

**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 April 16, 2026 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

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

Wes Hill was present representing the developers of the Hilton Home2Suites hotel which will be built near the Wilson Gulch roundabout. Mr. Hill gave a history of the review and approval process for the project with the City of Durango. The preliminary development plan for the project was approved by City Council in July 2024, and the building permit application was submitted in December 2025. Mr. Hill requested the Board allow the project to pay the PIF at the rate that was in effect in 2025. Attorney Smith pointed out that the District had not received any information about the project until an inquiry was made by him in August 2024. A response to follow up inquiry made by the District in September 2025 indicated final plans were being prepared. The first formal submittal of plans and request for fee determination was not made until February 2025.

The Board discussed the timeline and the lack of any communication with the District prior to 2026. Board members pointed out the approval by the City without notice to the District was not approval by the District or sufficient basis for waiving the current fee schedule. ON motion duly made and seconded, the Board rejected the request to allow the project to pay the PIF at the 2025 rate.

On motion duly made and seconded, the minutes from the meeting of March 19, 2026, were approved as corrected.

The Board reviewed and approved the accounts payable.

Attorney Smith reviewed the financial statements for March 31, 2026.

Attorney Smith reviewed the investment report. The District has a CD maturing at the end of April. Attorney Smith reviewed rates for CDs with 2-3 year maturities. The Board decided to keep the funds in the COLOTRUST account since the spread was quite small and rates continue to change.

Attorney Smith recommended tabling the discussion of Andrew's comp time until he has a chance to review with Andrew.

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Andrew presented the operations report.

- Andrew advised the Board that he had terminated Brian Murphy. He will continue to seek a person to work as a lab technician.
- Andrew reported that the employees were pleased with the bonuses.

Rick Johnson provided an update on various projects.

Rick reported that the EPA application for a discharge permit is being reviewed. During the review he will be working with the South Ute environmental department on the anti-degradation analysis. Work on the design of the new treatment plant is continuing. Rick explained the CMAR process as an alternative to the design bid process. It could help with value engineering and cost control. Attorney Smith advised the Board that the Colorado statutes authorizes a special district to utilize the integrated project delivery (IPD) method to utilize the CMAR process. A resolution be prepared for the Board's consideration at the May meeting which would include a finding that the IPD method is a timely and cost effective alternative for the Phase 3 treatment plant construction.

Attorney Smith presented Resolution No. 2026-2 which adopted inspection fees for District staff to be charged to development projects. The recommended fees are based on the District's direct costs for salaries and benefits plus indirect costs for equipment, training and other employee related expenses. The costs to developers will be less than the cost for using independent contractors for inspections. On motion duly made and seconded, Resolution No. 2026-2 was approved.

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