

**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
Erick Martin
Judy Campbell participated by phone.

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

On motion duly made and seconded, the minutes from the meeting of September 18, 2025, were approved.

The Board reviewed and approved the accounts payable.

Attorney Smith reviewed the financial statements for September 2025. Revenues and Expenditures are generally within the budgeted amounts. Sewage treatment repairs and equipment replacement are over the annual budgeted amounts. Andrew will review to see if any should be reclassified as capital expenditures. Accounting and billing are also high. Attorney Smith indicated that a portion of those expenditures is due to the change in accounting firms.

Attorney Smith reviewed the investment report. Total District investments in the Capital (Non-Operating) Fund are yielding 4.09% annual interest earnings with maturity varying between 6 and 44 months.

Andrew Aragon reviewed the monthly staff report.

- Brian Murphy will begin training and working as a lab technician. Andrew has hired Todd Fowler as a new staff member to replace Brian in the field.
- The shop heater needs to be repaired or replaced. It was determined that replacing the heater would be preferable. Andrew will check for prices and get the new heater installed.
- The TSC pipe upgrade project is substantially complete. Canyon Construction pay application No. 5 was approved. The total cost of the project is anticipated to be less than the budgeted amount.

Rick Johnson updated the Board on the Phase 3 design and permitting process. The existing permit with CDPHE expires March 31, 2026 so a renewal application is required. An application will be prepared and submitted in November.

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Rick reported that the design work is progressing as planned. He will prepare an updated financial model for the Board to review at the November meeting.

Attorney Smith advised the Board that the existing easement for the PNE, LLC parcel in Three Springs Crossing will be modified for the new pipe alignment. It was determined that the best method for accomplishing this would be for PNE to grant a new easement and for the District to terminate the existing easement. Final easement documents will be recorded in the next few weeks.

Attorney Smith reviewed a reimbursement agreement between the District and GRVP, LLC. When the sewer improvements were installed as part of the Three Springs Crossing project, the District requested upsizing some improvements to accommodate future growth. The additional cost of \$59,170. The Reimbursement Agreement would repay that amount with TSC Pipe Upgrade Impact fees. The amount of the fee will be recalculated when all final costs of the project are received.

The L&E process with the county will include a review by the joint city-county planning commission. The hearing date for that review may require the December meeting to be rescheduled.

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