

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

June 14, 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 June 14, 2023.

Directors Present:

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

Also In Attendance:

District Manager Jim Heckman
Office Administrator Cindy Murray
Consulting Engineer Roger Sams
Attorney Scott Johnson

Guests in attendance: Seef Leroux, CliftonLarsonAllen

At this time, Mr. Blankenship made a motion to excuse Mr. Thomas from the meeting. Seconded by Dr. Durbin. Motion carried.

A. Approval of Minutes

Dr. Durbin made a motion to approve the regular meeting minutes of May 10, 2023. Second by Mr. Blankenship. Motion carried.

B. Approval of Bills

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

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

C. Special Business –

1. Mr. Seef LeRoux, with CliftonLarsonAllen, LLP attended the meeting to present the December 31, 2022, financial statements for the 2022 Financial Audit Report. The Board received a draft report prior to the Board meeting for their review and comment. A PowerPoint presentation of the financial audit was given. Mr. LeRoux reported that Biggs Kofford, P.C. completed the audit with no adjustments, misstatements, or concerns. The audit report of the financial statements was provided with an unqualified opinion. Discussion followed. Mr. LeRoux stated that the audit process went smoothly. Mr. Blankenship made a motion to approve the 2022 Financial Audit. Seconded by Mr. Holtz. Motion carried.
2. Mr. Heckman reported that he and Mr. Moore have been working/negotiating with the BNSF Railroad Company on a potential vacation and purchase of a Right-of Way at the RJCII Facility. He reported that the right of way is from the 1800's and the railroad company has no use for it, and it has no value to them, but it would help the District square off its ownership. The railroad company submitted a price of \$95,500 which was negotiated down

to \$10,500. The District’s main sewer line flowing to the RJCII facility is already inside the current BNSF easement. Although the cost is more than expected, he is requesting the Board give favorable consideration for the approval to move forward with the purchase. Mr. Heckman had legal counsel review the agreement and the title insurance. Discussion followed. Mr. Holtz made a motion to approve the BNSF Right-of-Way vacation and purchase at the RJCII Facility in the amount of \$10,500. Second by Mr. Blankenship. Motion carried.

3. The Board was presented with a bid from Huber Landscaping in the amount of \$14,093 to replace the existing grass areas with artificial turf at the administration office. Mr. Heckman reported that received three bids and Huber Landscaping came in with the lowest bid. This includes removal of the existing grass, laying down breeze rock, cap off the sprinkler heads and installing the turf with a sand bed cap. Brief discussion followed. Dr. Durbin made a motion to approve the bid from Huber Landscaping in the amount of \$14,093 for the installation of artificial turf at the administration offices. Second by Mr. Holtz. Motion carried.
4. Mr. Heckman reported that they solicited bids for maintenance and upkeep of the roads and parking areas at all three facilities. The three bids were:
 - ✓ All American Asphalt - \$73,000 (\$30,400 -LFMSDD) (\$42,600-FSD)
 - ✓ TNT - \$76,945 (\$30,500 -LFMSDD) (\$46,445-FSD)
 - ✓ Trax - \$252,716.41 (\$125,453.12 – LFMSDD) (\$127,263.29 – FSD)

Staff is requesting the Board consider approving the bid from All American Asphalt Paving & Concrete in the amount of \$42,600 to complete the seal coating, crack fill and asphalt repair work at the office and RJCII facility. Dr. Durbin made a motion to approve the bid from All American Asphalt Paving & Concrete in the amount of \$42,600. Second by Mr. Blankenship. Motion carried.

5. The Board was asked to consider the Bill of Sale (BOS) and Agreement between FSD and Halle Properties, LLC (Lot 4 of Mesa Ridge Crossing Filing No. 1-Discourt Tire). Mr. Heckman reported that the BOS will turn the ownership of the sewer main line over to the District. Mr. Blankenship made a motion to approve the Bill of Sale between FSD and Halle Properties, LLC (Lot 4 of Mesa Ridge Crossing Filing No. 1-Discourt Tire). Second by Mr. Holtz. Motion carried.
6. Mr. Heckman reported that they solicited bids for the Calle Entrada sewer replacement project. This project is approximately 700’ of sanitary sewer main. They received four bids:
 - ✓ Dream Builders, Inc. - \$292,430
 - ✓ RMS Utilities, Inc. - \$365,805
 - ✓ Mid City Corp - \$437,871.25
 - ✓ KR Swerdfeger, Inc.- \$446,180
 - ✓ Engineers Estimate - \$444,000

Mr. Heckman reported that when completing the due diligence with the low bidder, Dream Builders, Inc., they discovered that they have no relevant experience, and their references only included sanitary bypass work, no construction/installation history. They also did not have a website and the address they provided was a residential address. There were also no subs listed and the submittal was incomplete. Management disqualified the bid from Dream Builders, Inc. Staff is requesting favorable approval to accept the bid received from RMS Utilities, Inc. in the amount of \$365,805 with a 20% contingency to the bid for a total project budget of \$438,996. Mr. Holtz made a motion to approve the bid from RMS Utilities, Inc. in the amount of \$365,805 with a 20% contingency for a total project budget of 438,996. Second by Dr. Durbin. Motion carried. Mr. Heckman thanked the Board and stated this project is part of the Capital Improvement Project list and management's dedication to mitigate any known problem areas within the system.

7. The Board was asked to consider a Bill of Sale (BOS) and Agreement between the District and Cola, LLC. for Aspen Ranch Filing No. 1 Phase 1. Mr. Heckman reported the BOS will turn the ownership of the sewer main over to the District once the warranty period expires. Mr. Blankenship made a motion to approve the Bill of Sale and Agreement between FSD and Cola, LLC. for Aspen Ranch Filing No. 1 Phase 1. Second by Dr. Durbin. Motion carried.

D. General Business –

1. District Manager Jim Heckman reported that they will be soliciting bids to complete some erosion repairs on two different areas on Bandley Drive. He stated with the recent big rainstorm events, there has been some significant damage to the creek bank and is once again threatening the District's sanitary main. Mr. Heckman presented the Board pictures of the damage. He will report back to the Board.
 2. Consulting Engineer Roger Sams reported that the WQCD is proceeding with rulemaking hearings. 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 2027. He will keep the Board updated. He believes the District was and continues to be well represented through their AFCURE membership.
 3. District Manager James Heckman reported with all the rain and flooding recently, they discovered that the system is not as tight as he believed. They took on roughly 800,000 to a million extra gallons between the two facilities. Staff spent part of the day during the storm and all day the following day trying to find potential inflow and infiltration areas. They did not find any obvious areas. They will continue to investigate, and he will be ordering some additional rain pans that go right under the manhole lids to stop storm water from entering around the manhole lids.
- Mr. Heckman reported on some HDT items:
 - Tim Long is dealing with several issues at the HDT Facility. The BNR System stopped achieving nutrient removal about 2-3 weeks ago, so he wanted to drain the basin to check for problems. While transferring the water into a different basin, he discovered an issue with the discharge, flows going out were not keeping up with the water coming in. Once the BNR basin was drained low enough, he discovered at least one baffle curtain ripped away from the wall causing short circuiting. He is having some issues with two of the recirculation

Meeting Minutes –June 14, 2023

pumps holding a prime. It appears a pipe on the non-potable water system pipe had broken. Mr. Sams is sending someone from his office to help with troubleshooting.

- The large scanner that has been on backorder is scheduled to be in Colorado Springs next week. It should be delivered to the office in the next couple of weeks.
 - He reported that the District's insurance carrier completed a safety audit of the RJCII facility and received a 91.2%. A few issues were identified which some have already been taken care of, he will be ordering a missing fireproof cabinet for the chemicals, etc.
4. Attorney Scott Johnson reported that he was asked to review the agreement from the IT vendor which he submitted his comments.

E. New Business –

1. Ms. Murray requested the Board ratify the following transfers:

- ✓ \$550,000 from the CSAFE -FSD account to the United Business Bank Checking account on May 12, 2023,
- ✓ \$8,695.50 from the United Business Bank Developer Assurance account to the United Business Bank checking account on May 12, 2023,
- ✓ \$45,000 from the United Business Bank tap fee account to the United Business caching account on June 1, 2023,
- ✓ \$100,000 from the United Business Bank Tap Fee account to the CSAFE-FSD account on April 26, 2023,
- ✓ \$160,000 from the United Business Bank checking account to the Community Banks of Colorado payroll account on June 1, 2023, and
- ✓ \$350,000 from the United Business Bank checking account to the CSAFE -FSD account on June 6, 2023

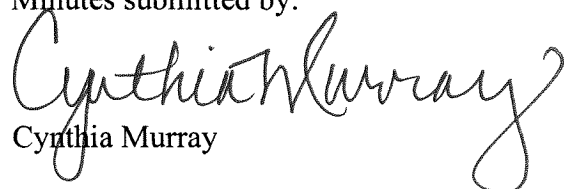
Mr. Holtz made a motion to ratify the transfers. Second by Mr. Blankenship. Motion carried.

F. Other Business – None

Adjournment:

Dr. Durbin made a motion to adjourn the meeting at 6:18 pm. Second by Mr. Blankenship. Motion carried. The next regular meeting will be at 5:30 pm. on July 12, 2023.

Minutes submitted by:


Cynthia Murray