

**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 October 23, 2024, at 6:00 p.m. at 210 Highway 172, Durango, Colorado. This meeting was the continuation of the October 17, 2024 in order to allow directors to attend in person.

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

Curt Piccoli  
Bud Gohn  
Tom Price

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

The Board reviewed and approved the accounts payable.

On motion duly made and seconded, the minutes from the September 24, 2024, meeting were approved.

Attorney Smith advised the Board that the September financials have not been prepared. The District accountants, Fredrick Zink & Associates have merged with MBE. They are in the process of changing the accounting software to Quickbooks.

Attorney Smith reviewed the investment report. The interest rate on the District money market account at Alpine is declining. The District will not need to have the reserves available until 2027 when the construction of the Phase 3 expansion of the treatment plant is expected to begin. The Board authorized purchases of four CDs of \$245,000 each with maturities at 18 months, 2 years, 30 months and three years.

Attorney Smith reported that the 2023 audit was filed on September 30, 2024. This was the last date for filing after the District requested an extension. The auditors reported difficulties with getting the necessary information from Fredrick Zink to complete the audits in a timely manner. As a result the District was charged an additional fee of \$1,125 for overruns due to the delays.

Andrew Kimball presented the monthly operations report.

- The screen repair was completed at a cost of \$3,200.
- Final results of sludge processing showed that 300,000 gallons more was processed in 2024 compared to 2023.

Rick Johnson presented an update on various projects.

Rick gave a presentation on the Phase 3 expansion of the wastewater treatment plant. The treatment process that is recommended for the expansion is the Aqua Nerada process. It allows use of the existing footprint, reducing costs for new construction, and allows for lower operating

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costs than other alternative processes. The design and approval of the Phase 3 expansion will take approximately 2 years to complete. Rick has contracted with other engineering firms and an architect to work on the project. Rick explained the Construction Manager at Risk (CMAR) process which is being utilized for wastewater treatment construction projects instead of the traditional design-bid-build process.

Rick reviewed a proposal for providing design services for the Phase 3 expansion. The total not to exceed cost is \$2,560,070 including all subcontractors and consultants. On motion duly made and seconded, the Board approved the proposal.

Attorney Smith reviewed the RFP for the collection system repairs and replacements. The Board approved the RFP and will consider an award at its December meeting.

A hearing on the rate increases for user and plant investment fees was held. Attorney Smith reviewed the fee increases and policies in Resolution No. 2024-2. It provides large projects the options to pay Plant Investment Fees are the existing rate until June 1, 2025 unless they elect to use the installment payment arrangement approved in Resolution No. 2022-2. The resolution also establishes dates for commencement of user fee billing following tap purchases. No public comments have been received. On motion duly made and seconded, The Board approved Resolution No. 2024-2.

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