

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 SEPTEMBER 21, 2023

A Regular Meeting of the Board of Directors (the "District Board") of the Spring Valley Metropolitan District No. 1 (the "District") and the Board of Directors of the Spring Valley Metropolitan District No. 1 Water and Sewer Activity Enterprise (the "Enterprise," and collectively with the District Board, the "Board"), was convened on Thursday, September 21, 2023, at 4:00 p.m. via Zoom video/telephone conference. The meeting was open to the public.

ATTENDANCE

Directors Present:

James E. Marshall
Shelley Marshall

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

Also Present:

AJ Beckman and Nick Moncada; Public Alliance, LLC

MaryAnn McGeady, Esq., Jay Morse, Esq., and Craig Sorensen; McGeady Becher P.C.

Eric Weaver and Cheri Curtis; Marchetti & Weaver, LLC

CJ Kirst; Tahoe Consulting, LLC

Tim McCarthy (for a portion of the meeting) and Nathan Grandstaff; Schedio Group, LLC

Wayne Ramey and Mike Murphy; Ramey Environmental Compliance, Inc.

Leigh Lutz; Board Candidate

PUBLIC COMMENTS

There were no public comments.

RECORD OF PROCEEDINGS

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 the statute. Attorney Morse 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 Regular Meeting.

Following discussion, upon motion duly made by Director S. Marshall, 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 discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the Board meeting.

Following discussion, upon motion duly made by Director S. Marshall, seconded by Director J. 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 August 17, 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 August 17, 2023, Regular Meeting were approved.

Board Vacancy/Appointment: The Board considered the appointment of qualified individual Leigh Lutz to the Board of Directors to fill a current vacancy on the Board of Directors. Notice of Vacancy was published on August 31, 2023, and no letters of interest from other qualified individuals were received by the statutory deadline following publication.

RECORD OF PROCEEDINGS

Following discussion, and upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board appointed Leigh Lutz to the Board of Directors (such appointment to be effective at the end of the meeting) and the Oath of Director was verbally administered to Mr. Lutz.

Appointment of Officers: Following discussion and review, upon a motion duly made by Director S. Marshall, seconded by Director J. Marshall and, upon vote unanimously carried, the Board elected the following slate of officers:

President:	James E. Marshall
Treasurer:	Shelley Marshall
Secretary:	AJ Beckman
Assistant Secretary:	Holly D. Robinson
Assistant Secretary:	Leigh Lutz

New Legislation Concerning the Colorado Open Records Act (“CORA”): Mr. Sorensen discussed with the Board new legislation concerning CORA.

Resolution No. 2023-09-01, Resolution Amending Policy on Colorado Open Records Act Requests: The Board reviewed Resolution No. 2023-09-01, Resolution Amending Policy on Colorado Open Records Act Requests.

Following discussion and review, upon a motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote unanimously carried, the Board adopted Resolution No. 2023-09-01, Resolution Amending Policy on Colorado Open Records Act Requests.

File Management and Conversion of District Records to Electronic Documents: Mr. Beckman advised the Board that Public Alliance received numerous boxes of paper files upon engagement, which should be converted to digital format. Mr. Beckman advised the Board that Public Alliance will regularly work on file conversion as time allows over the next several months, and following discussion the Board authorized the work.

FINANCIAL MATTERS

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

Fund	Period ending Sept. 14, 2023
General	\$ 9,386.04
Debt Service	\$ -0-
Utility Capital	\$ 31,502.00
Capital	\$ 359,568.10
Enterprise	\$ -0-
Total Claims	\$ 497,359.65

RECORD OF PROCEEDINGS

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. 44: The Board reviewed Cost Verification Report No. 44 dated September 15, 2023, prepared by Schedio Group, LLC, verifying costs associated with the design and construction of public improvements in the amount of \$359,658.10.

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. 44 dated September 15, 2023, prepared by Schedio Group, LLC, verifying the costs associated with the design and construction of public improvements in the amount of \$359,658.10. The Board further acknowledged Spring Valley Metropolitan District No. 6 Requisition No. 14 (Restated) under the Series 2021(3) Bonds in the amount of \$359,658.10.

2022 Audit: Mr. Weaver presented the 2022 Audit to the Board.

Following discussion, upon motion duly made by Director S. Marshall, seconded by Director J. Marshall and, upon vote, unanimously carried, the Board approved the 2022 Audit and authorized execution of the Representations Letter, subject to final legal and accounting review, and receipt of an unmodified opinion letter from the Auditor.

LEGAL MATTERS

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 reported on the status of the Litigation. No Executive Session was held.

August 30, 2023, Recommendation of District Engineer for Initial Acceptance of Domestic Water, Sanitary Sewer, Curb and Gutter, and Sidewalk Improvements as Shown in the Construction Documents for Spring Valley Ranch, Filing 5 (Planning Area M) Phase One ("Engineer's Recommendation") and Acceptance of Improvements Per the Requirements of the December 2, 2021, Development Improvement Agreement (Spring Valley Ranch Filing 5) between the District and Melody Homes, Inc.: The Board reviewed the Engineer's Recommendation. The Board entered into discussion regarding an initial acceptance of improvements per the requirements of the December 2, 2021, Development Improvement Agreement (Spring Valley Ranch Filing 5) between the District and Melody Homes, Inc.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board approved the Engineer's Recommendation and authorized the initial acceptance of improvements per the requirements of the December 2, 2021, Development Improvement Agreement (Spring Valley Ranch Filing 5) between the District and Melody Homes, Inc.

Presentation from Schedio Group Regarding Road Reserve Fee Analysis: Mr. McCarthy discussed the scope of work with the Board and consultants. Mr. McCarthy will prepare an updated presentation for the next board meeting.

Discussion of Road Operations Reserve Fee and Adoption of Resolution to Amend Road Operations Reserve Fee: No action was taken by the Board.

Award of Construction Contract for Water Tank Project to Great Plains Structures, LLC: It was noted that ratification of the award of the construction contract for the Water Tank Project to Great Plains Structures, LLC was needed, since the agenda and meeting materials for the August 17, 2023 board meeting listed the original bid amount instead of the updated bid amount.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board ratified the award of the construction contract for the Water Tank Project to Great Plains Structures, LLC, in the amount of \$3,278,450.00.

Change Order No. 1 to the Construction Contract between the District and Dan's Custom Construction, Inc.: The Board entered into discussion regarding Change Order No. 1 to the construction contract between the District and Dan's Custom Construction, Inc.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board approved Change Order No. 1 to the construction contract between the District and Dan's Custom Construction, Inc., for a decrease in the contract amount of \$85,000.00, bringing the contract amount down to \$864,900 from \$949,900.

CAPITAL IMPROVEMENT MATTERS

Report from Construction Committee: Mr. Kirst reported to the Board that Great Plains Structures, LLC has begun fabrication of the water tank. The foundation work is expected to begin in October. Mr. Kirst expects the Wastewater Reuse Pond Project work to begin in the next few weeks. The roads in Filing 6 are nearly ready for initial acceptance.

RECORD OF PROCEEDINGS

Wastewater Treatment Improvements and Impact on Tap Fees: It was noted that an updated capital reserve study will be prepared by Aqua Engineering, Inc. for presentation at the October 19, 2023, Board meeting.

Purchase of 100 Water Meters from Badger Meter, Inc.: The Board entered into discussion regarding the purchase of 100 water meters from Badger Meter, Inc.

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 purchase of 100 water meters from Badger Meter, Inc., for an amount not to exceed \$7,727.00.

Service Agreement for Manhole Maintenance Services: The Board entered into discussion regarding the Service Agreement for Manhole Maintenance Services between the District and Concrete Conservation, LLC.

Following discussion, upon motion duly made by Director S. Marshall, seconded by Director J. Marshall and, upon vote, unanimously carried, the Board approved the Service Agreement for Manhole Maintenance Services between the District and Concrete Conservation, LLC.

OPERATIONS & MAINTENANCE

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

Proposal from Ramey Environmental Compliance for the Replacement of the Kunkle Relief Valve on the Spring Valley WWTP Blower #2: The Board reviewed the proposal from Ramey Environmental Compliance for the replacement of the Kunkle Relief Valve on the Spring Valley WWTP Blower #2.

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 Ramey Environmental Compliance for the replacement of the Kunkle Relief Valve on the Spring Valley WWTP Blower #2, in the amount of \$3,626.84.

Annual Service on Fire Hydrants: Following discussion, upon motion duly made by Director S. Marshall, seconded by Director J. Marshall and, upon vote, unanimously carried, the Board authorized the annual service/flow testing on 118 fire hydrants, at a cost of \$4,680.00.

Water Meter Replacements and Transmitter Conversion: Mr. Moncada reported to the Board on the status of water meter replacements and transmitter conversion. It was noted that Public Alliance LLC plans to replace 75 of the oldest

RECORD OF PROCEEDINGS

or most problematic meters in 2023, while keeping 25 meters on hand for new construction.

June Flooding Event and Damages to the Wastewater Treatment Facility: Mr. Beckman reported that a claim was filed with the Colorado Special Districts Property and Liability Pool earlier this year in the amount of \$222,906.32. The payment for damages including depreciation and applicable deductible amounts was received in the amount of \$125,349.42. Charges for rental equipment may be submitted on an ongoing basis while fabrication and replacement of damaged lift station components is in process.

Electrical Panel and conductors Replacements at the Wastewater Treatment Plant: Mr. Beckman reported that payment anticipated shortly in the amount of \$128,340.19 for the claim filed on June 8, 2023, for damages caused by a lightning strike.

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  _____
27EBD9C9522646B
Secretary for the Meeting