

## RECORD OF PROCEEDINGS

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### 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 JANUARY 18, 2024

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, January 18, 2024, at 4:00 p.m. by Zoom video/telephone conference. The meeting was open to the public.

#### ATTENDANCE

##### Directors Present:

James E. Marshall  
Shelley Marshall  
Holly D. Robinson (for a portion of the meeting)  
Leigh Lutz

##### Also Present:

AJ Beckman; 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

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

#### 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

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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 McGeady 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 J. Marshall, seconded by Director Lutz 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 J. Marshall, seconded by Director Lutz 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.

**Designation of 24-Hour Posting Location:** Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Lutz, and upon vote unanimously carried, the Board determined that notices of meetings of the District Board required pursuant to Section 24-6-402(2)(c), C.R.S., shall be posted at least 24 hours prior to each meeting on the District's website at: <https://springvalleymd1-4.colorado.gov> or if posting on the website is unavailable, notice will be posted on the water tank site, 4200 County Road 174, Elizabeth, Colorado 80107.

**Minutes:** The Board reviewed the Minutes of the November 16, 2023 and December 21, 2023 Regular Meetings.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Lutz and, upon vote, unanimously carried, the Minutes of the November 16, 2023 and December 21, 2023 Regular Meetings were approved.

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### FINANCIAL MATTERS

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

Fund	Period ending January 18, 2024
General	\$ 30,939.12
Road	
Utility Capital	\$ -0-
Capital	\$ 32,761.97
Enterprise	\$ 116,129.74
<b>Total Claims</b>	<b>\$ 182,445.83</b>

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 payment of claims, as presented.

**Cost Verification Report No. 48:** The Board reviewed Cost Verification Report No. 48 dated January 12, 2024, prepared by Schedio Group, LLC, verifying costs associated with the design and construction of public improvements in the amount of \$26,091.53.

Mr. Weaver informed the Board that there is \$20,316.51 remaining in the Project Fund of the Spring Valley Metropolitan District No. 2 Series 2020 Bonds, and recommended the fund be closed out. He noted that this would leave a remainder of \$5,775.02 in verified costs to be allocated to Spring Valley Metropolitan District No. 6.

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. 48 dated January 12, 2024, prepared by Schedio Group, LLC, verifying the costs associated with the design and construction of public improvements in the amount of \$26,091.53. The Board further acknowledged Spring Valley Metropolitan District No. 2 Requisition No. 24 under the Series 2020 Bonds in the amount of \$20,316.51, and Spring Valley Metropolitan District No. 6 Requisition No. 18 (Restated) under the Series 2021(3) Bonds in the updated amount of \$5,775.02.

**Unaudited Financial Statements and Schedule of Cash Position:** Mr. Weaver reviewed with the Board the unaudited financial statements, dated December 31, 2023, and the schedule of cash position, dated December 31, 2023.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board accepted the unaudited financial statements, dated December 31, 2023, and the schedule of cash position, dated December 31, 2023.

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**Accounts Receivable Aging Report:** Mr. Weaver reviewed with the Board the Accounts Receivable Aging Report, dated December 31, 2023.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board accepted the Accounts Receivable Aging Report, dated December 31, 2023.

**Resolution No. 2024-01-01, Spring Valley Metropolitan District No. 1 Resolution to Adopt Updated Schedule of Fees and Charges:** The Board reviewed Resolution No. 2024-01-01, Spring Valley Metropolitan District No. 1 Resolution to Adopt Updated Schedule of Fees and Charges.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board adopted Resolution No. 2024-01-01, Spring Valley Metropolitan District No. 1 Resolution to Adopt Updated Schedule of Fees and Charges.

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### **LEGAL MATTERS**

**Timeline and Tasks for Organization of New Spring Valley District:** Attorney McGeady and Director J. Marshall reported regarding the timeline and tasks for organization of the new Spring Valley Metropolitan District No. 7. Director J. Marshall reported to the Board that he is working with Attorney McGeady on preparation of a Service Plan. He noted the new district is expected to be organized later in 2024.

**Distribution of Will Serve Letter Dated January 11, 2024 for the Moorestead Real Estate, LLC Property (“Moorestead Letter”):** Attorney McGeady discussed the Moorestead Letter with the Board, and Director J. Marshall reported the Moorestead Letter has been provided to Moorestead Real Estate, LLC.

**Settlement of 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 regarding the Litigation.

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

**Execution of Settlement Agreement:** The Board entered into discussion regarding the execution of the Settlement Agreement.

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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 execution of the Settlement Agreement.

Payment of \$25,000 Required by Settlement Agreement: The Board entered into discussion regarding the payment of \$25,000 required by Settlement Agreement.

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 \$25,000 required by the Settlement Agreement.

Work Necessary for Reconstruction of Slope on CR 178 along the Hatton/Doke Property: The Board entered into discussion regarding the work necessary for reconstruction of the slope on CR 178 along the Hatton/Doke property.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board authorized the work necessary for reconstruction of the slope on CR 178 along the Hatton/Doke property.

Acceptance of Easements Needed for Reconstruction of Slope on CR 178 Along the Hatton/Doke Property: The Board entered into discussion regarding the acceptance of easements needed for reconstruction of the slope on CR 178 along the Hatton/Doke property.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board authorized the acceptance of easements needed for reconstruction of the slope on CR 178 along the Hatton/Doke property.

Fee Increases: The Board entered into discussion regarding potential fee increases. Director J. Marshall will follow up with Schedio Group regarding the process for calculating the Road Operations Reserve Fee. No action was taken by the Board.

Engagement of Special Counsel for Well Transfer Matters: The Board entered into discussion regarding the engagement of Eric Trout of Hayes Poznanovic Korver LLC as Special Counsel for well transfer matters.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Lutz and, upon vote, unanimously carried, the Board approved the engagement of Eric Trout of Hayes Poznanovic Korver LLC as Special Counsel for well transfer matters, and authorized any necessary actions in connection therewith.

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### CAPITAL IMPROVEMENT MATTERS

**Report from Construction Committee:** Mr. Kirst reported to the Board that the construction team is working through punch list items related to the public improvements completed in Filings 5, 6 and 7. He reported that construction of the Wastewater Reuse Pond will begin once property rights have been secured.

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### OPERATIONS & MAINTENANCE

**Monthly Activities Report for November and December 2023:** Mr. Murphy reviewed with the Board the Ramey Environmental Compliance monthly activities reports for November and December 2023.

**Proposal from Ramey Environmental Compliance, Inc. for the Installation of an OmniSite for Lift Station #2:** The Board reviewed the proposal from Ramey Environmental Compliance, Inc. for the installation of an OmniSite for lift station #2.

Following discussion, upon motion duly made by Director Lutz, seconded by Director Robinson and, upon vote, unanimously carried, the Board approved the proposal from Ramey Environmental Compliance, Inc. for the installation of an OmniSite for lift station #2, and authorized preparation of a Task Order.

**Proposal from Fluid Design + Build, LLC for Assorted SCADA Projects:** The Board reviewed the proposal from Fluid Design + Build, LLC for 6 (six) assorted SCADA projects.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board approved the implementation of Item Nos. 1 and 2 in the proposal from Fluid Design + Build, LLC for assorted SCADA projects, and authorized preparation of the appropriate change orders, for a total combined amount not to exceed \$18,250.

**Spring Valley Ranch Filing 6 (Planning Area G) District Roads and Utility Probationary Acceptance:** The Board deferred discussion.

**Acceptance of Spring Valley Ranch Filing 7 (Planning Area J) District Roads Completed by Three Sons Construction, LLC:** The Board deferred discussion.

**Water Meter Replacements and Transmitter Conversion:** Mr. Beckman discussed the Board's recent authorization to purchase 300 water meters. He advised the Board that Badger Meter, the supplier of the water meters compatible with the District's meter reading system, has limited inventory capacity. In order to avoid supply disruptions due to inventory limitations, Mr. Beckman recommended storing inventory on site. Mr. Murphy confirmed that secure storage areas are available on site. Following discussion, the Board directed Mr. Beckman to move all inventory to on-site storage.

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### Change Order No. 7 to Service Agreement for HVAC Maintenance Services:

The Board reviewed the proposal from MTECH Mechanical Technologies, Inc. ("MTECH") to replace the heater unit in the pump room.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board approved the proposal from MTECH to replace the heater in the pump room, and approved Change Order No. 7 to the Service Agreement for HVAC Maintenance Services between the District and MTECH.

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

Respectfully submitted,

By \_\_\_\_\_

DocuSigned by:

*AJ Beckman*

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Secretary for the Meeting