

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

July 12, 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 July 12, 2023.

Directors Present:

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

Also In Attendance:

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

Guests in attendance: None

A. Approval of Minutes

Dr. Durbin made a motion to approve the regular meeting minutes of June 14, 2023. Second by Mr. Blankenship. Motion carried.

B. Approval of Bills

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

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

C. Special Business –

1. The Board was presented with and asked to consider Resolution No. 2023-05, a Resolution to Authorize the District Manager to Apply for Funding through the Natural Resources Conservation Services (NRCS). District Manager Jim Heckman reported that the severe weather experienced in June 2023 caused extensive flooding and unprecedented erosion damage resulting in imminent risk of catastrophic failure of a portion of the wastewater main operated by the District. He stated that this Resolution allows him to execute the necessary forms and documents for the shared funding and construction of stream bank erosion protection on Fountain Creek. NRCS would cover 75% and the District would be responsible for 25% of the construction costs for erosion repair and pipe protection activities. He reported the initial request and Emergency Watershed Protection application has been submitted. Mr. Holtz made a motion to approve Resolution No. 2023-05 authorizing the District Manager to act as the District's agent with the NRCS process. Second by Mr. Blankenship. Motion carried.
2. Discussion was held on the June flooding events and the protection needed with the District's infrastructure. Mr. Heckman presented the Board with some pictures of the recent stream bank damage off Bandle Drive. Mr. Heckman reported that the severe erosion is threatening

the Districts sanitary main similar to the 2015 flooding event. He reported that he contacted the Natural Resources Conservation Services (NRCS) to see if there was any funding available for creek bank stabilization to mitigate the possibility of raw sewage entering Fountain Creek. The NRCS representative advised Mr. Heckman that funding is available to help the District. He has submitted a written request for Emergency Watershed Protection (EWP) assistance along with starting their required Damage Survey Report (DSR). The initial communication received from NRCS is that the District should be receiving an approval with an assigned project number within the next 10-days. They will be funding 75% of the project costs and the District will fund the remaining 25%. They pay for all of the engineering and project management costs. He reported that NRCS may consider some funding to repair the existing jetties into the same project. He will keep the Board informed.

3. The Board was asked to consider the Bill of Sale (BOS) and Agreement between FSD and Ventana South F1. Mr. Jonathan Moore wanted to give the Board an update on the Bill of Sale process. He stated that once the Developer builds sanitary sewer infrastructure, there is a preliminary acceptance and warranty phase which lasts 2-years. After this time, the District requires the Developer to provide a Bill of Sale turning ownership of the sanitary infrastructure to the District. Waiting until after the warranty period is over to ask for a BOS has been problematic, the Developers project budget is gone, and it gets more difficult to have compliance. So, he is requiring that the Bill of Sale is completed at the beginning of the 2-year acceptance and warranty phase. The District will hold it until the 2-year warranty period is over, at which time, it will be signed and recorded, and the District will take ownership. Mr. Blankenship made a motion to approve the Bill of Sale and Agreement between FSD and Ventana South F1. Second by Mr. Holtz. Motion carried. Mr. Moore reported that they have 1 year left of the 2-year acceptance phase.
4. The Board was asked to consider the Bill of Sale (BOS) between the FSD and the Villas at Mesa Ridge Subdivision. Mr. Moore reported that they have completed their 2-year acceptance and warranty period. Mr. Holtz made a motion to approve the Bill of Sale between the FSD and the Villas at Mesa Ridge Subdivision. Second by Mr. Thomas. Motion carried. After the District completes a video inspection of the line and the invoice is paid, the BOS will be recorded, and the District will take ownership.

D. General Business –

1. Assistant District Manager Jonathan Moore reported on the Calle Entrada sewer replacement project. He reported that the City of Fountain will not have the funds to partner with the District on the asphalt milling and overlay of this project so they will be using the budgeted funds to repair a small section of sanitary sewer on Rustique near Comanche Drive. He stated that he has signed the contract between the District and RMS Utilities. Inc. to complete the project and they will be starting the first week of August.
- He reported that the All-American Asphalt continues to work on the seal coating/crack filling at the HDT facility and the RJCII facility. They have completed the District Administration Office parking lots. There have been some weather delays with the recent heavy rains.

Meeting Minutes – July 12, 2023

2. Consulting Engineer Roger Sams reported that the WQCD is proceeding with rulemaking hearings. The rulemaking hearing for Arkansas River Basin is scheduled for October 2023 but should not impact the District's permit.

Mr. Moore reported that he contacted a representative with the State Parks and Wildlife representative regarding all the recent more stringent regulations being introduced and informed her that if all municipalities are required to clean the effluent flows to basically drinking water standards, they will end up reclaiming the discharge for direct use which has the potential to dry up creeks and tributaries. She requested him to attend the next couple of stakeholder meetings to further discuss his concerns.

3. District Manager James Heckman reported they continue to struggle with sludge issues and getting it dry enough to haul.
 - He reported that the large scanner has been delivered and the IT contractor will be onsite to get it up and running sometime next week.
 - Mr. Heckman reported on some HDT items:
 - Tim Long informed him that they failed the 2nd Quarter WET test and the first mandatory accelerated test. The District must pass three of the five required accelerated tests. The 2nd set of tests have been sent out. They are trying to narrow down any potential causes but have not found anything obvious.
 - The BNR System is still not working due to a tear in the baffle curtain. It is under warranty and the contractor has been put on notice to have it repaired.
 - He reported that the District's insurance carrier completed a safety audit of the HDT facility. No major violations were noted. A formal report should be received in the next week.

E. New Business –

1. Ms. Murray requested the Board ratify the following transfers:
 - ✓ \$240,000 from the United Business Bank Checking account to the CSAFE-FSD account on July 12, 2023,
 - ✓ \$1250,000 from the United Business Bank Checking account to the CSAFE-JCC/LFMSDD account on July 12, 2023
 - ✓ \$100,000 from the United Business Bank checking account to the Community Banks of Colorado payroll account on July 12, 2023, and
 - ✓ \$196,010.70 from the CSAFE-JCC/LFMSDD account to US Bank for the bi-annual repayment of the loan on July 11, 2023.

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

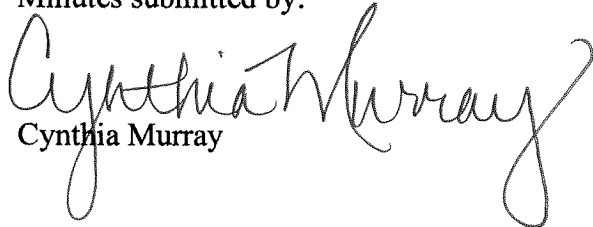
F. Other Business – None

Meeting Minutes --July 12, 2023

Adjournment:

Dr. Durbin made a motion to adjourn the meeting at 5:50 pm. Second by Mr. Holtz. Motion carried. The next regular meeting will be at 5:30 pm. on August 9, 2023.

Minutes submitted by:


Cynthia Murray