

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

March 8, 2023

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 March 8, 2023.

Directors Present:

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

Also In Attendance:

District Manager Jim Heckman
Office Administrator Cindy Murray
Asst. District Manager Jonathan Moore
Consulting Engineer Roger Sams
Attorney Scott Johnson *via telephone*

Guests in attendance: None

A. Approval of Minutes

Dr. Durbin made a motion to approve the regular meeting minutes of February 8, 2023. Second by Mr. Blankenship. Motion carried.

B. Approval of Bills

Dr. Durbin made a motion to approve the bills for February 2023 for payment. Second by Mr. Holtz. Motion carried.

*The Board reviewed the financial statements for February 2023 at this time with no questions or comments.

C. Special Business –

1. The Board was presented with the Petition for Inclusion of 7 Circle C Road, Fountain, CO 80817. This agenda item was tabled at the February meeting due to the legal posting requirements not being met as of the date of the meeting. The required legal postings have completed, and the Petition of Inclusion is ready for approval consideration. Mr. Holtz made a motion to approve the Petition of Inclusion for 7 Circle C Road, Fountain, CO 80817. Second by Dr. Durbin. Motion carried.
2. The Board was presented with Resolution No. 2023-03, Cancellation of Election and Declaration Deeming Candidates Elected. Mr. Heckman reported that the District did not receive more self-nominations than open Board positions by the close of business February 28th deadline, so the upcoming May 2, 2023, election has been cancelled. The Oaths of Office of the three deemed candidates, Mr. Christian, Mr. Thomas and Mr. Blankenship will be given at the May 10, 2023, regular meeting of the Board. Congratulations to Mr. Christian, Mr. Thomas and Mr. Blankenship for their four-year term.
3. Mr. Heckman requested the Board table the agenda item for approval of the Financial Reserve Fund Guidance Policy until the next meeting. Mr. Blankenship had some clarification questions and would make an appointment with Mr. Heckman to discuss.

4. Mr. Thomas voiced his concern about all the major growth going on in the City of Fountain and wanted to make sure the District was prepared. Mr. Heckman stated that the District has always positioned its infrastructure for future growth. Mr. Moore stated he reviews a hydraulic model developed for the District before any development project is approved. Sanitary flows from customers in Jimmy Camp Creek basin flow to the HDTRWF which has a rated treatment capacity of 2.5 mgd and they are currently averaging approximately 1 mgd. District management is very confident with its ability to accommodate all projects under construction or within a 20-year projection. Mr. Thomas thanked the staff and previous Boards for their foresight and action to physically install the infrastructure in preparation for the growth projections.

D. General Business –

1. Assistant District Manager Jonathan Moore reported on the Indiana Crossing/BNSF Railroad Sanitary Realignment project. He reported that construction is scheduled for March 13, 2023 and is anticipated to be complete in two weeks. He will keep the Board informed.
 2. Consulting Engineer Roger Sams reported that the WQCC rulemaking hearing for Regulation #85 and #31 and #32-38, Nutrients Management Control Regulation, Basic Standards and Methodologies for Surface Water, and Classifications Numeric Standards is scheduled for April 10, 2023. He stated that depending on the outcome, it has the potential to impact the District. He believes the District is being represented well through AFCURE. He also reported that the rulemaking hearing for Regulation #31 and #33, The Basic Standards and Methodologies for Surface Water and Classifications and Numeric Standards has been rescheduled for June 10, 2024, which will possibly push the District's current discharge permit renewal out to 2025. He reported that they do have a new Permits Section Manager but has heard that staffing has not improved. He will keep the Board updated.
 3. Attorney Scott Johnson reported that there has not been any legal activity this month.
 4. District Manager James Heckman reported on the Sunnyland Loop Sanitary issues. He reported that staff held a meeting with Todd Leopold, the Division of Local Affairs Central Regional Manager, on possible State funding options for the Sunnyland Loop Mobile Home park. Several City of Fountain officials also attended. Mr. Heckman provided him with historic overview of why the sanitary system is still private with the water and street system being public. After hearing the issues and understanding what the District was asking, Mr. Leopold went over a couple of different funding options that may work within the property ownership, District and City of Fountain complexities. Overall, it was a good meeting and may lead to funding options to bring the sanitary sewer system up to District standards. Mr. Leopold stated that it may be a week or more to respond. He will keep the Board updated.
- Mr. Heckman reported on the LFMSDD Updated Service Agreement. They are waiting for an executed copy from CSU as well as Sheila Venezia (Vintage Development) to be returned.
 - Mr. Heckman reported he received news earlier that day, Mr. Lagree will not be moving forward with his planned grocery store on the property purchased from the District last year. This was in light of a new City of Fountain King Soopers announcement. Mr. Heckman reported he had a handshake agreement with Mr. LaGree that if his grocery store development did not move forward, he would sell the property back to the District with no

markup. Mr. Heckman reached out to him to see if he would honor that handshake agreement and he has agreed to sell the property back to the District. Mr. Lagree did request the District pay expensed incurred for property taxes and market analysis totaling \$6,194 making him whole with zero profit or loss. He is requesting the Board's approval to move forward with the intent purchase back the 14.7 acre lot in the amount of \$306,194. This would also include acting as the District's agent to sign any legal documents related to the purchase. Discussion followed. The District's legal counsel, Scott Johnson reminded the Board that since the consideration for purchase was not listed on the current agenda, no formal action can be made however the Board may provide direction on whether to move forward with the negotiations to consider the purchase. The consensus of the Board was for Mr. Heckman to move forward with engaging in negotiations with Mr. LaGree of repurchasing the property. This item will go on the agenda for formal consideration at the April 12, 2023 regular meeting of the Board.

- Mr. Heckman reported that staff is working with Generation Safety to revamp the District's Safety Manual/Program.
- He reported that the purchased scissor lift has been delivered.
- Ms. Murray continues to work with Streamline to bring the District's website into compliance with the requirements of the ADA.
- He reported that he cancelled the order for the large format scanner. The unit is on backorder due to a computer chip supply issue. They will be starting over looking at other manufacturers.
- He reported that he is currently looking at a 2020 Komatsu WA270 wheel loader with 2720 hours and 4,127 miles. The price is \$137,000 and it has a 2.5-yard bucket with a set of forks. He has requested a demo to take a closer look at it. He will keep the Board updated.

E. New Business –

1. Ms. Murray requested the Board consider ratifying the following transfers:

- ✓ \$100,000 from the United Business Bank checking account to the Community Banks of Colorado Payroll Account on March 8, 2023, and
- ✓ \$9,340 from the United Business Bank Developer Assurance Account United Business Bank account on March 8, 2023, and
- ✓ \$150 from the United Business Bank checking account to the United Business Bank e-recording account on March 8, 2023.

Mr. Blankenship made a motion to ratify the transfers. Seconded by Mr. Holtz. Motion carried.

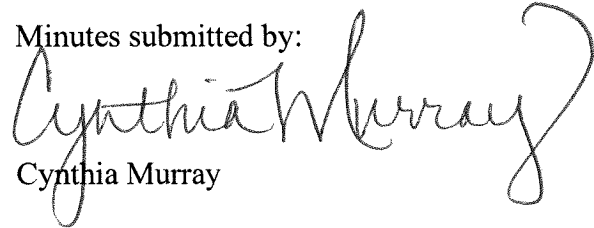
Meeting Minutes –March 8, 2023

F. Other Business – None

Adjournment:

Dr. Durbin made a motion to adjourn the meeting at 5:56 pm. Second by Mr. Holtz. Motion carried. The next regular meeting will be at 5:30 pm. on April 12, 2023.

Minutes submitted by:

A handwritten signature in cursive script that reads "Cynthia Murray". The signature is written in black ink and is positioned to the right of the printed name.

Cynthia Murray