

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

January 11, 2024

Opening:

Mr. Christian called the regular meeting of the Board of Directors of the Fountain Sanitation District to order at 4:30 p.m. on January 11, 2024.

Directors Present:

Mr. Christian
Dr. Durbin
Mr. Holtz
Mr. Blankenship
Mr. Thomas *via telephone*

Also In Attendance:

District Manager James Heckman
Asst. District Manager Jonathan Moore
Office Administrator Cindy Murray
Consulting Engineer Roger Sams

Guests in attendance: None

A. Approval of Consent Agenda

- a. Approval of Regular Meeting Minutes – December 13, 2023
- b. Approval of Bills for Payment – December 2023
- c. Review of Financial Statements – December 2023
- d. Approval of Investments and Transfers – December 2023
- e. Ratify Assets Purchased over \$500 – December 2023

Mr. Blankenship made a motion to approve the Consent Agenda items. Second by Mr. Holtz. Motion carried.

B. Special Business –

1. The Board was asked to consider approval of Resolution No. 2024-01, Regular Meeting Date/Time Designation. Mr. Heckman stated that this affirms the change of the Regular meeting of the Board from the second Thursday of each month at 5:30p.m to the second Thursday of each month at 4:30 p.m. Mr. Blankenship made a motion to approve Resolution No. 2024-01 Regular Meeting Date/Time Designation changing the Regular Meeting of the Board from the 2nd Thursday of each month at 5:30 pm to the 2nd Thursday of each month at 4:30 p.m. Second by Dr. Durbin. Motion carried.

C. General Business –

1. Assistant District Manager Jonathan Moore reported that they will be replacing approximately 450 feet of sanitary main sewer in Kiowa Street. A major sag in the main line is not allowing the District to properly inspect or maintain it. This project is out for bid and are due before the next regular meeting of the Board. Mr. Moore anticipates requesting a bid award at the February 8, 2024, meeting. If a contract is awarded in February, they anticipate this project will start in March. He will keep the Board informed.

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- 2. Consulting Engineer Roger Sams reported that the Water Quality Control Division’s next rulemaking hearing will be in May. He stated that this rulemaking hearing should have no impact on the District because they are dealing with drinking water fees. The Arkansas River Basin rulemaking hearing is scheduled for June. He will keep the Board updated.
- 3. District Manager James Heckman reported the 2023 Final Certification of Valuation was received on December 28, 2023, and the net change in the Mill Levy income was less than \$500 so a special meeting was not called. The 2024 Budget approved by the Board at their December 13, 2023 meeting will stand as the final Adopted 2024 Budget.
 - He reported that he will be scheduling a tour of the facilities and District boundaries with Attorney Scott Johnson and Attorney Pat Hrbacek in preparation for Mr. Johnson’s formal retirement.
 - He reported that the final payment request for the 2023 Bandlely/Fountain Creek Bank Armoring project has been submitted to the NRCS. It is currently under their review.
 - He reported that the District’s management team met with representatives from the Morgan Stanley Smith Barney, LLC (MSSB) investment management group in late December to start the process of opening an account to possibly have them manage a portion of the District’s reserve funds. He reported the District is very limited in where it can invest its reserve funds which are public funds and set aside for future capital projects. While the rates are good, the strategy is first safety, then to keep investment income as high as possible for as long as possible and within what is allowable by law. He stated the District is under MSSB’s legal review. He will keep the Board informed and bring this forward at a later meeting. Mr. Heckman stated that they currently use the Special District guidelines on investment policy, but he will be drafting a formal policy for the District.
 - Mr. Heckman reported on the following FSD items:
 - Staff if in the process of soliciting bids or purchasing the following items:
 - Skid loader addition for the RJCII Facility
 - Replacement Utility Truck
 - Dissolved Oxygen probe replacements that are set to SCADA
 - Muffle furnace
 - Replacement tires for the front-end loader
 - He reported that RH Borden is underway with completing the acoustic SL-RAT inspection on the District’s wastewater collection system. They are only performing an assessment on roughly half of the District’s system which includes all of the older sections of the system.
 - He and Tim Long met with RH Borden on where to install the initial 10 flow monitoring probes for the I&I discovery program.
 - He reported that there were 217 locates in December and 11 sewer inspections.
 - Mr. Heckman reported on the following HDT items:

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- As Colorado Springs Utilities (CSU) requested, the District provided a response letter in an agreement form restating the Board’s consent given to CSU pursuant to Section 304 “Competing System” of the Service and Treatment Agreement at their December 13, 2023, meeting.
- Mr. Heckman reported on the 4th Quarter Whole Effluent Toxicity (WET) test results. Since the 2nd quarter of 2023, the District has been receiving repetitive failures on the reproductive rate of ceriodaphnia test. To rule out any lab errors, staff performed a split sample between two different laboratories. The District’s regularly used lab indicated a “Pass” result and contract control lab produced a “Fail”. Mr. Heckman discussed the results and situation with the WQCD enforcement division and agreed that the District could use the Pass result of the District’s regularly used lab. However, provide the results from both labs and provide an explanation letter. Another stipulation would be that if there is a “failure” during the 1st Qtr. Test of 2024, the District would continue the TIE process. He has also retained Andrew Neuhart with Brown and Caldwell as a consultant to help them with the response letter.

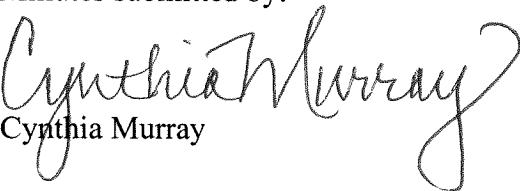
D. New Business – None

E. Other Business – None

Adjournment:

Dr. Durbin made a motion to adjourn the meeting at 4:55pm. Second by Mr. Blankenship. Motion carried. The next regular meeting will be at 4:30 pm. on February 8, 2024.

Minutes submitted by:


Cynthia Murray