of Change Order No. 2 to the MTECH Service Agreement, in the amount of \$3,482.00 and \$870.50 due quarterly thereafter.
- Approve Change Order No. 3 to the MTECH Service Agreement, in the amount of \$4,178.00 and \$1,044.50 due quarterly thereafter.
- Approve Change Order No. 4 to the MTECH Service Agreement, for replacement of Reznor make up air unit, in the amount of \$31,502.00.

Following discussion, upon motion duly made by Director S. Marshall, seconded by Director J. Marshall and, upon vote, unanimously carried, the Board approved and/or ratified approval of the above actions in connection with the MTECH Service Agreement.

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### TRANSITION OF DISTRICT MANAGEMENT

**Transition of District Management from SDMS to Public Alliance LLC:** The Board and the consultants entered into discussion regarding the transition of District Management from SDMS to Public Alliance LLC.

**Service Agreement for District Management Services between the District and Public Alliance LLC:** The Board entered into discussion regarding the Service Agreement for District Management Services between the District and Public Alliance 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 Service Agreement for District Management Services between the District and Public Alliance LLC.

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### 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 by Director S. Marshall, seconded by Director J. Marshall and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

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

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A.J. Beckman  
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