

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE SPRING VALLEY METROPOLITAN DISTRICT NO. 3 HELD NOVEMBER 16, 2023

A Regular Meeting of the Board of Directors (the "Board") of the Spring Valley Metropolitan District No. 3 (the "District") was convened on Thursday, November 16, 2023, at 4:00 p.m. by Zoom video/telephone conference. The meeting was open to the public.

ATTENDANCE

Directors Present:

James E. Marshall
Holly D. Robinson
Leigh Lutz

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

Also Present:

AJ Beckman; Public Alliance, LLC

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

Eric Weaver (for a portion of the meeting) and Cheri Curtis; Marchetti & Weaver, LLC

CJ Kirst; Tahoe Consulting, LLC

Mike Murphy; Ramey Environmental Compliance, Inc.

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

Brad; member of the public requesting to be identified only by first name

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.

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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 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 amended.

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 Robinson, 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 October 19, 2023, Regular Meeting.

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

Resolution No. 2023-11-01; Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices: Mr. Beckman discussed with the Board Resolution No. 2023-11-01; Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices.

The Board determined to meet at 4:00 p.m. on the third Thursday of every month via Zoom video/telephone conference.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board adopted

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Resolution No. 2023-11-01; Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices.

§32-1-809, C.R.S. Reporting Requirements, Mode of Eligible Elector Notification for 2024: Mr. Beckman discussed with the Board §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2024.

Following discussion, upon motion duly made by Director Robinson, seconded by Director Lutz and, upon vote, unanimously carried, the Board directed staff to post the Transparency Notice on the Special District Association’s website and the District’s website.

Insurance Matters:

Cyber Security and Increased Crime Coverage: The Board entered into discussion regarding cyber security and increased crime coverage.

Following discussion, upon motion duly made by Director Robinson, seconded by Director Lutz and, upon vote, unanimously carried, the Board approved the cyber security and increased crime coverage to \$250,000, for an additional premium of approximately \$800 per year.

Insurance Committee: The Board entered into discussion regarding establishing an Insurance Committee to make final determinations regarding insurance. Following discussion, the Board determined an Insurance Committee is not necessary.

Renewal of the District’s Insurance and Special District Association (“SDA”) Membership for 2024: The Board entered into discussion regarding the renewal of the District’s insurance and SDA membership for 2024.

Following discussion, upon motion duly made by Director Robinson, seconded by Director Lutz and, upon vote, unanimously carried, the Board authorized the renewal of the District’s insurance and SDA membership for 2024.

FINANCIAL MATTERS

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

Fund	Period ending November 16, 2023
General	\$ 1,690.00
Debt Service	\$ -0-
Capital	\$ -0-
Enterprise	\$ -0-
Total Claims	\$ 1,690.00

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

Cost Verification Report No. 46: The Board reviewed Cost Verification Report No. 46 dated November 10, 2023, prepared by Schedio Group, LLC, verifying costs associated with the design and construction of public improvements in the amount of \$182,275.84.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board acknowledged Cost Verification Report No. 46 dated November 10, 2023, prepared by Schedio Group, LLC, verifying the costs associated with the design and construction of public improvements in the amount of \$182,275.84.

Unaudited Financial Statements and Schedule of Cash Position: Mr. Weaver reviewed with the Board the unaudited financial statements, dated September 30, 2023, and the schedule of cash position, dated September 30, 2023.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board accepted the unaudited financial statements, dated September 30, 2023, and the schedule of cash position, dated September 30, 2023.

2023 Audit: The Board reviewed the proposal from Fiscal Focus Partners, LLC to prepare the 2023 Audit.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board approved the engagement of Fiscal Focus Partners, LLC to prepare the 2023 Audit, for an amount not to exceed \$6,250.

2023 Budget Amendment Hearing: Director J. Marshall opened the public hearing to consider the amendment of the 2023 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider the amendment of the 2023 Budget 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 review and discussion, Director J. Marshall moved to adopt Resolution No. 2023-11-02 to Amend the 2023 Budget. Director Robinson seconded the motion and, upon vote, unanimously carried, the Board adopted Resolution No. 2023-11-02 to Amend the 2023 Budget.

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2024 Budget Hearing: Director J. Marshall opened the public hearing to consider the proposed 2024 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2024 Budget 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 or at this public hearing.

The Board addressed a question from Brad (member of the public) regarding taxes and mill levies.

No additional public comments were received, and the public hearing was closed.

Mr. Weaver reviewed the estimated year-end 2023 revenues and expenditures and the proposed 2024 revenues and expenditures. It was determined that no mill levy will be certified.

Following discussion, the Board considered the adoption of Resolution No. 2023-11-03 to Adopt the 2024 Budget and Appropriate Sums of Money and Resolution No. 2023-11-04 to Set Mill Levies (for the General Fund at 3.247 mills, the Debt Service Fund at 65.872 mills and for Contractual Obligations at 9.740 mills, for a total of 78.859 mills). Upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Resolutions were adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before January 3, 2024. Mr. Beckman was authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2024. Copies of the adopted Resolutions are attached to these Minutes and incorporated herein by this reference.

Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan: The Board reviewed Resolution No. 2023-11-05, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board adopted Resolution No. 2023-11-05, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan.

DLG-70 Mill Levy Certification Form: The Board considered authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

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Following discussion, upon motion duly made by Director Robinson, seconded by Director Lutz and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

2025 Budget Preparation: The Board discussed preparation of the 2025 Budget.

Following discussion, upon motion duly made by Director Robinson, seconded by Director Lutz and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2025 Budget. The Board determined to hold the public hearing to consider adoption of the 2025 Budget on November 21, 2024 via Zoom.

LEGAL MATTERS

Addendum to the Management Services Agreement with Public Alliance LLC for Management Services: The Board reviewed an Addendum to the Management Services Agreement with Public Alliance LLC for management services.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board approved the Addendum to the Management Services Agreement with Public Alliance LLC for management services.

First Amendment to Operation Funding Agreement: The Board entered into discussion regarding an amendment to the District's Operation Funding Agreement

Following discussion, upon motion duly made by Director Lutz, seconded by Director Robinson and, upon vote, unanimously carried, the Board approved the First Amendment to Amended and Restated 2019-2023 Operation Funding Agreement between the District and MG Land Investments, LLC.

CAPITAL IMPROVEMENTS MATTERS

There were no capital improvements matters.

OTHER BUSINESS

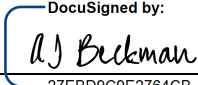
There was no other business.

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ADJOURNMENT

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

Respectfully submitted,

By  _____
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Secretary for the Meeting