

**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 September 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
Judy Campbell

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

On motion duly made and seconded, the minutes from the meeting of August 21, 2025, were approved.

The Board reviewed and approved the accounts payable.

Attorney Smith reviewed the financial statements for August 2025. Adjustments continue to be made to properly categorize the expenditures as the new accountants become familiar with the District operations but there are no significant issues.

Attorney Smith reviewed the investment report. Total District investments in the Capital (Non-Operating) Fund are yielding 4.14% annual interest earnings with maturities varying between 6 and 44 months.

Andrew Aragon reviewed the monthly staff report.

- There has been a total of 1.1M gallons (760,000 pound) of sludge processed far this year.
- The lift stations have been cleaned and a 3 year maintenance plan has been adopted. The basins and grit chamber have been cleaned.
- Jet cleaning of the Three Springs area was not completed due to permitting issues with the City. Permit processing will be initiated early in 2026 to avoid those issues.
- The Three Springs Crossing pipe upgrade project is basically complete. An asphalt overlay of a section of High Llama Lane will need to be installed due to damage done by construction equipment. The Board discussed whether to request the contractor pay for the damages however it was determined that in light of cost savings Canyon has provided on this project and collection system repairs it was appropriate for the District to pay for the repairs. The Board reviewed and approved Pay Application #4 for Canyon Construction. It still seems likely the project will be completed for less than the \$750,000 budgeted amount.

Rick Johnson updated the Board on the Phase 3 design and permitting process. Rick has located another supplier for the new treatment process with slightly lower price. This will allow for negotiation of reasonable prices and terms with Aqua-Aerobic Systems.

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Rick reported that he and Bud Smith had reviewed the construction timeline with consideration for actual growth and financing. The design process will continue with a construction starting date to be determined.

The permitting process through the Tribe and EPA was reviewed. A meeting with Tribal Environmental Division and EPA representatives was held on September 16, 2025. Based on the discussions at that meeting the timeline for the EPA permitting process for a discharge permit for the new process appears to be streamlined compared to the Colorado Water Quality Control Division process. There will need to be an anti-degradation analysis. Tribal Division representatives indicated a willingness to work through that process with the District.

The current discharge permit for the District treatment plant will expire March 31, 2026. The District will need to file an application for a new permit. Typically permit renewals are not completed prior to the expiration of the existing permit and an administrative extension of the existing permit is issued. The EPA will work with the WQCD to extend the permit.

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