

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL 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 JUNE 25, 2024

A Special 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 Tuesday, June 25, 2024, at 3:00 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

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

Eric Weaver and Cheri Curtis; Marchetti & Weaver, LLC

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

Brenda Owings; Century Communities

Kim Herman; Melody Homes

PUBLIC COMMENTS

Ms. Herman addressed the Board regarding fencing regulations, noting that there is inconsistency throughout Spring Valley Ranch. Director J. Marshall noted the District does not have the authority to enforce or promulgate such matters. Ms. Owings explained that her attendance at today’s meeting is also to get clarification on fencing guidelines. Director J. Marshall explained that this is a matter for the various homeowners’ associations to regulate within their respective neighborhoods. Director J. Marshall will work with the homeowners’ associations to assist in the adoption of consistent guidelines.

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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 Special Meeting.

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

Special District Association's ("SDA") Annual Conference: Mr. Beckman discussed with the Board the Special District Association's Annual Conference on September 10-12, 2024. Director Lutz expressed interest in attending.

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 authorized any interested Director to attend the SDA Conference.

Website Accessibility Matters: Mr. Beckman discussed with the Board website accessibility matters and explained that the District's website is compliant with

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current accessibility requirements. Public Alliance will manage the accessibility compliance going forward.

Following discussion and review, upon a motion duly made by Director S. Marshall, seconded by Director Lutz and, upon vote unanimously carried, the Board authorized Public Alliance to take actions necessary to maintain accessibility compliance.

CONSENT AGENDA

The Board considered the following actions:

- Approval of Minutes of the May 16, 2024 Regular Meeting.
- Ratify approval of Task Order Nos. 2-4 from Aqua Engineering of Utah, LLC.

Following discussion, upon motion duly made by Director Lutz, 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 June 20, 2024
General	\$ 26,355.11
Operation	\$ 96,554.89
Utility Capital	\$ 14,986.25
Capital	\$ 1,444,875.37
Total Claims	\$ 1,582,771.62

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

Cost Verification Report No. 52: A brief discussion was held, but the Board deferred action.

Cost Verification Report No. 53: The Board reviewed Cost Verification Report No. 53 dated June 12, 2024, prepared by Schedio Group LLC, verifying costs associated with the design and construction of public improvements in the amount of \$227,243.70.

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. 53 dated June 12, 2024, prepared by Schedio Group LLC, verifying the costs associated with the design and construction of public

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improvements in the amount of \$227,243.70. The Board further acknowledged Spring Valley Metropolitan District No. 6 Requisition No. 23 under the Series 2021(3) Bonds in the amount of \$227,243.70.

2023 Audit: Mr. Weaver presented the 2023 Audit to the Board.

Following discussion, upon motion duly made by Director Lutz, seconded by Director Robinson and, upon vote, unanimously carried, the Board approved the 2023 Audit (subject to final by legal counsel and the District Accountant), and authorized execution of the Representations Letter.

2025 Budget Hearing: The Board discussed the 2025 Budget Hearing. Following discussion, the Board determined to hold the public hearing to consider adoption of the 2025 Budget on November 21, 2024, at 4:00 p.m., to be held via Zoom.

LEGAL MATTERS

Spring Valley Metropolitan District No. 7 Service Plan Submittal/Review

Process: Attorney Meintzer discussed with the Board the status of the submittal/review process for the proposed Spring Valley Metropolitan District No. 7 Service Plan. She reported that the Planning Commission unanimously recommended approval of the Service Plan, and that a public hearing before the Board of County Commissioners is scheduled for July 24, 2024 at 1:00 p.m.

Water Service Agreement between the District and 3900 CR 174 LLC: The Board deferred discussion.

Transaction between the District and Elizabeth Real Estate Opportunity LLC (as successor-in-interest to Hamsa Golf LLC):

Approval of Reuse Facilities Easement Agreement between the District and Elizabeth Real Estate Opportunity LLC (as successor-in-interest to Hamsa Golf LLC)

Temporary Construction Easement between the District and Elizabeth Real Estate Opportunity LLC (as successor-in-interest to Hamsa Golf LLC)

Well Water Delivery Facilities Easement Agreement Easement between the District and Elizabeth Real Estate Opportunity LLC (as successor-in-interest to Hamsa Golf LLC)

It was noted that the above three (3) agreements had previously been approved by the District at its May 16, 2024 meeting, but that the posted agenda for that meeting did not reference Elizabeth Real Estate Opportunity LLC, and therefore, that the agreements should be ratified. Following discussion, upon motion duly made by Director J. Marshall, seconded by Director Lutz and, upon vote, unanimously

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carried, the Board ratified approval of the above-listed agreements between the District and Elizabeth Real Estate Opportunity LLC (as successor-in-interest to Hamsa Golf LLC).

Special Warranty Deed conveying certain property from Spring Valley Land Investments II, LLC to the District: Following review and discussion, upon motion duly made by Director J. Marshall, seconded by Director Lutz and, upon vote, unanimously carried, the Board accepted the Special Warranty Deed conveying certain property from Spring Valley Land Investments II, LLC to the District.

Transaction between the District and Spring Valley Ranch Master Owners Association:

Agreement [regarding easements] between the District and Spring Valley Ranch Master Owners Association

Detention Pond Facilities Easement Agreement between the District and Spring Valley Ranch Master Owners Association

Temporary Construction Easement and Permanent Maintenance Easement between the District and Spring Valley Ranch Master Owners Association

It was noted that the above three (3) agreements had previously been approved by the District at its May 16, 2024 meeting, but that the agreements now require ratification by the Board in their final form. 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 above-listed agreements between the District and the Spring Valley Ranch Master Owners Association.

CAPITAL IMPROVEMENT MATTERS

Delbert Road Acceleration Lane & County Road 178 Embankment Grading Project (the “Project”): The Board entered into discussion regarding the award of the contract for the Project to Bemas Construction, Inc.

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 award of the contract for the Project to Bemas Construction, Inc., in the amount of \$304,211.72. The Board further ratified approval of the Agreement between the District and Bemas Construction, Inc.

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

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District’s Initial acceptance of the Spring Valley Ranch Filing 7 (Planning Area J) Phase One Improvements: The Board discussed the letter from the District’s engineer recommending initial acceptance. It was noted that Attorney Meintzer and Attorney Trout will work with Century Communities on the acceptance letter. 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.: The Board entered into discussion regarding the District’s conditional acceptance of improvements in Spring Valley Ranch Filing 5 (Planning Area M) Phase One, constructed by Melody Homes, Inc.

Following discussion, upon motion duly made by Director Lutz, seconded by Director Robinson and, upon vote, unanimously carried, the Board ratified approval of the District’s conditional acceptance of improvements in Spring Valley Ranch Filing 5 (Planning Area M) Phase One, constructed by Melody Homes, Inc.

Purchase Order No. 2024 4 3SVRMD#1 for the Ovivo Smart NEMA 4 Control Panel and Service Option: The Board reviewed Purchase Order No. 2024_4_3SVRMD#1 for the Ovivo Smart NEMA 4 Control panel and service option.

Following discussion, upon motion duly made by Director Robinson, seconded by Director Lutz and, upon vote, unanimously carried, the Board approved Purchase Order No. 2024_4_3SVRMD#1 for the Ovivo Smart NEMA 4 Control panel and service option, in the amount of \$75,851.

Manager’s Report: Mr. Beckman reviewed with the Board the Manager’s Report. He reported he is in the process of obtaining proposals for roofing and exterior painting for the District’s water treatment building.

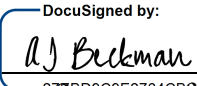
OTHER BUSINESS

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

Respectfully submitted,

By  Secretary for the Meeting