

**MEETING 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 May 21, 2026 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
Tom Price
Judy Campbell
Arthur Wyman

Also present were Andrew Aragon, Dave Marsa, Rick Johnson and Bud Smith.

On motion duly made and seconded, the minutes from the meeting of April 16, 2026, were approved as corrected.

The Board reviewed and approved the accounts payable.

Attorney Smith reviewed the financial statements for April 30, 2026. No significant issues were noted.

Attorney Smith reviewed the investment report. The cash balance in COLOTRUST is approximately \$2.1M with a current interest rate of 3.79%. CDs for 24-26 months are available at around 4%. The Board decided to keep the funds in the COLOTRUST account since the spread was quite small and rates continue to change. CD and Treasury rates will be reviewed in June to determine if moving some COLOTRUST funds to another investment would be beneficial.

Andrew presented the operations report.

- The Board reviewed the alternatives for Andrew's comp time payout. It was decided to pay all comp time except 100 hours and make Andrew an exempt employee with an annual salary of \$113,033.25. Andrew agreed to use the remaining 100 hours of comp time this year.
- Canyon Construction has provided a cost estimate for correcting the Family Dollar shared service line issue. The Board discussed the cost and the reasons for the problem. The Board instructed Attorney Smith to investigate the matter to determine which parties were at fault.
- Andrew presented an update on the collection system repairs completed by Canyon Construction.
- Attorney Smith reported that the District permanent files which are stored on his computer need to be accessible for other District staff members. It will require hiring an IT consultant to set up the system. Attorney Smith will need to remove old files that are no longer required to be retained by the records retention schedule of the State Auditor.

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Some costs would be shared with Loma Linda Sanitation District. This will allow Attorney Smith to begin training Andrew in some administrative tasks. The Board authorized staff to move forward with the project.

- Dewatering for the year is ahead of schedule.
- Timothy Cain has been hired for the wastewater laboratory technician position at a starting wage of \$21/hour.
- Andrew provided materials for Board consideration on adopting a PTO policy which would combine sick time and vacation time. The matter will be reviewed at future meetings.

Rick Johnson provided an update on various projects.

Rick updated the status of the Phase 2 design. Rick explained the Construction Manager at Risk (CMAR) method for constructing the project as an alternative to the traditional design-bid-build method. An RFP would be issued requesting proposals from interested firms. If a proposal from a qualified firm is accepted, they would enter a contract with the District to provide design review and cost estimating services on a time and material basis. This will allow for value engineering and price estimates from a contractor familiar with construction methods and costs.

Rick reported that the EPA application for a discharge permit is being reviewed. The Southern Ute environmental department has not contacted Rick about the anti-degradation analysis. Rick will allow some additional time for a response and will contact EPG for assistance if necessary.

Attorney Smith presented Resolution No. 2026-3 which authorizes the District to pursue the integrated project delivery method authorized by statute in lieu of soliciting bids. This will allow District staff to issue an RFP for the CMAR process. On motion duly made and seconded, the resolution was approved.

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