

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 FEBRUARY 15, 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, February 15, 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
Leigh Lutz

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

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

Wayne Ramey 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.

RECORD OF PROCEEDINGS

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 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.

Minutes: The Board reviewed the Minutes of the January 18, 2024 Regular Meeting.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Lutz and, upon vote, unanimously carried, the Minutes of the January 18, 2024 Regular Meeting were approved.

CONSENT AGENDA The Board considered the following actions:

- Acknowledge prior District Manager's approval of Change Order proposals between January 1, 2020, through December 31, 2023, pursuant to the Service Agreement for Operator in Responsible Charge, dated January 1, 2020, between the District and Ramey Environmental Compliance, Inc.
- Ratify approval of Change Order No. 3 to the Service Agreement for Integrator Services between the District and Fluid Design & Build, LLC, for radio operations upgrades, in the amount of \$9,250.00.

RECORD OF PROCEEDINGS

- Ratify approval of Change Order No. 4 to the Service Agreement for Integrator Services between the District and Fluid Design & Build, LLC, for SCADA system upgrades, in the amount of \$9,000.00
- Ratify approval of Change Order No. 7 to the Service Agreement for HVAC Maintenance Services between the District and MTECH Mechanical Technologies Group, Inc., for pump room heater replacement, in the amount of \$5,553.00.
- Ratify approval of Special Counsel Engagement Agreement between the District and Hayes Poznanovic Korver, LLC.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Lutz and, upon vote, unanimously carried, the Board approved or ratified approval of (as appropriate) the Consent Agenda items.

FINANCIAL MATTERS

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

Fund	Period ending February 15, 2024
General	\$ 2,322.84
Road	\$ 5,392.00
Utility Capital	\$ 50,708.98
Capital	\$ 24,681.62
Enterprise	\$ 111,295.87
Total Claims	\$ 194,401.31

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

Cost Verification Report No. 49: The Board reviewed Cost Verification Report No. 49 dated February 9, 2024, prepared by Schedio Group LLC, verifying costs associated with the design and construction of public improvements in the amount of \$19,375.27.

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. 49 dated February 9, 2024, prepared by Schedio Group LLC, verifying the costs associated with the design and construction of public improvements in the amount of \$19,375.27. The Board further acknowledged Spring Valley Metropolitan District No. 6 Requisition No. 19 (Restated) under the Series 2021(3) Bonds in the amount of \$19,375.27.

RECORD OF PROCEEDINGS

Requisition Nos. 18 and 24: Mr. Weaver reviewed with the Board Spring Valley Metropolitan District No. 6 Requisition No. 18 (Restated) under the Series 2021(3) Bonds in the updated amount of \$5,775.02, and Spring Valley Metropolitan District No. 2 Requisition No. 24 under the Series 2020 Bonds in the amount of \$20,316.51.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Lutz and, upon vote, unanimously carried, the Board acknowledged Spring Valley Metropolitan District No. 6 Requisition No. No. 18 (Restated) under the Series 2021(3) Bonds in the updated amount of \$5,775.02, and Spring Valley Metropolitan District No. 2 Requisition No. 24 under the Series 2020 Bonds in the amount of \$20,316.51.

Accounts Receivable Aging Report: Mr. Weaver reviewed with the Board the Accounts Receivable Aging Report, dated January 30, 2024.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Lutz and, upon vote, unanimously carried, the Board accepted the Accounts Receivable Aging Report, dated January 30, 2024.

LEGAL MATTERS

Timeline and Tasks for Organization of New Spring Valley District: The Board deferred discussion.

Intergovernmental Agreement Between the Elbert County Board of County Commissioners and Spring Valley Metropolitan District No. 1 (relating to Elbert County District Court Case No. 2022CV30097, Hatton/Doke v. Elbert County and the District): The Board reviewed the Intergovernmental Agreement Between the Elbert County Board of County Commissioners and Spring Valley Metropolitan District No. 1 (relating to Elbert County District Court Case No. 2022CV30097, Hatton/Doke v. Elbert County and the District) (the “County IGA”).

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Lutz and, upon vote, unanimously carried, the Board approved the County IGA.

Connection Deadline Extension Supplement to December 17, 2021 Letter Agreement among Spring Valley Metropolitan District No. 1, Spring Valley Metropolitan District No. 2, and LGI Homes – Colorado, LLC: The Board reviewed the Connection Deadline Extension Supplement to the December 17, 2021 Letter Agreement among Spring Valley Metropolitan District No. 1, Spring Valley Metropolitan District No. 2, and LGI Homes – Colorado, LLC (the “LGI Extension”).

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Lutz and, upon vote, unanimously carried, the Board approved the LGI Extension.

Connection Deadline Extension Supplement to December 22, 2021 Letter Agreement among Spring Valley Metropolitan District No. 1, Spring Valley Metropolitan District No. 2, and Century at Spring Valley Ranch, LLC: The Board reviewed a Connection Deadline Extension Supplement to December 22, 2021 Letter Agreement among Spring Valley Metropolitan District No. 1, Spring Valley Metropolitan District No. 2, and Century at Spring Valley Ranch, LLC (the “Century Extension”).

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Lutz and, upon vote, unanimously carried, the Board approved the Century Extension.

Letter Agreement between the District and Hamsa Golf LLC Regarding Waterway Restoration (the “Letter Agreement”): Attorney Morse informed the Board that the Letter Agreement will be between the District and Hamsa Golf LLC, instead of Haynes Family Limited Partnership (as shown on the posted agenda).

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Lutz and, upon vote, unanimously carried, the Board authorized Director Marshall to finalize and sign the Letter Agreement

CAPITAL IMPROVEMENT MATTERS

Report from Construction Committee: Mr. Kirst reported to the Board that work is continuing on the 2.1-million-gallon water tank, Utility line relocation is in process and construction of the foundation will follow. Vertical construction of the tank is expected to commence this summer.

Mr. Kirst further reported that the public bidding process is under way for Well A-3. Bids are due March 22, 2024, and the project will begin 60 days following the award of the contract.

OPERATIONS & MAINTENANCE

Monthly Activities Report for January 2024: Mr. Murphy reviewed with the Board the Ramey Environmental Compliance monthly activities report for January 2024.

District’s Conditional Acceptance of the Spring Valley Ranch Filing 6 (Planning Area G) District Roads and Utilities: Mr. Kirst discussed with the Board the grant of conditional acceptance of the Spring Valley Ranch Filing 6 (Planning Area G) District Roads and Utilities, noting that in his opinion conditional acceptance would be appropriate at this time.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Lutz, seconded by Director J. Marshall and, upon vote, unanimously carried, the Board approved the District's conditional acceptance of the Spring Valley Ranch Filing 6 (Planning Area G) District Roads and Utilities.

District's Initial Acceptance of the Spring Valley Ranch Filing 7 (Planning Area J) District Roads: Mr. Kirst discussed with the Board the grant of initial acceptance of the Spring Valley Ranch Filing 7 (Planning Area J) District Roads, and recommended the Board defer consideration until after the scheduled walkthrough. The Board deferred consideration to the March 21, 2024 meeting.

Water Meter Replacements and Transmitter Conversion: Mr. Beckman reported all of the meters and transmitters have been received and transported to on-site storage.

Master Service Agreement for Operator in Responsible Charge Services between the District and Ramey Environmental Compliance, Inc. (the "Ramey MSA"), Relating to the Operation of the Water and Wastewater Facilities: Attorney McGeady reviewed the Ramey MSA with the Board.

Following discussion, upon motion duly made by Director Lutz, seconded by Director J. Marshall and, upon vote, unanimously carried, the Board approved the Ramey MSA.

Task Orders Pursuant to the Ramey MSA: Attorney McGeady reviewed with the Board various Task Orders pursuant to the Ramey MSA.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Lutz and, upon vote, unanimously carried, the Board approved the following Task Orders between the District and Ramey Environmental Compliance, Inc.:

- Task Order 2024-02-1 for Lift Station No. 2 OmniSite Installation, in the amount of \$8,809.18.
- Task Order 2024-02-2 for Influent Screen Basket Repair, in the amount of \$3,980.92.
- Task Order 2024-02-3 for Permeate Backwash Piping Repairs, in the amount of \$1,688.78.
- Task Order 2024-02-4 for Membrane Repairs, in the amount of \$5,776.32.

Access Roads Resurfacing: Mr. Kirst reported to the Board that approximately 71,000 square feet of road surfacing for access roads serving the Wastewater Treatment Facility, the Water Treatment Facility, and Lift Station No. 2 was put out to bid. He informed the Board that two bids had been received: a bid from

RECORD OF PROCEEDINGS

Three Sons Construction, Inc., in the amount of \$73,755.45, and a bid from M&M Excavation Company, in the amount of \$103,700.00.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Lutz and, upon vote, unanimously carried, the Board award the contract for the access roads resurfacing to Three Sons Construction, Inc., as the lowest responsible bidder, further noting that Three Sons Construction, Inc. has performed other construction work for the District.

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 Lutz and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By _____
Secretary for the Meeting

DocuSigned by:
A.J. Beckman
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