

**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 June 27, 2019 at 6:00 p.m. at the 175 Mercado Street, Suite 240, Durango, Colorado.

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

Curt Piccoli  
Pat Morrissey  
Judy Campbell  
Bud Gohn

Also present were Nic Ionita, Doug Davis, Rick Johnson and Bud Smith.

The Board reviewed and approved payment of the District invoices.

The Board reviewed the May 2019 financial statements of the District. Attorney Smith reported that tap fee for the VOA project had been received and that tap fees for the year have exceeded budget projections by \$40,000. Operating expenditures are within budgeted amounts. The Board approved the financial statements.

The Board reviewed the minutes of May 23, 2019. On motion duly made and seconded the minutes were approved.

Judy reported that complaints have been made by Loma Vista residents about WCA trucks speeding through the subdivision. Nic and Doug will advise drivers to slow down in the residential area.

The Board reviewed and discussed the monthly report. Rick and Nic discussed improvements that can be made to the treatment process to lower ammonia.

The Board reviewed proposals from Waldo excavation for a sewer line replacement and a manhole replacement on Silverview Lane & Silverview Court. The proposals would address problems where infiltration is occurring but the cost and lack of detail in the proposals was not acceptable. Rick advised the Board he will meet with Leonard Construction to survey manholes and lines where infiltration repairs are needed. A cost estimate will be developed for Board review and approval.

Nic reported that the new employee is working out well. This allows Nic and Doug more time to address other issues.

Nic reported on the sludge processing operations. Nic and Doug expressed concern with WCA scheduling of containers and potential price increases. It was suggested that other alternatives be analyzed.

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

June 27, 2019

Page 2

Rick provided an update on various project within the District. There were no significant issues reported.

The Board reviewed the latest draft of the financial plan for the District which was developed following a comprehensive review of the assumptions with Directors Morrissey and Gohn. The model shows that increases in user and tap fees are necessary to meet future operating and capital expenses. Operating expenditure projections are based on current expenditures with increases for inflation. Capital expenditures include substantial improvements to the treatment plant in 2026 to provide additional capacity and to improve treatment to meet Reg 31 standards which the state has advised will be required in 2028. The Board discussed the model and the need for fee increases. It was noted that there have been no increases in tap fees or user fees for 8 years. Bud advised the Board that a notice of a rate increase hearing had been posted on the District website. This will allow the Board to consider and approve any increase at the July 18, 2019 meeting.

The Board reviewed the revised district manager job description. There was continued discussion of whether the manager should be a licensed operator, an administrator or both. The Board authorized Attorney Smith to continue the process of finding a qualified candidate for the district manager position.

Bud introduced Resolution 2019-3 concerning new procedures for providing notices for special district board meetings. New legislation allows districts to post meeting notices on the district website and no posting at designated locations throughout the district is required. ON motion duly made and seconded, the Board approved Resolution 2019-3

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