

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 APRIL 20, 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, April 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
Holly D. Robinson

Also In Attendance Were:

AJ Beckman; Public Alliance, LLC

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

Eric Weaver and Cheri Curtis; Marchetti & Weaver, LLC

Mike Murphy; Ramey Environmental Compliance, Inc.

Christopher ("CJ") Kirst; Tahoe Consulting, LLC

PUBLIC COMMENTS

There were no public comments.

ADMINISTRATIVE MATTERS

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. Beckman 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

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the statute. Attorney Montague noted that Disclosure Statements have been filed for all directors. No additional conflicts were disclosed.

Agenda: Mr. Beckman 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 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.

Termination of Engagement of Special District Management Services, Inc. as District Manager, effective April 19, 2023: The Board discussed the termination of the engagement of Special District Management Services, Inc. as District Manager, effective April 19, 2023.

Following discussion, upon motion duly made by Director Robinson, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board acknowledged the termination of the engagement of Special District Management Services, Inc. as District Manager, effective April 19, 2023.

Appointment of Secretary: The Board discussed the resignation of David Solin as District Secretary and considered the appointment of AJ Beckman as the new District Secretary.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board acknowledged the resignation of David Solin as District Secretary and appointed AJ Beckman as the new District Secretary.

Minutes: The Board reviewed the Minutes of the March 20, 2023 Special Meeting.

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Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Minutes of the March 20, 2023 Special Meeting, were approved.

OPERATIONS & MAINTENANCE

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

Camera Installation at Well House: Mr. Murphy reviewed with the Board the proposals from Reliable Home Technology and Security Central. Mr. Murphy and Mr. Kirst recommended the Board accept the proposal from Reliable Home Technology, as the lower cost option.

Following discussion, upon motion duly made by Director Robinson, seconded by Director J. Marshall and, upon vote, unanimously carried, the Board approved the proposal for camera installation from Reliable Home Technology, in an amount not to exceed \$4,224.00 (after deduction of the sales tax charge of \$140.82 due to the District's tax-exempt status), and authorized the preparation of a Service Agreement.

Estimate for Replacement of Flow Meter at Well House: Mr. Murphy reviewed with the Board the estimate from Ramey Environmental Compliance, Inc. for replacement of the flow meter at the Well House.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board approved the estimate from Ramey Environmental Compliance, Inc. for replacement of the flow meter at the Well House, in an amount not to exceed \$5,771.40.

Amended Change Order No. 4 – MTECH: Mr. Murphy reviewed with the Board the Amended Change No. 4 to the Service Agreement for HVAC Maintenance Services between the District and MTECH Mechanical Technologies Group, Inc., for replacement of the Reznor make up air unit, in the amended amount of \$32,411.00 (“Amended Change Order No. 4”).

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board approved Amended Change Order No. 4.

FINANCIAL MATTERS

Claims: Mr. Weaver reviewed with the Board the payment of claims as follows:

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Fund	Period ending April 20, 2023
General	\$ 17,020.68
Debt Service	\$ -0-
Capital	\$ 276,112.71
Enterprise	\$ 85,819.52
Total Claims	\$ 378,952.91

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.

Cost Verification Report No. 39: The Board reviewed Cost Verification Report No. 39 dated April 13, 2023, prepared by Schedio Group, LLC, verifying costs associated with the design and construction of public improvements in the amount of \$293,412.21.

Following discussion, upon motion duly made by Director Robinson, seconded by Director J. Marshall and, upon vote, unanimously carried, the Board approved Cost Verification Report No. 39 dated April 13, 2023, prepared by Schedio Group, LLC, verifying the costs associated with the design and construction of public improvements in the amount of \$293,412.21. The Board further acknowledged Spring Valley Metropolitan District No. 6 Requisition No. 17 under the Series 2021(3) Bonds in an amount to be determined after review by the District Accountant.

Unaudited Financial Statements: Mr. Weaver reported to the Board that he is still working on document preparation and will provide the unaudited financial statements at the next Board meeting.

LEGAL MATTERS

Public Hearing to consider inclusion of approximately 2.013 acres of property owned by Spring Valley Metropolitan District No. 1 (Tract B2, Spring Valley Subdivision Filing No. 1): President J. Marshall opened the public hearing.

It was noted that publication of Notice stating that the Board would consider the inclusion of the property 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 S. Marshall and, upon vote, unanimously carried, the Board approved the inclusion of the property, and adopted Resolution No. 2023-04-01, Resolution for Inclusion of Real Property. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

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Public Hearing to consider inclusion of approximately 0.921 acres of property owned by Spring Valley Metropolitan District No. 1 (Tract B, Spring Valley Subdivision Filing No. 7): President J. Marshall opened the public hearing.

It was noted that publication of Notice stating that the Board would consider the inclusion of the property 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 S. Marshall and, upon vote, unanimously carried, the Board approved the inclusion of the property, and adopted Resolution No. 2023-04-02, Resolution for Inclusion of Real Property. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

Public Hearing to consider inclusion of approximately 2.756 acres of property owned by Spring Valley Metropolitan District No. 1 (Tract C, Spring Valley Subdivision Filing No. 7): President J. Marshall opened the public hearing.

It was noted that publication of Notice stating that the Board would consider the inclusion of the property 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 S. Marshall and, upon vote, unanimously carried, the Board approved the inclusion of the property, and adopted Resolution No. 2023-04-03, Resolution for Inclusion of Real Property. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

Permanent Landscape Water Conservation Policy: The Board reviewed the letter to residents regarding the Permanent Landscape Water Conservation Policy taking effect. Director J. Marshall noted that the HOA will post the letter to its website.

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 to residents regarding the Permanent Landscape Water Conservation Policy taking effect.

Resolution Providing Policy Regarding Permanent Landscape Watering Restriction: The Board reviewed the Resolution Providing Policy Regarding Permanent Landscape Watering Restriction.

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Following discussion, upon motion duly made by Director Robinson, seconded by Director J. Marshall and, upon vote, unanimously carried, the Board adopted Resolution No. 2023-04-04; Resolution Providing Policy Regarding Permanent Landscape Watering Restriction.

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 an update on the Litigation.

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: No adjustment to the parameters was required.

Asset Purchase and Installation Agreement: The Board reviewed the Asset Purchase and Installation Agreement between the District and Timken Motor & Crane Services LLC, d/b/a Wazee Crane.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board approved the Asset Purchase and Installation Agreement between the District and Timken Motor & Crane Services LLC, d/b/a Wazee Crane.

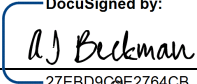
OTHER BUSINESS

Mr. Beckman updated the Board on the status of meter readings. He reported that Public Alliance was able to obtain a loaner meter reading device from Badger Meter. He also reported that a replacement reading device is on order. Mr. Beckman advised the Board that the 365 transmitter units will need to be replaced as they have been discontinued. It was noted that Mr. Beckman will work with Director J. Marshall and Mr. Kirst on a replacement plan.

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
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