

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 APRIL 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, April 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
Leigh Lutz

Also Present:

AJ Beckman; Public Alliance, LLC

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

Eric Weaver and Cheri Curtis; Marchetti & Weaver, LLC

CJ Kirst; Tahoe Consulting, LLC

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 for discussion at this meeting and incorporated for the record those applicable

RECORD OF PROCEEDINGS

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:

- Approval of Minutes of the March 21, 2024 Regular Meeting.

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.

FINANCIAL MATTERS

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

| Fund | Period ending April 18, 2024 |
|---------------------|---------------------------------|
| General | \$ 8,628.36 |
| Road | \$ -0- |
| Utility Capital | \$ -0- |
| Capital | \$ 253,573.83 |
| Enterprise | \$ 64,368.43 |
| Total Claims | \$ 326,570.62 |

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. 51: The Board reviewed Cost Verification Report No. 51 dated April 12, 2024, prepared by Schedio Group LLC, verifying costs associated with the design and construction of public improvements in the amount of \$225,334.28.

Following discussion, upon motion duly made by Director S. Marshall, seconded by Director J. Marshall and, upon vote, unanimously carried, the Board approved Cost Verification Report No. 51 dated April 12, 2024, prepared by Schedio Group LLC, verifying the costs associated with the design and construction of public improvements in the amount of \$225,334.28. The Board further acknowledged Spring Valley Metropolitan District No. 6 Requisition No. 21 under the Series 2021(3) Bonds in the amount of \$225,334.28.

Unaudited Financial Statements and Schedule of Cash Position: Mr. Weaver reviewed with the Board the unaudited financial statements, dated March 31, 2024, and the schedule of cash position, dated March 31, 2024.

Following discussion, upon motion duly made by Director S. Marshall, seconded by Director J. Marshall and, upon vote, unanimously carried, the Board accepted the unaudited financial statements, dated March 31, 2024, and the schedule of cash position, dated March 31, 2024.

Accounts Receivable Aging Report: Mr. Weaver reviewed with the Board the Accounts Receivable Aging Report, dated March 31, 2024.

Following discussion, upon motion duly made by Director S. Marshall, seconded by Director J. Marshall and, upon vote, unanimously carried, the Board accepted the Accounts Receivable Aging Report, dated March 31, 2024.

Following discussion, the Board directed that the Accounts Receivable Aging Report be prepared on a quarterly basis going forward.

LEGAL MATTERS

Timeline and Tasks for Organization of New Spring Valley District: Director J. Marshall and Attorney McGeady provided an update regarding the status of the Service Plan for the proposed Spring Valley Metropolitan District No. 7.

Improvements Acceptance Process and Related Security: Director J. Marshall and Attorney Morse provided an update, noting the District is currently working through security issues with D.R. Horton.

RECORD OF PROCEEDINGS

First Amendment to Wastewater Residuals Service Agreement between the District and Denali Water Solutions LLC: Attorney Morse reviewed with the Board the First Amendment to 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 approved the First Amendment to Wastewater Residuals Service Agreement between the District and Denali Water Solutions LLC.

First Amendment to Development Improvement Agreement (Spring Valley Ranch Filing 5) between the District and Melody Homes, Inc.: Attorney Morse reviewed with the Board the First Amendment to Development Improvement Agreement (Spring Valley Ranch Filing 5) between the District and Melody Homes, Inc.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board approved the First Amendment to Development Improvement Agreement (Spring Valley Ranch Filing 5) between the District and Melody Homes, Inc.

Agreements between the District and Hamsa Golf, LLC: Director J. Marshall provided an update regarding negotiations with Hamsa Golf, LLC relating to various agreements.

Well Water Delivery Facilities Easement Agreement: The Board deferred action.

Reuse Facilities Easement Agreement: The Board deferred action.

Water Exchange Agreement: The Board deferred action.

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 March 2024: Mr. Murphy reviewed with the Board the Ramey Environmental Compliance monthly activities report for March 2024.

District's conditional acceptance of the Spring Valley Ranch Filing 7 (Planning Area J) District Roads: A brief discussion was held, but the Board deferred action.

RECORD OF PROCEEDINGS

District's Conditional Acceptance of Improvements in Spring Valley Ranch Filing 5 (Planning Area M) Phase One, Constructed by Melody Homes, Inc.:

A brief discussion was held, but the Board deferred action.

Water Meter Replacements and Transmitter Conversion: Mr. Beckman reported to the Board that the District has taken delivery of all purchased meters. Public Alliance is performing the meter installations for new construction and is keeping up with development. Mr. Beckman advised the Board that he will provide a monthly status report showing installation and replacement totals as well as remaining inventory moving forward.

Task Order No. 2024-04-01 to the Master Service Agreement for Operator in Responsible Charge Services between the District and Ramey Environmental Compliance, Inc., for Large Blower Installation: The Board reviewed Task Order No. 2024-04-01 to the Master Service Agreement for Operator in Responsible Charge Services between the District and Ramey Environmental Compliance, Inc., for large blower installation.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board approved Task Order No. 2024-04-01 to the Master Service Agreement for Operator in Responsible Charge Services between the District and Ramey Environmental Compliance, Inc., for large blower installation, in the amount of \$12,943.02.

Installation of Pump Station Equipment: Mr. Beckman and Mr. Murphy discussed with the Board the two components of work required for installation of the pump station equipment: electrical work and equipment installation.

Proposals for Electrical Work: Mr. Murphy informed the Board that proposals for the electrical work were obtained from Sun Valley Contractors, LLC (in the amount of \$49,680.00) and Grasmick Electric Corp. (in the amount of \$44,889.00).

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 Sun Valley Contractors, LLC for the electrical work, in the amount of \$49,680.00 (due to the contractor's previous relationship with the District and familiarity with the District's facilities), and authorized preparation of a task order to the existing Service Agreement with the contractor.

Proposal for Equipment Installation: Mr. Beckman informed the Board that Ramey Environmental Compliance, Inc. provided a proposal for the equipment installation in the amount of \$23,602.62.

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

RECORD OF PROCEEDINGS

the proposal from Ramey Environmental Compliance, Inc. for the equipment installation, in the amount of \$23,602.62, and authorized preparation of a task order to the existing Service Agreement with the contractor.

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 _____
Secretary for the Meeting

DocuSigned by:
AJ Beckman
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