

**MINUTES OF
BOARD OF DIRECTORS
SOUTH DURANGO SANITATION DISTRICT**

The regular meeting of the Board of Directors of the South Durango Sanitation District was held on January 19, 2017 at 6:00 p.m. at the 175 Mercado Street, Suite 240, Durango, Colorado.

Present at the meeting were the following members of the Board of Directors:

Bud Gohn
Pat Morrissey
Tom Price
Judy Campbell
Curt Piccoli

Also present were Dave Marsa and Bud Smith.

The Board reviewed the invoices and approved the bills for payment.

Bud reviewed the December 2016 financial statements of the District. Bud noted that there will be some year end adjustments during the audit process. The District will end the year with a little over \$400,000 in reserves. Operating revenue and operating expenditures for the year were each at 101% of the budgeted amounts.

The Board approved the engagement letter of Fredrick Zink Associates for 2017.

The Board reviewed and approved the minutes for December 15, 2016.

Dave Marsa presented the monthly operations report. The plant is running smoothly and meeting all permit limits. The soft starts have been installed and the alarm program adjusted for the changes. Reduced electrical expenses for the demand charge should be reflected in the next bill. Browns Hill will update the as-builts for the electrical controls to reflect the changes and will prepare a bid for remote access upgrades. An additional employee may be needed during the summer months. Dave will review the South Durango – Loma Linda costs allocation when the new Loma Linda plant comes online.

Resolution 2017-1 establishing a time and place for regular meetings and designating locations for posting notice was approved. Bud reviewed a letter to Governor Hickenlooper from the EPA concerning the application of the Southern Ute Indian Tribe for treatment in the same manner as a state under the Clean Water Act. Approval would allow the SUIT to set water quality standards on the reservation waters on Tribal trust lands which could impact discharge requirements for the District. The Board authorized filing a letter with the EPA to be sure the District is involved in future proceedings that may impact the District.

Bud reported that 2017 will likely be a busy year for new development in the District. Projects include the 194 Rocket Apartment units, 70 units of an additional apartment building in Three Springs, the potential completion of the Oak and Hope Springs subdivisions and continued development of single family residential units in Three Springs.

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