

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE FAIRWAYS METROPOLITAN DISTRICT AND THE BOARD OF DIRECTORS OF THE WASTEWATER UTILITY ENTERPRISE HELD JANUARY 9, 2023

A Regular Meeting of the Board of Directors of the Fairways Metropolitan District (the “District”) and the Board of Directors of the Wastewater Utility Enterprise (referred to hereafter collectively as the “Board”) was duly called and held on Monday, the 9th day of January, 2023, at 5:30 p.m. The District Board meeting was held by teleconference call. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Wilmer “Catt” Wilson
Gerald “Jerry” Schram

Also In Attendance Were:

Steve Beck and Larry Loftin; Special District Management Services, Inc.

Thomas George Esq.; Spencer Fane LLP

Gabrielle Begeman; ORC Water Professionals, Inc. (“ORC”)

Jon Pavlovic; Director Emeritus

Marta Galnick; Resident and liaison between the District and the Lake Valley Golf Course

Jeffrey “Jeff” Reh and Doug Bacon; Board Candidates

Scott Hemphill; Resident

COMMUNITY COMMENTS

Community Comments: There were no community Comments.

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DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: Mr. Beck noted that a quorum was present and discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Board were requested 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 statute. There were no additional disclosures made.

ADMINISTRATIVE MATTERS

Agenda: Mr. Beck reviewed with the Board a proposed Agenda for the District's Regular Meeting.

Following discussion, upon motion duly made by Director Schram, seconded by Director Wilson and, upon vote, unanimously carried, the Agenda was approved, as presented.

Minutes: Mr. Beck reviewed with the Board the Minutes of the October 10, 2022 Regular Meeting.

Following discussion, upon motion duly made by Director Schram, seconded by Director Wilson and, upon vote, unanimously carried, the Board approved the Minutes of the October 10, 2022 Regular Meeting, as presented.

Resident Notices and Website: Mr. Lofton discussed with the Board the flyers, handouts, notices and postings on the website regarding the aerators. Director Bacon will print the flyers, handouts, and notices as well as post.

Following discussion, upon motion duly made by Director Wilson, seconded by Director Schram and, upon vote, unanimously carried, the Board approved printing of the flyers, handouts, notices and posting, in an amount not to exceed \$750.00.

Vacant Positions, 2023 Election and Self-Nomination Forms: Mr. Beck and Attorney George discussed with the Board the vacant positions, 2023 Election and Self-Nomination Forms.

Appointment of Director: Mr. Beck and Attorney George discussed with the Board the vacancies on the Board. Mr. Reh and Mr. Bacon discussed with the Board their interest in being appointed to the Board.

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Following discussion, upon motion duly made by Director Schram, seconded by Director Wilson and, upon vote, unanimously carried, the Board appointed Mr. Reh and Mr. Bacon to fill the vacant positions on the Board of Directors. The Oaths of Office were administered.

Appointment of Officers: The Board entered into discussion regarding the appointment of officers.

Following discussion, upon motion duly made by Director Schram, seconded by Director Willson and, upon vote, unanimously carried, the following slate of officers was appointed:

President	Wilmer Wilson
Treasurer	Gerald Schram
Secretary	Steve Beck
Assistant Secretary	Jeffrey Reh
Assistant Secretary	Doug Bacon

FINANCIAL MATTERS

Claims: Mr. Beck reviewed with the Board the payment of claims through the periods ending as follows:

Fund	Period ending Oct. 31, 2022	Period ending Nov. 30, 2022	Period ending Dec. 31, 2022
General	\$ 8,815.28	\$ 7,136.09	\$ 10,023.69
Capital	\$ -0-	\$ -0-	\$ -0-
Enterprise	\$ 6,738.47	\$ 27,761.28	\$ 19,301.73
Total Claims	\$ 15,553.75	\$ 34,897.37	\$ 29,325.42

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

Cash Position Schedule for the Period Ending December 31, 2022: Mr. Beck presented to The Board an unaudited preliminary financial statements and cash position schedule for the period ending December 31, 2022.

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Following discussion, upon motion duly made by Director Schram, seconded by Director Wilson and, upon vote, unanimously carried, the Board approved the unaudited preliminary financial statements and cash position schedule for the period ending December 31, 2022. The Board further authorized Mr. Beck to transfer the Liquid Asset Funds the Colorado Trust to lower the balance in the Express Bill Pay Account.

LEGAL MATTERS

Memorandum of Understanding (“MOU”) between the District and Lake Valley Golf Club (“LVGC”): Mr. Pavlovic presented to the Board a draft of the proposed Memorandum of Understanding with Lake Valley Golf Club. The Board noted that the MOU needed the amount paid to the golf course, responsibility of the meters and the calibration of the meters updated before approval can be given. Mr. Pavlovic will revise. No action was taken.

ENGINEERING/ OPERATIONS MATTERS

Monthly Operations Reports from ORC Water Professionals, Inc. (“ORC”): Ms. Begeman reviewed with the Board the Monthly Operations Reports from ORC. The Board discussed with Ms. Begeman list of items to do on a regular monthly basis. Ms. Begeman informed the Board she could not provide the exact hours in operations as there is no clock or meter to record.

Operator’s Report: Ms. Begeman presented to the Board the Operations Report. Mr. Pavlovic and Ms. Begeman discussed the state inspection report and possibility of a penalty. Ms. Begeman noted to ensure complete compliance with State requirement a composite sample is required and informed the Board the need to purchase an additional composite sampler for the treated effluent.

Following discussion, upon motion duly made by Director Wilson, seconded by Director Schram and, upon vote, unanimously carried, the Board approved the purchase of an additional composite sampler for the treated effluent, in an amount not to exceed \$5,000.00.

Aerators:

Status of the Replacement of the Aerators and Timeline for Repair: Mr. Beck and Ms. Begeman discussed with the Board the need for new replacement aerators and noted the need for a quote from Aqua-Aerobic Systems, Inc.

Following discussion, upon motion duly made by Director Schram, seconded by Director Schram and, upon vote, unanimously carried, the Board approved the purchase of two 20 horsepower aerators, in an amount not to exceed \$40,000.

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New Aerators: Mr. Beck and Ms. Begeman discussed with the Board the status of the two new aerators.

Operating Aerators and Timeline for Repair: Ms. Begeman reported to the Board the District has six aerators and only one is currently working. She noted the ponds are frozen and the aerators cannot be repaired.

Proactively Repairing/Cleaning Non-Functioning Aerators as they Go Down: Mr. Beck and Ms. Begeman discussed with the Board proactively repairing/cleaning non-functioning aerators as they go down.

Air Compressor: Mr. Pavlovic and Ms. Begeman discussed with the Board the recommendation from DynaSand for a new compressor and informed the Board that upon installation of a new compressor the old compressor will need to be demolished. No action was taken

2023 Priorities:

Bar Screen: Mr. Pavlovic discussed with the Board the proposed Screen Site Plan and the Preliminary Cost Report dated November 9, 2022 totaling \$407,000. No action was taken.

Sludge removal from pond: Mr. Beck and Ms. Begeman discussed with the Board need of the sludge removal from pond.

Following discussion, upon motion duly made by Director Wilson, seconded by Director Schram and, upon vote, unanimously carried, the Board approved Director Wilson to engage the Sludge removal from pond not to exceed \$50,000.00.

2023 Schedule for Site Visits: The Board discussed with Ms. Begeman how often the plant was schedule for a site visit, Ms. Begeman stated the plant was scheduled for weekly visits on Monday and Friday, but she noted she will visit as necessary.

Issues with the Plant: Mr. Beck and Ms. Begeman discussed with the Board the process to notify the District when there are issues with the plant. It was noted ORC will contact Mr. Beck or Mr. Lofton immediately, upon when Mr. Beck or Mr. Lofton will contact the Board.

Monthly Status Report: The Board discussed adding a monthly status report.

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Following discussion, upon motion duly made by Director Schram, seconded by Director Wilson and, upon vote, unanimously carried, the Board approved the addition of a monthly status report from ORC.

Manhole Sealing along Country Club: Mr. Beck, Mr. Pavlovic and Ms. Begeman discussed with the Board a need for guidance to cut roots, especially manhole 36 and to raise manholes within the system. No action was taken by the Board.

Calibration of the Influent Meter: Ms. Begeman discussed with the Board the status of calibration of the influent meter. It was noted Ms. Begeman will obtain a quote to calibrate the influent meters.

Fence, Gate and Signage: Mr. Pavlovic, Mr. Loften and Mr. Beck reviewed quotes and the need for a fence, gate and signage. The Board directed Mr. Loften to contact Alex Nguyen with Green Valley Landscape & Lawn Maintenance, LLC for a quote on a fence. No action taken was taken by the Board

Engineer's Report: There was no report available at this time.

Engineering Committee Report: The Board reviewed the Engineering Committee Report and discussed the engineers' recommendations for bar a screen. The Board directed Mr. Beck to contact Martin/Martin Consulting Engineers and Kimley-Horn for a review and recommendations for a bar screen.

OTHER MATTERS

Synthetic Wipe Study Design Proposals for Mechanical Treatment: This topic was discussed with the bar screen under Engineering and Operation Matters.

Extra Pond Covers: Mr. Pavlovic and Mr. Beck informed the Board there is no response from the engineer on how to dispose of extra pond covers. No action was taken.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Schram, seconded by Director Wilson and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: _____



Secretary for the Meeting