

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 MARCH 21, 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, March 21, 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 S. 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.

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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 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 S. 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 S. 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.

CONSENT AGENDA The Board considered the following actions:

- Approve Minutes of the February 15, 2024 Regular Meeting.
- Ratify approval of the Service Agreement for Maintenance Road Gravel Installation between the District and Three Sons Construction LLC.

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

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FINANCIAL MATTERS

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

Fund	Period ending March 21, 2024
General	\$ 37,239.89
Road	\$
Utility Capital	\$ 5,553.00
Capital	\$ 26,521.21
Enterprise	\$ 223,077.02
Total Claims	\$ 292,391.15

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. 50: The Board reviewed Cost Verification Report No. 50 dated March 15, 2024, prepared by Schedio Group LLC, verifying costs associated with the design and construction of public improvements in the amount of \$26,313.73.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Lutz and, upon vote, unanimously carried, the Board approved Cost Verification Report No. 50 dated March 15, 2024, prepared by Schedio Group LLC, verifying the costs associated with the design and construction of public improvements in the amount of \$26,313.73. The Board further acknowledged Spring Valley Metropolitan District No. 6 Requisition No. 20 under the Series 2021(3) Bonds in the amount of \$26,313.73.

Accounts Receivable Aging Report: Mr. Weaver reviewed with the Board the Accounts Receivable Aging Report, dated February 28, 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 February 28, 2024. The Board further directed Mr. Beckman to call customers with accounts over 90 days in arrears.

LEGAL MATTERS

Timeline and Tasks for Organization of New Spring Valley District: Director J. Marshall provided an update.

Improvements Acceptance Process and Related Security: Director J. Marshall discussed the improvement acceptance process as set forth in the Development Improvement Agreement between the District and Melody Homes, Inc.

Running Creek Restoration Letter Agreement between the District and Hamsa Golf LLC: The Board reviewed the Running Creek Restoration Letter

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Agreement between the District and Hamsa Golf LLC. Director J. Marshall discussed the need to pursue the restoration of Running Creek and recommended ratifying approval of the Letter Agreement.

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 Running Creek Restoration Letter Agreement between the District and Hamsa Golf LLC.

Wastewater Residuals Service Agreement between the District and Denali Water Solutions LLC: The Board entered into discussion regarding the Wastewater Residuals Service Agreement between the District and Denali Water Solutions LLC.

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 Wastewater Residuals Service Agreement between the District and Denali Water Solutions LLC, subject to amendment to reflect certain changes requested by legal counsel.

CAPITAL IMPROVEMENT MATTERS

Report from Construction Committee: Mr. Kirst provided a report from the Construction Committee on the status of construction projects.

OPERATIONS & MAINTENANCE

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

District's Conditional Acceptance of the Spring Valley Ranch Filing 7 (Planning Area J) District Roads: The Board discussed and determined to defer action at this time.

District's Conditional Acceptance of Improvements in Spring Valley Ranch Filing 5 (Planning Area M) Phase One, Constructed by Melody Homes, Inc.: The Board discussed and determined to defer action at this time.

Proposal from DC Frost Associates, Inc. for Large Blowers: The Board reviewed the proposal from DC Frost Associates, Inc. for the purchase of large blowers necessary for the operation of the Wastewater Treatment Facility.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board approved the proposal from DC Frost Associates, Inc. for hybrid large blowers, in the amount

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of \$61,356 and a Variable Frequency Drive (“VFD”), in the amount of \$14,495 for a total purchase price not to exceed \$75,909.

Water Meter Replacements and Transmitter Conversion: Mr. Beckman reported the District has sufficient stock and is keeping pace with development. Director J. Marshall noted that he expects 10 to 12 meters will be required per month.

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:
AJ Beckman