

## RECORD OF PROCEEDINGS

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### MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE SPRING VALLEY METROPOLITAN DISTRICT NO. 5 HELD APRIL 18, 2024

A Special Meeting of the Board of Directors (the “Board”) of the Spring Valley Metropolitan District No. 5 (the “District”) 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

##### 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

Mike Murphy; Ramey Environmental Compliance, Inc.

Leigh Lutz; Spring Valley Metropolitan District Nos. 1, 2, 3, 4 and 6

#### 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 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.

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**Resolution No. 2024-04-01, Resolution of Intent to Return to Active Status:**  
The Board reviewed Resolution No. 2024-04-01, Resolution of Intent to Return to Active Status.

Following discussion, upon motion duly made by Director S. Marshall, seconded by Director J. Marshall and, upon vote, unanimously carried, the Board adopted Resolution No. 2024-04-01, Resolution of Intent to Return to Active Status, and authorized District consultants to take any necessary actions required in connection therewith.

**Agenda:** Mr. Beckman distributed, for the Board's review and approval, a proposed agenda for the District's Special Meeting.

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

**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 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.

**Designation of 24-Hour Posting Location:** Following discussion, upon motion duly made by Director S. Marshall, seconded by Director J. Marshall, 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://springvalleymd.org/> or if posting on the website is unavailable, notice will be posted to the fence post on the north side of County Road 174.

**Termination of Engagement of Special District Management Services, Inc. as District Manager, effective April 19, 2023:** The Board discussed the termination of the engagement of Special District Management Services, Inc. as District Manager, effective April 19, 2023.

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

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acknowledged the termination of the engagement of Special District Management Services, Inc. as District Manager, effective April 19, 2023.

**Service Agreement for District Management Services between the District and Public Alliance LLC:** The Board discussed the Service Agreement for District Management Services between the District and Public Alliance LLC.

Following discussion, upon motion duly made by Director S. Marshall, seconded by Director J. Marshall and, upon vote, unanimously carried, the Board approved the Service Agreement for District Management Services between the District and Public Alliance LLC.

**May 2, 2023 Regular Directors' Election (the "Election"):** Mr. Beckman advised the Board that the Election was cancelled by the Designated Election Official, as allowed under Colorado law, because there were not more candidates than positions available on the Board of Directors. It was noted that Director James Marshall was deemed elected to a 4-year term ending in May 2027, and that the two vacancies to May 2027 were confirmed.

**Appointment of Officers:** Following discussion and review, upon a motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote unanimously carried, the Board appointed the following slate of officers:

President:	James E. Marshall
Treasurer:	Shelley Marshall
Secretary:	AJ Beckman
Assistant Secretary:	Holly D. Robinson

**Vacancies on the Board:** The Board discussed the vacancies on the Board. The Board directed Public Alliance to publish a Notice of Vacancy.

**Resolution No. 2024-04-02, 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. 2024-04-02, 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 S. Marshall, seconded by Director J. Marshall and, upon vote, unanimously carried, the Board adopted Resolution No. 2024-04-02, Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices.

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**Section 32-1-809, C.R.S., Transparency Notice Reporting Requirements and Mode of Eligible Elector Notification for 2024:** Following discussion, the Board directed staff to post the Transparency Notice on the Special District Association’s website and the District’s website.

**Insurance Requirements:** The Board discussed insurance requirements for public officials’ liability, general liability, workers’ compensation, and comprehensive crime. The Board further discussed cyber security and available increased limits for crime coverage.

Following discussion, upon motion duly made by Director S. Marshall, seconded by Director J. Marshall and, upon vote, unanimously carried, the Board authorized obtaining the insurance coverages discussed, with an increased limit of \$250,000 for comprehensive crime coverage.

**Insurance Coverage from Colorado Special Districts Property and Liability Insurance Pool (the “Pool”) / Special District Association Membership:** It was noted that the District’s insurance coverage was cancelled in 2023 when the District elected statutory inactive status and that it was necessary to re-apply to the Pool for insurance coverage. The Board reviewed Resolution No. 2024-04-03 to obtain insurance coverage through the Pool (such resolution also approving the “Intergovernmental Agreement for the Colorado Special Districts Property and Liability Pool”) and discussed membership in the Special District Association (“SDA”).

Following discussion, upon motion duly made by Director S. Marshall, seconded by Director J. Marshall and, upon vote, unanimously carried, the Board adopted Resolution No. 2024-04-03 to obtain insurance coverage through the Pool (such resolution also approving the “Intergovernmental Agreement for the Colorado Special Districts Property and Liability Pool”), and authorized membership in the SDA.

**Agency Service Fee Agreement between the District and TCW Risk Management:** The Board reviewed the Agency Service Fee Agreement between the District and TCW Risk Management.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board approved the Agency Service Fee Agreement between the District and TCW Risk Management.

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**CONSENT AGENDA** The Board considered the following actions:

- Approval of Minutes of the November 17, 2022 Regular Meeting.
- Adoption of Resolution No. 2024-04-04, Resolution Amending Policy on Colorado Open Records Act Requests.
- Acknowledgement of Cost Verification Report Nos. 35 through 50, dated December 7, 2022 through March 15, 2024, prepared by Schedio Group, LLC, verifying costs associated with the design and construction of public improvements.

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

**FINANCIAL  
MATTERS**

**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 acknowledged 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.

**2024 Budget Preparation:** The Board discussed preparation of the 2024 Budget.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2024 Budget, and noted that the 2023 Budget must be adopted within 90 days of the District's return to active status.

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

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall 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.

**2024 Audit / 2024 Audit Exemption:** It was noted that no audit exemption for 2023 was required, as the District was in statutory inactive status for the entire year.

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Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the Application for Exemption from Audit for 2024 if the District meets the requirements for an exemption, and also authorized the engagement of Fiscal Focus Partners, LLC to prepare the 2024 Audit if the District does not meet the requirements for an exemption.

### LEGAL MATTERS

**Public Hearing to Consider Exclusion of Approximately 69.752 Acres of Property Owned by Spring Valley Land Investments, LLC:** President J. Marshall opened the public hearing to consider the exclusion of approximately 69.752 acres of property owned by Spring Valley Land Investments, LLC.

It was noted that publication of Notice stating that the Board would consider the exclusion of the property 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 discussion, upon motion duly made by Director S. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board approved the exclusion of the property, and adopted Resolution No. 2024-04-05, Resolution for Exclusion of Real Property.

**Second Amended and Restated Service Plan:** The Board discussed the submittal of the proposed Second Amended and Restated Service Plan to Elbert County.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director S. Marshall and, upon vote, unanimously carried, the Board authorized the submittal of the proposed Second Amended and Restated Service Plan to Elbert County.

### 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 \_\_\_\_\_  
DocuSigned by:  
*AJ Beckman*  
Secretary for the Meeting

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