

**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 January 19, 2023, 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
Pat Morrissey
Judy Campbell
Tom Price
Bud Gohn

Also present were Dave Marsa, Doug Davis, Stephan Kimball and Bud Smith. Rick Johnson participated by phone.

The Board reviewed the minutes of December 15, 2022. Attorney Smith noted that the contribution percentages for the retirement plan should be 3%. On motion duly made and seconded, the minutes with corrections were approved.

The Board reviewed and approved payment of the District invoices.

The December 2022 financial statements of the District were reviewed. The final year end statement will be adjusted during the audit to reflect to include 2022 expenses paid in January. Total reserves at the end of the year including the PIF receivable are \$2.8 million. Operating revenue was 100% of the budgeted amount and operating expenses were 66% of the budgeted amount creating operating income of \$614,790.

Attorney Smith reviewed the investment report of the District. A \$250,000 12 month CD was purchased in late December with an interest rate of 4.95%. The interest rate for all District funds at the end of the year was 4.3%.

The Board revised the engagement letter from Haynie & Company for preparing the 2022 audit. The proposed fee is higher than prior fees charged by Beckstead however no other audit proposals were received. On motion duly made and seconded, the Board approved the engagement letter.

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

A report on the manganese testing prepared by Dave Marsa was reviewed and approved. The report was due October 31, 2022. The Board expressed concern about the missed deadline and instructed staff to be sure compliance schedules were closely monitored.

The Board reviewed the year end water usage report. Total well usage increased by 50%. The Board discussed the need to drill the new well or install tanks to provide storage.

The Board approved a request from Stephan Kimball to use the District vehicle to attend schooling in Loveland next week.

Rick Johnson presented the engineering report. Rick reported that testing data was needed to prepare a

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sludge handling study. The data logging equipment installed last year is still not operational. Attorney Smith reviewed the year end accrued benefits report. The accrued compensation hours have been discussed with the employees. During the winter months the employees will be able to use their compensation time.

Attorney Smith reviewed the Grandview Interceptor Capacity report. The report shows substantial uncommitted capacity is available for Three Springs as required by the agreement with the Tribe. There is also substantial uncommitted capacity for the Grandview area outside Three Springs.

The Board approved Resolution No. 2023-1, establishing a time and place for regular meeting and designating the District website for posting agendas.

The Board approved Resolution No. 2023-2 concerning the election of directors in May. The seats currently held by Directors Piccoli, Morrissey and Gohn will be up for election. Director Campbell was appointed as the designated election official with authority to cancel the election if there are not more than three candidates.

On motion duly made and seconded, the Board approved an executive session for the purpose of discussing a legal matter as authorized by §24-6-402(4)(b), C.R.S.

The Board returned from executive session. There being no further business to come before the Board, the meeting was adjourned.