

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

**October 11, 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 October 11, 2023.

**Directors Present:**

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

**Also In Attendance:**

District Manager James Heckman  
Asst. District Manager Jonathan Moore  
Office Administrator Cindy Murray

**Guests in attendance:** None

**A. Approval of Minutes**

Dr. Durbin made a motion to approve the regular meeting minutes of September 13, 2023. Second by Mr. Thomas. Motion carried.

**B. Approval of Bills**

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

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

**C. Special Business –**

1. Pursuant to C.R.S. 29-1-105, Mr. Heckman submitted the draft 2024 Proposed Budget to the governing Board. Brief discussion followed. Mr. Heckman stated that the budget is expected to change based on comments and input received. Staff will continue to make some minor changes to the final budget numbers as we get closer to the end of the year, but those numbers will be submitted in the final draft. Additional details will be provided during the public hearing on the 2024 Proposed Budget at the December 13, 2023, regular meeting of the Board. The Board can also decide to hold a budget workshop in addition to the public hearing if more specific discussion is needed. He stated any member of the Board always has the option to call or come by the office with any questions or concerns related to the upcoming budget or any District business.
2. Assistant District Manager Jonathan Moore reported on the Bandlely Road/Fountain Creek Bank Armor project with NRCS. The construction documents and other required documents were submitted and approved by NRCS. Mr. Moore presented the Board with the bid results. He received six (6) bids: The Engineer's Estimate was \$1,285,700.

1.) Native Sun - \$1,221,600

- 2.) RMS Utilities, Inc. - \$1,128,740
- 3.) West Fork Construction - \$998,010
- 4.) KR Swerdfeger - \$914,033
- 5.) Siete, Inc. \$871,040
- 6.) Total Terrain, Inc. - \$852,445

He stated that Total Terrain, Inc. was the low bidder and is recommending that the Board award the bid for the Bandlely Road/Fountain Creek Bank Armor project to Total Terrain, Inc. in the amount of \$852,445. Mr. Holtz made a motion to award the bid for the Bandlely Road/Fountain Creek Bank Armor project to Total Terrain, Inc. in the amount of \$852,445. Second by Mr. Thomas. Motion carried. They anticipate starting construction by November 1, 2023, and finishing by December 15, 2023. Mr. Heckman reminded the Board that 75% of construction costs for this project will be funded by NRCS.

**D. General Business –**

1. Assistant District Manager Jonathan Moore reported that the Calle Entrada Sewer Replacement project is completed. He has posted the notice for final payment. The final payment will include the 5% retention. This item will be listed on the November 8<sup>th</sup> meeting agenda for approval consideration.
  - He reported on the BNSF railroad vacation and purchase of right-of-way at the RJCII facility. The District has received a signed sale agreement from the railroad for the purchase of their right-of-way on the RJCII treatment facility property. Mr. Moore received the notice to complete the land survey for the BNSF railroad per their scope indicated. The survey has been completed and submitted for review. His understanding is that if there are no objections to the agreement and transfer of land, will be effective on November 20, 2023. Brief discussion followed.
2. District Manager James Heckman reported on a few items in the draft 2024 Proposed Budget. He reported that they are anticipating an overall 6% increase in revenue and expenses over the 2023 budget. As he mentioned previously, with the District repurchasing the vacant lot from Mr. LaGree, an amendment to the 2023 Budget may be required. With the anticipated year-end expenses and the unexpected District's committed portion of the Fountain Creek Bank Stabilization project, an amendment to the 2023 Approved Budget will be needed. Staff anticipates being over budget by less than \$100,000 but the amended budget will reflect \$250,000 for related and unknown expenses. The amended 2023 Budget will be presented to the Board for approval consideration with the final draft of the 2024 Proposed Budget. A few other notes/comments he wanted to mention were:
  - ✓ 3% customer user rate increase is proposed
  - ✓ 5% cost of living increase for employees is proposed
  - ✓ Starting wages for a wastewater trainee will be increased to \$20.50 per hour
  - ✓ A complete update to the District's Sewer System Master Plan is proposed
  - ✓ An increase in the number of proposed Capital projects

Mr. Thomas stated that he spoke with some of the employees, and he will be in favor of the 5% COLA increase.

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- He reported on the following FSD/RJCII items:
  - The UV disinfection system at RJCII needs to be replaced. It is the original from system from 1997 and the repairs are becoming more frequent, and parts are harder to find. The estimated cost will be approximately \$120,000. This will be a capital project included in the 2024 Proposed Budget.
  - Tim Long reported that they are no longer behind on the stored sludge at the RJCII facility.
  - Staff will complete the replacement of the large 25hp pump at the Little Ranches Lift Station. The cost of the pump with freight will be \$26,264. They will be sending the old pump to Denver for a rebuild as no one in Colorado Springs or Pueblo works on submersible sewage pumps. The rebuild will cost roughly \$18,000 and will become an emergency spare.
  - They continue to research some options for the Race Street Lift Station, a total replacement is becoming the best alternative. The Lift Station serves approximately 14 residential customers and unfortunately the replacement cost will be substantial. He will keep the Board updated.
- He reported on the following HDT Facility items:
  - He reported that they are still under the Toxicity Identification Evaluation (TIE) for the second quarter Whole Effluent Toxicity (WET) testing, unfortunately, they failed the WET test for the third quarter also. They will be completing an intensive Toxicity Identification Evaluation (TIE) that will cover the requirements for both quarters to hopefully find out what is stopping the Ceriodaphnia or “water fleas” from reproducing. They continue to pass all tests related to how the minnows survive in the treated water.
  - He reported on the BNR curtain replacement. The manufacturer determined that a full replacement is not needed, a repair in place will be completed and the materials have been ordered.

**E. New Business –**

1. Ms. Murray requested the Board consider ratifying the transfer of \$150,000 from the United Business Bank checking account to the Community Banks of Colorado payroll account on September 26, 2023. Mr. Blankenship made a motion to ratify the transfer. Second by Mr. Holtz. Motion carried.
2. Mr. Heckman requested the Board consider ratifying check #35874 payable to Pump Technologies, Inc. in the amount of \$26,264 for the purchase of the 25hp pump for Little Ranches Lift Station. Mr. Blankenship made a motion to ratify the purchase. Second by Mr. Holtz. Motion carried.

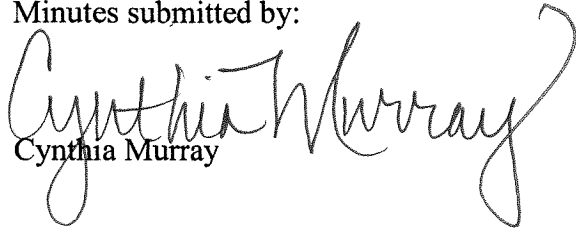
**F. Other Business – None**

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**Adjournment:**

Dr. Durbin made a motion to adjourn the meeting at 5:48pm. Second by Mr. Blankenship. Motion carried. The next regular meeting will be at 5:30 pm. on November 8, 2023.

Minutes submitted by:

  
Cynthia Murray