

**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 February 17, 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
Bud Gohn

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

The Board reviewed the minutes of January 20, 2022, and January 26, 2022. On motion duly made and seconded, the minutes were approved.

The Board reviewed and approved payment of the District invoices.

The January 2022 financial statements of the District were reviewed. No significant changes or concerns were noted. Salaries, payroll taxes and benefits exceeded projections due to final payments for accrued benefits to Inc Ionita. Those percentages should adjust downward as the year progresses.

The monthly operations report was presented. No significant issues with the treatment plant were reported.

The start-up of the new treatment processing for the plant equipment upgrade is scheduled next week. Dave reported that test results for the new WET and Manganese requirements were satisfactory. The lift station at River Oaks Drive needs additional repairs to the controls.

It was recommended that the District cell phones be replaced with newer models to enable staff to more accurately monitor and control the new treatment process.

Dave reported that the District effluent passed the new WET test which is required under the new permit. He also noted that testing has indicated the District should be able to meet the new manganese limit which goes into effect in 2024 without additional changes in the treatment process. The replacement effluent pumps have been installed at the plant. The new well has not been drilled. The cistern provides adequate water for winter needs. The well will be needed in the summer when sludge processing begins.

Rick Johnson requested Board approval of an invoice from A&J Electric for work on the treatment plant upgrade. Rick provided an update on the Crader Lot 5 and Southfork Gateway projects.

Rick reported that additional repairs are needed to the Silver View Court road. He has discussed the need for repairs with homeowners and has recommended those repairs not be made until spring. The total cost for the repairs is estimated at \$5,000-\$10,000.

The new 211-unit apartment project in Three Springs has received planning approval from the City. After approval it was determined that the City staff had provided information on sewer tap fees to the developer

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using the City fee schedule instead of the District schedule. The difference in fees is almost \$1.2 million as the City tap fee for multi-family units discounts all units except the first unit by 50%. The District fee schedule assumes each unit has the same impact and should pay the same fee. Bud has discussed the impact of the higher fees with a representative of the developer. The financial impact has impacted the project feasibility. Bud recommended the Board consider a policy allowing payment of plant investment fees for projects with at least 30 ERTs over a period not to exceed three years from the date the building permit is issued. The Board discussed the benefits to the District of large projects with significant plant fee and user fee revenue for the District. These projects typically require 12-18 months to complete. On motion duly made and seconded the Board approved the recommended policy.

Bud updated the Board on discussions with the City and County on the La Posta Road lift station. The City is willing to install and maintain the collection system. The design, installation, ownership and maintenance of the lift station is open for discussion. The Board stated that the costs should be paid by the City and the users. Whether the District should design and operate the lift station is to be determined.

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