

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE  
FOUNTAIN SANITATION DISTRICT**

**September 14, 2022**

**Opening:**

Mr. Christian called the regular meeting of the Board of Directors of the Fountain Sanitation District to order at 5:30 p.m. on September 14, 2022.

**Directors Present:**

Mr. Christian  
Dr. Durbin  
Mr. Holtz  
Mr. Thomas  
Mr. Blankenship

**Also In Attendance:**

District Manager Jim Heckman  
Office Administrator Cindy Murray  
District Engineer Jonathan Moore  
Consulting Engineer Roger Sams  
Attorney Scott Johnson

**Guests in attendance:** None

**A. Approval of Minutes**

Dr. Durbin made a motion to approve the regular meeting minutes of August 10, 2022. Second by Mr. Thomas. Motion carried.

**B. Approval of Bills**

Dr. Durbin made a motion to approve the bills for August 2022 for payment. Second by Mr. Blankenship. Motion carried.

\*The Board reviewed the financial statements for August 2022 at this time with no questions or comments.

**C. Special Business –**

1. The Boards favorable approval consideration was requested for a Subdivision Public Improvements Agreement (SPIA) for Aspen Ranch Filing No. 1 Phase 1. District Engineer Jonathan Moore reported that Aspen Ranch was previously approved under a single SPIA and the developer is requesting their original development plan be split into two phases. He reported Phase 1 is near completion. Staff is recommending the Board approve the developer's request of dividing the original agreement into two development phases. Mr. Blankenship made a motion to approve the SPIA for Aspen Ranch Filing 1 Phase 1. Second by Dr. Durbin. Motion carried.
2. Following along with agenda item C. 1, the Board was asked to consider the approval of a Subdivision Public Improvements Agreement (SPIA) for Aspen Ranch Filing No. 1 Phase 2. Mr. Blankenship made a motion to approve the SPIA for Aspen Ranch Filing 1 Phase 2. Second by Mr. Thomas. Motion carried.

3. At this time District Engineer Jonathan Moore presented the bid results for the Monterey Way Sewer Replacement Project. Mr. Moore reported the District receive five bids:

- Russ Grading and Excavating, LLC. - \$303,279
- HPD Enterprises- \$271,400
- K.R. Swerdfeger - \$242,391
- RMS Utilities - \$193,710
- M7 Construction- \$177,100
- Engineer’s estimate - \$252,540

Mr. Moore reported that although M7 Construction was the low bidder, they are a newly formed company and have no utility related work experience and no references. Mr. Moore recommended the Board give favorable consideration and award the contract to RMS Utilities, the low bidder with plenty of utility work experience. Mr. Moore reported that this project is replacing the main sewer line in Monterey Way from Calle Entrada to Avenida Del Cielo. The City of Fountain (City) requested the District redo the entire street surface in the construction zone and it be milled down two-inches with two-inches of new asphalt. The cost to rebuild the entire street surface is \$51,540. Mr. Moore and Mr. Heckman told the City the District would consider an even split of the cost to rebuild the entire construction zone surface. Discussion followed. Mr. Moore stated the \$193,710 bid from RMS included the full cost of milling and asphalt to rebuild the entire surface. Mr. Thomas made a motion to approve awarding the contract to RMS Utilities in the amount of \$193,710 with a contingency the District’s financial obligation would be \$167,985 which includes half of the cost for milling/asphalt of the entire surface and the City of Fountain’s portion would be \$25,725 which is half of the cost for milling/asphalt of the entire surface. Second by Mr. Holtz. Motion carried.

**D. General Business –**

1. District Engineer Jonathan Moore reported on the RJCII Sanitary Main Realignment Project. He reported a preconstruction meeting has been held and the project is ready to move forward. They are anticipating a start date of September 29<sup>th</sup> and should be completed in 2-3 weeks. He will keep the Board updated.
- ✓ Mr. Moore reported on the Illinois Avenue Sanitary Main Realignment (BNSF) Project. He stated that attorney Scott Johnson has reviewed the final draft of the agreement received back from BNSF. To the surprise of staff, BNSF has agreed to several of Scott’s recommended revisions but there are several more the District still takes exception with that will not be considered by BNSF. They are in the process of making a clean copy of the agreement for execution. When the District receives a clean copy of the agreement, Mr. Moore will update the construction drawings along with the project manual and put it out for bid. The bidding documents will indicate a project start time frame in March/April of 2023. Staff will provide a copy of BNSF’s final agreement to the Board when received. He will keep the Board updated.
2. Consulting Engineer Roger Sams reported that the Water Quality Control Commission’s rulemaking hearing scheduled for November has been delayed in order to assess some water rights issues, he will monitor for when it will be rescheduled as the outcome of the

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hearing may have some potential impacts to the District. He also discussed were modifications to the Voluntary Incentive Program (VIP) which would delay some nutrient compliance schedules. He will keep the Board updated.

3. Attorney Scott Johnson reported that he has been working with Mr. Moore and Mr. Heckman on the BNSF Railroad Agreement and wanted to commend them on their efforts. He also has been working with them on the FSD/CSU Wastewater Wholesale Provider Agreement which he believes is close to an acceptable form. Discussion followed.
  4. District Manager James Heckman reported the management team continues to work on finalizing the 2023 Proposed Budget and made a few comments on what to expect. They are completing the estimated costs for the needed 2023 capital projects for data input into the 10-year Financial Plan. Initial projections show proposed operational costs with a slight increase and planned capital projects reflect a sharp increase with an overall budgetary increase of approximately 6.5% over the current year. Labor costs reflect a 7.5% increase to keep up with inflation and employee retention. Customer user rates and Plant Investment Fees (tap fees) reflect no increase, as directed by the Board. The Board will receive a copy of the 2023 Proposed Budget on October 7, 2022, with the delivery of the October 12, 2022, meeting materials. As required by state statute, the 2023 Proposed Budget will be formally submitted to the Board at the October 12<sup>th</sup> meeting.
- ✓ He reported that everything is still moving forward with the sale and closing of Lot 2 to Lagree's Inc. The title company sent an email notice indicating the closing date will be confirmed for a date around the 19<sup>th</sup>.
  - ✓ He reported that he and Ms. Murray continue their comprehensive review of the District's current Employee Handbook. There have been several changes in the employment law over the last few years and those key policy requirements are missing and need to be added. They will also be recommending some additional policy amendments for the Board's consideration. He is anticipating the Board will receive a draft for review with their October 12<sup>th</sup> Board meeting materials.
  - ✓ He reported on the LFMSDD 2016 Membership Service Agreement update. All comments received from CCMD have been addressed and incorporated into the update. Mr. Heckman stated no comments from CSU have been received however Tara Kelley with CSU did email him indicating their comments are coming. Tara also requested some additional time to provide comments. He has also reached out to Sheila Venezia for any comments as a non-voting developer member representative with Venezia Development.
  - ✓ He reported that Matt Brady is recovering well from his foot surgery. His physical therapy sessions have started. His available sick and vacation time is about exhausted, so some employees have agreed to donate time to him under the District's Sick Bank Donation Policy. Matt will eventually need surgery on his other foot, he is evaluating the pros and cons of getting the other foot surgery done and over with this year. He will be on Long Term Disability and the District has provided the FMLA documents.
  - ✓ He reported that the District uses an independent contractor (Bob Lawrence) to perform its annual blower maintenance. There are nine large horsepower blowers to complete inspections on between the two District's which takes two full days. For many years, the

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District has allowed him to park his truck and pull camper behind the RJCII maintenance building. Earlier in the month, there was attempted break in at the RJCII facility. He was not able to get in and the video was turned over to the police. This same guy took Bob's portable generator from his camper. The generator was recovered, and a report was filed with the police.

- He reported on the following maintenance items:
- ✓ Staff completed 1 new commercial tap inspection
- ✓ Staff completed 5-point repair inspections
- ✓ Staff completed 188 service orders
- ✓ Staff completed 141 locates

**E. New Business –**

1. Ms. Murray requested the Board ratify the following transfers:

- ✓ \$100,000 from the United Business Bank checking account to the Community Banks of Colorado payroll account on July 20, 2022,
- ✓ \$394,000 from the United Business Bank checking account to the CSAFE -FSD account on July 20, 2022,
- ✓ \$20,000 from the United Business Bank Tap Fee account to the CSAFE-FSD account on July 20, 2022,
- ✓ \$40,000 from the United Business Bank checking account to the CSAFE-JCC/LFMSDD account on July 20, 2022,
- ✓ \$188,000 from the United Business Bank checking account to the CSAFE-FSD account on July 20, 2022,
- ✓ \$25,000 from the United Business Bank Tap Fee account to the United Business Bank checking account on August 17, 2022,
- ✓ \$25,000 from the United Business Bank Developer Assurance account to the United Business Bank checking account on August 18, 2022,
- ✓ \$25,000 from the United Business Bank checking account to the United Business Bank Developer Assurance account on August 29, 2022,
- ✓ \$125,000 from the United Business Bank checking account to the Community Banks of Colorado payroll account on August 29, 2022, and
- ✓ \$202,010.00 from the CSAFE-JCC/LFMSDD account to US Banks for the bi-annual payment on the loan.

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Mr. Thomas made a motion to ratify the transfers. Second by Dr. Durbin. Motion carried.

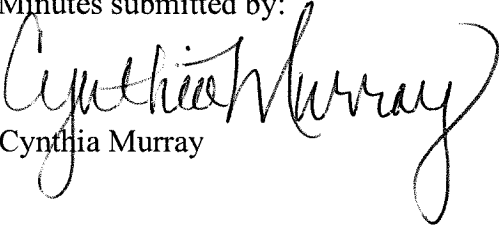
**F. Other Business –**

1. Mr. Heckman announced that Jonathan Moore has been promoted to the position of Assistant District Manager. Mr. Christian stated that it was well deserved and the Board congratulated him.

**Adjournment:**

Mr. Thomas made a motion to adjourn the meeting at 6:08 pm. Second by Dr. Durbin. Motion carried. The next regular meeting will be at 5:30 pm. on October 12, 2022.

Minutes submitted by:

  
Cynthia Murray