

**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 December 18, 2025, 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
Erick Martin
Judy Campbell.

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

On motion duly made and seconded, the minutes from the meeting of November 20, 2025, were approved.

The Board reviewed and approved the accounts payable.

Attorney Smith reviewed the investment report. Total District investments in the Capital (Non-Operating) Fund are slightly over 4%.

The Board reviewed employee compensation for 2026. Andrew reviewed employee performance and recommended changes in wages and cost of living (COL) adjustments for 2026. The Board discussed the matter and its preference for raises based on achieving new certifications and skills. Based on the discussion the Board approved raises as follows: Andrew Aragon 7% plus 3% COL, Christian McBrien 4% plus 3% COL; Brian Murphy no change, Todd Fowler no change until probationary period ends. The Board also approved Christmas bonuses for all employees.

President Piccoli opened the budget hearing. Attorney Smith advised the Board that notice of the budget hearing had been published. No comments were received. Attorney Smith reviewed the highlight of the budget. Operating expenses increased due to increases in the number of employees, salaries and employee insurance expenses. Increased operating revenue from the approved increase in monthly user fees will offset those increases and provide additional amounts for increased reserves. On motion duly made and seconded the Board approved Resolution No. 2025-3, Adopting 2026 Budget and Resolution No. 2025-4, Appropriating Funds for the 2026 Budget.

Attorney Smith presented a proposed contract from Stephanie Strain for billing services. The contract included an increase in the Base Fee of \$315 per month. An explanation of the increase noted several factors for the increase. The staff recommended approval and on motion duly made and seconded, the new contract was approved.

South Durango Sanitation District Minutes

December 18, 2025

Page 2

The Board reviewed the independent contract with Dave Marsa dba Southwest Wastewater Services. The proposed contract included changes from prior years. Services for collection system have been eliminated. Andrew Aragon will be designated as the District Collection System Operator. Dave's services will include training in wastewater treatment plant operations for District staff. The monthly compensation is the same as the 2025 contract. On motion duly made and seconded, the contract was approved.

Attorney Smith introduced Resolution No. 2025-5, Certification of Delinquent Account. This allows the County Treasurer to add the delinquent balance owed to the District to the property tax bill. On motion duly made and seconded, the resolution was approved.

Attorney Smith introduced Resolution No. 2025-3 establishing rates for 2026. The Board discussed the need to increase reserves to help with the financing of the new plant as demonstrated with the updated financial model Rick presented. There was also a discussion of the need to increase operating revenue to cover increased operating costs and equipment replacement. On motion duly made and seconded, the Board approved Resolution No. 2025-3 increasing plant investment fees (tap fees) to \$17,000 and user fees to \$70 effective January 1, 2026.

Andrew presented the operations report. Line cleaning in 2026 will include approximately 80,000 feet. This increase is necessary due to permitting issues in 2025 which prevented cleaning the residential lines in Three Springs. Andrew also reported that Canyon Construction will be continuing with the collection system repairs. The budgeted amount for 2026 is \$130,000. Specific projects and costs will be identified in early 2026.

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