

**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 October 21, 2021, 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  
Bud Gohn  
Pat Morrissey  
Judy Campbell  
Tom Price

Also present were Dave Marsa and Bud Smith. Rick Johnson, Nic Ionita, and Doug Davis participated by phone.

The Board reviewed and approved payment of the District invoices.

Attorney Smith reviewed the September 2021 financial statements. The CWRPDA loan will be paid in full on November 1, 2021, from capital reserves leaving a balance of \$1,338,000. Line cleaning for 2021 was \$20,000 under budget. Sludge handling expense is expected to be almost twice the budgeted amount since the District has been able to process more sludge than anticipated. Operating income is 43% above operating expenses which is above the financial model target of 35%.

Attorney Smith review the delinquent accounts. Any account which are more than 6 months delinquent in November will be certified to the La Plata County Treasurer for collection with property taxes.

The Board reviewed the minutes of September 16, 2021. On motion duly made and seconded, the minutes were approved.

The monthly operations report was presented. Dave reported the plant was operating well with no significant problems.

Sharp Drilling will schedule the drilling of the additional well in the next 2 weeks. The well will be cased to capture as much water as possible. The water will be used for non-potable purposes only.

Dave reported about the availability of GIS technology to enhance mapping references. It was noted that this technology requires analysis and training in order to provide useful information. Dave will provide more details at future meetings.

Total sludge proceeding in 2021 has exceed 1.5 million gallons and will continue as weather permits.

Rick reported that inspections have shown that the Silver View Court line replacement project has deficiencies and will not be approved for payment until those are corrected. Rick will work with the contractor on a plan to correct the deficiencies.

Rick reported on the status of the plant upgrade project. Final installation of equipment and start-up is expected before the year end.

**MINUTES  
BOARD OF DIRECTORS  
SOUTH DURANGO SANITATION DISTRICT  
October 21, 2021**

Page 2

Rick reviewed the status of various projects.

Attorney Smith advised the Board that the Loma Linda Sanitation District will require sludge processing in a couple of years. He reviewed the methodology previously used to determine sludge processing costs for Loma Linda Sanitation District. A similar procedure will be used once updated costs are available from the current year.

Attorney Smith reported that tap sales for 2021 were approximately 20% above budget. Sales for 2022 could be substantially higher is a large apartment project which is being developed begins construction next year.

Attorney smith reviewed the District sewer use resolution language requiring reimbursement for developers who are required to install over-sized facilities. A request for reimbursement has been received from the Three Springs Crossing developer. District staff will work on developed a procedure for handling reimbursement.

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