

**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 August 18, 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

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

The Board reviewed the minutes of July 21, 2022. On motion duly made and seconded, the minutes with corrections were approved.

The Board reviewed and approved payment of the District invoices.

The July 2022 financial statements of the District were reviewed. Expenses for collection & transmission, sewage treatment and Administration are below budgeted amounts. After adjusting for management fees, net operating income is 62% 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 \$1,773,000 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. Interest rates may increase again after the Federal Reserve Board meeting in September. The Board will review some potential investments in September.

The monthly operations report was presented. No significant issues with the treatment plant were reported.

Sludge processing is continuing but at a slower pace than last year. The year-to-date total of sludge removed is approximately 530,000 pounds. The plant continues to experience minor alarm program issues. Fluidyne is making adjustments to address the problem.

The new well is expected to be drilled before the end of the year. A one year extension of the well permit has been approved.

Rick advised the Board that an as-built drawing is being prepared for the wiring of the new components in the plant upgrade. Rick also reported on the status of development projects in the District.

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.