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 August 20, 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
Judy Campbell
Orville Diss
Erick Martin

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

Attorney Smith introduced Matt Leeder a resident of the District who expressed an interest in serving on the Board. Mr. Leeder discussed his background and his interest in serving on the Board. He served 8 years on the Board of the Durango Fire Protection District. On motion made and seconded, Matt Leeder was appointed to serve as a Director of the District until the next regular election in May 2027. Matt took the oath of office.

On motion duly made and seconded, the minutes from the meeting of July 23, 2026, were approved.

The Board reviewed and approved the accounts payable with the addition of an invoice not listed from Southwest Systems.

Attorney Smith reviewed the financial statements for July 31, 2026. No significant issues were noted.

Attorney Smith reviewed the investment report. The Board decided to continue holding funds in the Colotrust account to provide liquidity for possible equipment purchases for the plant expansion.

Bud Smith advised the Board that the 2025 audit was complete. Copies will be distributed to the Board next week. The Board approved the audit subject to any Board requested changes.

Andrew presented the operations report.

- Timothy Cain will complete his 90 day probation on September 1, 2026. Andrew recommended a raise of $3 per hour with benefits effective September 1, 2026.
- Andrew reported that he and Christian will be attending the WEFTEC conference at the end of September. The conference will provide educational opportunities for Christian and Andrew will be able to meet with industry representatives that may provide equipment for the expansion.

Rick presented an update on the treatment plant expansion. The Agreement for CMAR Services with TKF Contracting, Inc. has been signed. An initial meeting with TKF was held to familiarize TKF personnel with the project and discuss the procedure for developing cost estimates.

Rick provided a report on the design process which involves the use of AI tools. He explained that the software they are using will save significant time in developing detailed schedules and quantities for the project. He noted that steps will be taken to confirm the accuracy of the data.

Rick and Bud discussed the need to develop a working relationship with the Southern Ute Indian Tribe during the design and funding process for the plant expansion. Bud explained the benefits provided by the Tribe for the conversion of the lagoon treatment process to a mechanical plant. The tap guaranty agreement negotiated with the Tribe resulted in significantly lower interest costs and provided funding for bond payments when there was no tap fee revenue. A similar arrangement for the current plant expansion could be negotiated with the District providing Matt advised the Board that he could assist in discussions with current Tribal Growth Fund officials about developing a mutually beneficial working relationship.

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