

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 MAY 16, 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, May 16, 2024, at 4:00 p.m. by Zoom video/telephone conference. The meeting was open to the public.

ATTENDANCE

Directors Present:

James E. Marshall
Holly D. Robinson
Leigh Lutz

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

Also Present:

AJ Beckman; Public Alliance, LLC

Suzanne Meintzer, Esq., Eric Trout, Esq., and Craig Sorensen; McGeady Becher P.C.

Eric Weaver and Cheri Curtis; Marchetti & Weaver, LLC

CJ Kirst; Tahoe Consulting, LLC

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

PUBLIC COMMENTS

There were no public comments.

RECORD OF PROCEEDINGS

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 Meintzer 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 Robinson 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 J. Marshall, seconded by Director Robinson 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 April 18, 2024 Regular Meeting.
- Ratification of Task Order No. 2 to the Master Service Agreement for Electrical Maintenance Services between the District and Sun Valley Contractors, LLC, for lift station equipment replacement, in the amount of \$49,680.00.
- Ratification of Task Order No. 2024-04-02 to the Master Service Agreement for Operator in Responsible Charge Services between the District and Ramey Environmental Compliance, Inc., for new equipment installation, in the amount of \$23,602.62.

RECORD OF PROCEEDINGS

- Ratification of Change Order No. 8 to the Service Agreement for HVAC Maintenance Services between the District and MTECH Mechanical Technologies Group, Inc., for 2024 Preventative Maintenance, in the amount of \$5,129.00.
- Ratification of Change Order No. 1 with Great Plains Structures, LLC for the installation of reducer and pipe.

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 May 16, 2024
General	\$ 5,316.48
Road	\$ -0-
Utility Capital	\$ 19,199.39
Capital	\$ 196,775.25
Enterprise	\$ 61,813.80
Total Claims	\$ 283,104.92

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. 52: The Board reviewed Cost Verification Report No. 52 dated May 13, 2024, prepared by Schedio Group LLC, verifying costs associated with the design and construction of public improvements in the amount of \$14,201,354.52 (“Report No. 52”).

The Board noted certain revisions were required to Report No. 52, but agreed that the \$1,205,014.00 verified as reimbursable to LGI Homes – Colorado, LLC (“LGI”) under the Step-In Rights Agreement between the District and LGI, and the \$205,012.03 verified for payment of the District’s capital costs, were correct.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board approved payment of the foregoing amounts under a Spring Valley Metropolitan District No. 6 bond requisition, and directed that Schedio Group LLC revise Report No. 52 for acknowledgement at the next meeting.

Unaudited Financial Statements and Schedule of Cash Position: Mr. Weaver advised the Board that the unaudited financial statements are prepared quarterly, and therefore will not be presented at this meeting.

RECORD OF PROCEEDINGS

Accounts Receivable Aging Report: Mr. Beckman noted that a summary of Accounts Receivable Aging information is included in the Manager's Report.

LEGAL MATTERS

Spring Valley Metropolitan District No. 7 Service Plan Submittal/Review Process: Attorney Meintzer and Director J. Marshall discussed with the Board the status of the Spring Valley Metropolitan District No. 7 Service Plan submittal/review process.

Improvements Acceptance Process and Related Security: Attorney Meintzer provided a brief update.

Detention Pond Facilities Easement Agreement between Spring Valley Ranch Master Owners Association and the District: Attorney Meintzer reviewed with the Board the Detention Pond Facilities Easement Agreement between Spring Valley Ranch Master Owners Association and the District.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board approved the Detention Pond Facilities Easement Agreement between Spring Valley Ranch Master Owners Association and the District.

Agreement between the District and GMT Exploration Company, LLC [for Cost Sharing of Acceleration Lane on CR 178]: Attorney Meintzer reviewed with the Board the Agreement between the District and GMT Exploration Company, LLC [for cost sharing of the acceleration lane on CR 178].

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board approved the Agreement between the District and GMT Exploration Company, LLC [for cost sharing of the acceleration lane on CR 178].

Temporary Construction Easement between Elizabeth Real Estate Opportunity LLC, as Successor-In-Interest to Hamsa Golf LLC, and the District: Attorney Meintzer reviewed with the Board the Temporary Construction Easement between Elizabeth Real Estate Opportunity LLC, as successor-in-interest to Hamsa Golf LLC, and the District.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Robinson and, upon vote, unanimously carried, the Board approved the Temporary Construction Easement between Elizabeth Real Estate Opportunity LLC, as successor-in-interest to Hamsa Golf LLC, and the District.

RECORD OF PROCEEDINGS

Agreements between the District and 3900 CR 174 LLC:

Landscaping License Agreement: Attorney Meintzer discussed the Landscaping License Agreement with the Board.

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

Water Service Agreement: The Board deferred discussion.

First Amendment to Extraterritorial Water and Sewer Service Agreement between the District and Elizabeth Real Estate Opportunity LLC, as Successor-In-Interest to Hamsa Golf LLC, as Successor-In-Interest to Haynes Family Limited Partnership (the "First Amendment"): Attorney Meintzer reviewed the First Amendment with the Board.

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

Proposed Agreements between the District and Elizabeth Real Estate Opportunity LLC, as Successor-In-Interest to Hamsa Golf LLC:

Well Water Delivery Facilities Easement Agreement: Director J. Marshall and Attorney Meintzer discussed the Well Water Delivery Facilities Easement Agreement with the Board. Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Lutz and, upon vote, unanimously carried, the Board approved the Well Water Delivery Facilities Easement.

Reuse Facilities Easement Agreement: Director J. Marshall and Attorney Meintzer discussed the Reuse Facilities Easement Agreement with the Board. Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Lutz and, upon vote, unanimously carried, the Board approved the Reuse Facilities Easement Agreement.

Water Exchange Agreement: Director J. Marshall reported that the Water Exchange Agreement was no longer necessary.

CAPITAL IMPROVEMENT MATTERS

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

RECORD OF PROCEEDINGS

Delbert Road Acceleration Lane & County Road 178 Embankment Grading Project (the "Project"): Mr. Kirst informed the Board that Tahoe Consulting LLC (the District's Construction Manager) publicly bid the Project and that only one contractor, Bemas Construction, Inc., submitted a bid. The Board acknowledged that the contract for the Project was awarded to Bemas Construction, Inc. as the lowest responsible bidder.

OPERATIONS & MAINTENANCE

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

Task Order No. 2024-05-01 for the Replacement of Online Chlorine Analyzer Probe: The Board reviewed Task Order No. 2024-05-01 for the replacement of online chlorine analyzer probe.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Lutz and, upon vote, unanimously carried, the Board approved Task Order No. 2024-05-01 for the replacement of online chlorine analyzer probe.

Task Order No. 2024-05-02 for Repairs to Pump #3: The Board reviewed Task Order No. 2024-05-02 for repairs to pump #3.

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Lutz and, upon vote, unanimously carried, the Board approved Task Order No. 2024-05-02 for repairs to pump #3.

District's conditional Acceptance of the Spring Valley Ranch Filing 7 (Planning Area J) District Roads: Mr. Kirst reported that the improvements still have outstanding punch list items and are not ready to be considered for conditional acceptance. No action was taken by the Board.

District's Conditional Acceptance of Improvements in Spring Valley Ranch Filing 5 (Planning Area M) Phase One, Constructed by Melody Homes, Inc.: Attorney Trout reported the conditional acceptance letter has been revised to reflect the correct amount of surety and that it has been provided to Mr. Beckman. Mr. Beckman indicated that the conditional acceptance letter will be provided to Melody Homes, Inc. once the required surety is received.

Consumer Confidence Report: Mr. Beckman reviewed the report with the Board and explained that it has been posted to the District's website. A message will be included with the next customer billing statements advising residents that they may view the report on the District's website.

Manager's Report: Mr. Beckman reviewed the Manager's Report with the Board.

RECORD OF PROCEEDINGS

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 _____

DocuSigned by:

D.J. Beckman

Secretary for the Meeting