

**MINUTES  
BOARD OF DIRECTORS  
SOUTH DURANGO SANITATION DISTRICT**

The regular meeting of the Board of Directors of the South Durango Sanitation District was held on September 22, 2022, at 6:00 p.m. at 65 Mercado Street, Durango, Colorado.

Present at the meeting were the following members of the Board of Directors:

Curt Piccoli  
Pat Morrissey  
Judy Campbell  
Tom Price  
Bud Gohn – by telephone

Also present were Dave Marsa, Doug Davis, Stephan Kimball, and Bud Smith.

The Board reviewed the minutes of August 18, 2022. On motion duly made and seconded, the minutes with corrections were approved.

The Board reviewed and approved payment of the District invoices.

The August 2022 financial statements of the District were reviewed. Total reserves are now over \$2.1 million. The balance sheet includes a PIF (Tap Fee) Receivable as a current asset for the balance of the tap fee payable for the Gauge Apartments payable in installments pursuant to Resolution 2022-2. The full tap fee is included in the financial statement as tap fee revenue for 2022.

Total operating expenses are 45% of budgeted amounts through the end of September. After adjusting for management fees, net operating income is 63% of operating expenses, which is more than the targeted amount of 35% in the financial master plan. Part of the reason for the higher amount is due to the reduction in salaries and benefits expenses resulting from the reduction in staff.

Attorney Smith reviewed the investment report. The District currently has approximately \$2,109,460 in cash reserves. Interest rates on short term CDs continue to rise and since there are no immediate plans for expenditures of reserve funds a portion could be invested to achieve higher yields. The Board authorized the purchase of \$250,000 CDs for 9 months (4%) and 12 month (4.25%) and 12 month (4.15%). Interest earnings on these CD will be approximately \$12,000 more than the current returns.

The monthly operations report was presented. No significant issues with the treatment plant were reported. The acoustic survey has been completed. Line cleaning is scheduled for October. Sludge processing is continuing but at a slower pace than last year. The year-to-date total of sludge removed is approximately 671,000 pounds with approximately 6' depth remaining. The plant continues to experience minor alarm program issues. Fluidyne is making adjustments to address the problem.

The Board discussed the installation of an electric gate to limit access. After staff reports on costs the Board approved the purchase and installation of an electric gate.

There was a discussion of maintenance issues for Loma Vista Road.

There being no further business to come before the Board, the meeting was adjourned.