

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

**July 13, 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 July 13, 2022.

**Directors Present:**

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

**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:** Fran Carrick (Resident), Floyd Carrick (Resident), Carola Rafferty (Resident), Charlize Rafferty (Resident), Tracy Kinnischtzke (Fountain Chamber member), Orin LaGree (LaGree's Foods)

**A. Approval of Minutes**

Dr. Durbin made a motion to approve the regular meeting minutes of June 8, 2022. Second by Mr. Thomas. Motion carried.

**B. Approval of Bills**

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

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

**C. Special Business –**

1. District Engineer Jonathan Moore reported on the Wilson Road Sanitary Replacement Project. He stated this project is complete. It consisted of replacing 830-feet of 12-inch sanitary main in Wilson Road. He reported the notice for final payment was published as required. Mr. Moore is recommending that the final payment to closeout this project be made to RMS Utilities, Inc. in the amount of \$17,598.65. Mr. Blankenship made a motion to approve the final payment to RMS Utilities, Inc. in the amount of \$17,598.65 for closeout of the Wilson Road Sanitary Sewer Replacement project. Second by Mr. Thomas. Motion carried.
2. The Board was asked to consider approving a Contract to sell Real Estate – Lot 2, FSD Subdivision No. 2 at the asking amount of \$300,000 from Fountain Sanitation District (Seller) to LaGree's Investment, LLC. (Buyer). Mr. Heckman reported that in a memorandum previously provided to the Board, there were initially two (2) parties interested in purchasing the District's vacant land or FSD Subdivision, Lot 2. He stated an

executed purchase contract was received from each interested party, one using a broker with fees paid by the District and the other paying in cash with no seller fees. LaGree's Investment, LLC will be purchasing the vacant 14.7 acres or Lot 2 in the amount of \$300,000 cash. Mr. Heckman also has the understanding that LaGree's Investment, LLC will be working in cooperation with Copestone Development who was the other interested party. The purchase agreement was reviewed by Attorney Pat Hrebaeck in Scott's Johnson's office and Mr. LaGree agreed to the minor changes. If the Board chooses to approve the sale and purchase agreement, Mr. LaGree will submit \$10,000 earnest money within the next day and the remaining \$290,000 will be received at closing. Any related fees to the sale will be paid by the buyer, the District will pay the expense for its own legal review. Lengthy discussion followed with Mr. LaGree providing an overview of the planned development. The Board thanked Mr. LaGree for his commitment and desire to bring his grocery store to the Fountain community. Ms. Carrick also provided details on her involvement with Mr. LaGree's choosing to come to Fountain after a previous unsuccessful attempt by Fountain's Urban Renewal Authority. She said it has been a long time coming and everyone is very excited about this. The Board thanked Ms. Carrick and all the community members involved with moving the project forward. At this time Mr. LaGree also thanked the Board and staff for the opportunity. Mr. Holtz made a motion to approve the purchase contract to sell Real Estate – Lot 2, FSD Subdivision No. 2 in the amount of \$300,000 from Fountain Sanitation District (Seller) to LaGree's Investment, LLC. (Buyer). Second by Mr. Blankenship. Motion carried.

3. Mr. Heckman provided a report on new Colorado's Family and Medical Leave Insurance program (FAMLI). He stated that on November 3, 2020, Colorado voters approved Proposition 118, which mandates paid family and medical leave for all Colorado employees. FAMLI is a state insurance program and bears some similarities to unemployment to ensure all Colorado workers have access to paid leave during certain life circumstances. It is administered through the Colorado Department of Labor and Employment. With Governmental entities like the District, the governing Board has the option to consider opting in or out of the program. The Board must decide whether to opt in or out of the FAMLI program by no later than December 2022, or the District will automatically become a participant for the next 3 years. Some information on FAMLI:
  - FAMLI is an Employer/Employee funded insurance, administered by the State of Colorado Department of Labor and Employment that would pay a participating employee a portion of their salary in the event they are absent from work for qualifying events for approximately 12 weeks.
  - Public employers such as the District may opt-out every 8 years per a vote of the governing body.
  - Any employee that earned \$2500 in the prior year can enroll regardless of which employer(s) they worked for while earning wages and if enrolled, must pledge to contribute premiums for three or more years in order to participate in receiving benefits.
  - If the District were to participate, the District and the employee would each pay 50% of the premiums based on rates established by the Director of the FAMLI Division. This would cost the District approximately \$5281 annually beginning in 2023.
  - If the District were to participate, premiums would begin in January 2023 for the January 2024 benefit year.

- Employers can agree to allow but not require employees to exhaust employer paid leave or let them use FAMLI to top off benefits.

If the Board declines to participate or opt out, each employee still has a right to voluntarily participate by self-selecting coverage in FAMLI by going directly through the Colorado Department of Labor’s FAMLI Division. There is no enrollment period, and they would need to register with the FAMLI system after it deploys in Fall of 2022 and would be responsible for remitting 0.90% of the premium and wage data every quarter. Employees who voluntarily opt-in to the program, are required to commit to participate for at least three years to avoid opting in only when leave is foreseeable. The job of an employee who voluntarily opts-in after their local government opts-out would NOT be protected under the FAMLI program. The employee would still be eligible to take leave, but his/her job would not be protected, since the employer opted out. However, the employee’s leave may be protected under FMLA since the District is already covered by FMLA.

District management has already discussed the program details with the staff members and completed the required Pre-Vote Notices prior to the July 13, 2022, regular meeting of the Board. Discussion followed. Mr. Heckman reported that the District already offers and provides a generous benefit package with personal/sick time, disability, and vacation time just to name a few. After meeting with staff, no team members showed any interest in participating. With this understanding, management is recommending the Board consider the option to opt-out of the Colorado FAMLI program, through the adoption of Resolution No. 2022-04. Mr. Thomas made a motion to approve Resolution No. 2022-04; Resolution to Opt-Out of the Colorado FAMLI program. Second by Mr. Holtz. Motion carried. Mr. Heckman and Ms. Murray will proceed with the required post-vote actions, providing the FAMLI Division the date vote held and the Board’s decision to decline participation in the program, along with written notice to the employee. Ms. Murray will also post the Notice in a conspicuous and accessible place in each establishment where employees are employed.

**D. General Business –**

1. District Engineer Jonathan Moore reported on the Illinois Avenue sanitary realignment (railroad) project. He stated that at the last meeting, the Board agreed to a onetime payment to BNSF Railroad Co. in the amount of \$53,425.00 for a license fee. Mr. Moore stated that he has not heard back from the Railroad Co. He will keep the Board updated.
  - ✓ He reported that request for bids was posted for the RJCII Sanitary Sewer Main Realignment project. They are due back by August 5, 2022. He will keep the Board updated.
2. Consulting Engineer Roger Sams reported that he has been working with Mr. Heckman, Mr. Moore and Attorney Scott Johnson on the District’s Wastewater Management Service Agreement with CSU. He also reported that the Water Quality Control Commission will have a rulemaking hearing in November that has the potential to impact the District although it would be minimal. The impact is related to potential modifications with the Voluntary Incentive Program (VIP) which would delay some compliance schedules. He will keep the Board updated.

Brief discussion was held on potentially seeing PFAS limits in wastewater discharge permits and how it will affect the District.

3. Attorney Scott Johnson reported that Pat Hrbacek with his firm reviewed the sale and purchase agreement on the District's Lot 2 and made some minor revisions. He also reported that the review of the draft Wastewater Management Service Agreement with CSU has been extensive in order to depict the correct service area. Mr. Blankenship reported that the Colorado Springs Planning Commission has postponed the Amara Annexations. Mr. Heckman stated that he will keep monitoring their agendas for Amara to resurface. He also stated that they are continuing to progress toward having a signed agreement.
4. District Manager James Heckman reported that the Annual SDA Conference on September 13-15, 2022, conflicts with the September Board meetings this year. He will be attending virtually but if anyone wants to attend in person, please contact Ms. Murray.
  - ✓ He reported that CCMD's capacity ownership and subsequent sale to CSU issues have been resolved. Staff will be recommending the LFMSDD Board approve the three different Bill of Sales from CCMD to CSU at the LF meeting on July 14, 2022.
  - He reported on the following HDT items:
    - ✓ There was a break in the non-potable water line that feeds the clarifier spray bars. Staff has located the break and will be working on the repair.
    - ✓ The original control instrumentation for the aeration basin is starting to show their age. They are no longer responding as designed. Tim will be replacing one complete set this year and budget the others for next year.
    - ✓ Staff continues to troubleshoot some ongoing issues at the Phosphorus removal building.
    - ✓ The BNR basin project is still a work in progress. Results have been sporadic.

**E. New Business –**

- ✓ Mr. Heckman requested the Board consider ratifying the following items:
- ✓ \$966.69 to Lowes for the replacement of the large 240-volt air compressor at the maintenance building. It was paid using the District's credit card on July 11, 2022, and
- ✓ \$1730.77 to Coscto for forty additional board room audience chairs paid on the District's credit card on July 11, 2022

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

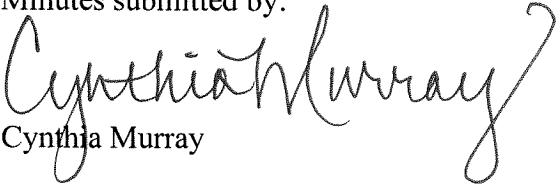
**F. Other Business – None**

Meeting Minutes –July13, 2022

**Adjournment:**

Mr. Blankenship made a motion to adjourn the meeting at 6:35 pm. Second by Dr. Durbin. Motion carried. The next regular meeting will be at 5:30 pm. on August 10, 2022.

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