

**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 July 15, 2021, at 6:00 p.m. via teleconference.

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

Curt Piccoli  
Pat Morrissey  
Judy Campbell  
Tom Price

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

The Board reviewed and approved payment of the District invoices.

The Board reviewed the June 2021 financial statements of the District. Cash reserves continue to increase. Revenues and expenditures are consistent with budget projections. Operating revenue is 146% of operating expenses allowing the District to transfer operating reserves to the capital reserves as recommended by the District financial model.

The Board reviewed the minutes of June 17, 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. Flows are average about 200,000 gallons per day, about 45% of design capacity.

Sludge processing is continuing with an average of about 3 containers per week. The sludge level in pond 2 is being reduced significantly.

Dave reported on the status of drilling a new well #2. A permit is ready to be submitted to the Division of Water Resources. Dave recommended drilling this as a third well rather than a replacement well. Attorney Smith advised the Board that the new well would need to be added to the District's water rights decree.

The project for the replacement of the Silver View Court line should commence the first week in August with a 2-week completion projected. The contractor has suggested an alternative method of repairing the line by realigning the pipe to proper grade with potential cost savings for the project. Rick will review that method to determine if it is acceptable.

Rick reported that discussions of the SMART trail design to allow for relocation of the District line in the Wilson Gulch area have been abandoned by the City. The City is working with a private property owner to align the trail at a location which would not be suitable for the District's line. Rick suggested writing the City about the benefits of working with the District, rather than a private developer. Bud will draft a letter to the City with input from Rick.

Attorney Smith reviewed a request from the Volunteers of America (VOA) apartment owners to subordinate the lien held by the District to the permanent financing for the project. Attorney Smith reviewed the creation of the lien when the District waived a portion of the tap fees for the project. The

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lien ensures the District will be repaid any amounts waived plus interest if the project ceases to be used for affordable housing. The request from VOA includes documentation that the project continues to be used for affordable housing. On motion duly made and seconded, the Board approved the subordination.

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