

**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 18, 2024, 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  
Bud Gohn  
Judy Campbell  
Tom Price

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

The Board reviewed the minutes of December 21, 2023. On motion duly made and seconded, the minutes were approved.

The Board reviewed and approved payment of the District invoices.

The December 2023 financial statements of the District were reviewed. The District ended the year with just under \$3.7 million in cash reserves. Developer donated lines in 2023 added \$296,278 in assets. Operating revenue was 98% of the budgeted amount and expenditures were 82% of the budgeted amount. Tap fee revenue was slightly over the budgeted amount. Capital expenditures were minimal. The District's financial performance in 2023 was very good.

Attorney Smith reviewed the investment report. The District purchased an 18-month CD at the end of the year with a 5.15% interest rate. Attorney Smith recommended the District close the small account at 1<sup>st</sup> Southwest Bank. The Board approved the recommendation.

Dave presented the operations report. The District continues to operate in single basin mode due to the actuator valve failure. A new actuator valve will be shipped on February 9. The District will review other needs for spare equipment and develop a purchase plan to avoid the problem created by the actuator valve failure.

Doug Davis expressed concerns that the accrued benefits report was intentionally showing less comp time hours. Attorney Smith responded that all accrued benefits through December 31, 2023 were listed in the report but acknowledged that the final totals needed to be adjusted. Doug advised the Board that he did not intend to seek any training or licensing.

Rick Johnson presented the engineering update. He reviewed various projects that are currently in the planning or construction phase.

Rick advised the Board that design of the Wilson Gulch access and TSC pipe upgrade projects were nearing completion. Rick recommended that the District bid the projects together to encourage better pricing due to reduced mobilization costs and other savings.

Rick reported that work on the master plan update is continuing. An updated financial model should be ready for Board review in March. Rick believes the model will suggest a significant increase in tap fees is needed to meet the rapid cost increases in wastewater projects.

Attorney Smith introduced Resolution No. 2024-1 establishing a time and place for regular meetings and procedures for providing notice. On motion duly made and seconded, the resolution was approved.

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Attorney Smith advised the Board that Pat Morrissey had resigned effective December 29, 2023. The Board will need to appoint a replacement. A notice of the vacancy has been posted on the District website. Jamie Matthews have expressed interest in serving on the Board but was unable to attend the meeting. The Board will consider the matter at its next meeting. Interested candidates should attend.

Attorney Smith reviewed year end reports for the Grandview Interceptor Capacity, tap sales and water usage. There are no significant concerns.

The accrued benefits report was discussed. Comp time continues to increase each month. Attorney Smith and Stephan Kimball both recommended the Board hire a third employee. The resume of Kegan Aragon was reviewed. The Board would like to meet Mr. Aragon before making a hiring decision.

Attorney Smith recommended the Board enter an executive session to discuss a personnel matter as authorized by §24-6-402(4)(f), C.R.S. On motion duly made and seconded the Board voted to enter an executive session for the discussion of a personnel matter.

The Board returned form executive session. The need for more structure of District staff was discussed. On motion duly made and seconded the Board appointed Stephan Kimball as operation supervisor with authority to oversee all District employee matters except hiring and firing. Mr. Kimball and Attorney Smith will develop a job description

The Board discussed annual raises for District staff. On motion duly made and seconded the Board approved an increase of \$1.50 per hour for Doug Davis and \$3 per hour for Stephan Kimball.

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

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

A special meeting of the Board of Directors of the South Durango Sanitation District was held on February 6, 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  
Bud Gohn  
Judy Campbell – via telephone  
Tom Price

Also present were Dave Marsa, Bud Smith, Stephan Kimball and Kegan Aragon.

The Board discussed the need for hiring a new employee to replace Doug Davis who resigned effective February 1, 2024. Mr. Aragon told the Board he would be ready to begin employment after notice to his current employer, Fort Lewis College. Stephan Kimball recommended the Board hire Mr. Aragon with employment to begin on February 26. Attorney Smith indicated that the starting range for entry level wastewater employees at the City of Durango was \$23-25/hour. The District personnel policy provides that all new hires have a 90 probationary period before benefits are earned except sick leave which is required by statute for all employees. Initial compensation rate can be reviewed at the end of the 90-day period. On motion duly made and seconded the Board authorized the employment of Kegan Aragon at an initial rate of \$23.50/hour beginning on February 26, 2024.

Attorney Smith presented a report showing total accrued compensation for Doug Davis of 259.75 hours comp time, 294 hours sick leave and 365 hours vacation leave. The Board discussed the current limits on accrued comp and vacation leave. Stephan Kimball assured the Board that he would not allow employees to accrue hours in excess of the District personnel policy limits. On motion duly made and seconded, the Board approved payment to Doug Davis of all accrued hours.

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

**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 February 15, 2024, 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  
Bud Gohn  
Judy Campbell  
Tom Price

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

The Board reviewed the minutes of January 18, 2024 and February 6, 2024. On motion duly made and seconded, the minutes were approved.

The Board reviewed and approved payment of the District invoices.

The January 2024 financial statements of the District were reviewed. The statement showed percentages above budget amounts for employee benefits due to the compensation for accrued benefits paid to Doug Davis.

The investment report for January indicated interest earning remain strong.

Attorney Smith reviewed the engagement letter for FredrickZink and Associates for accounting and billing services for 2024. On motion duly made and seconded, the engagement letter was approved.

Andrew Kimball presented the monthly operations report. A summary of the items discussed is attached. Significant issues discussed were:

- The District lift stations have several years of deferred maintenance. Andrew has arranged for inspections by the manufacturer representatives and will be ordering repairs as needed.
- Ball Septic has been dumping waste from its trucks into the District settling pond in return for its availability when vactoring services are needed. However, the District is not receiving any payment or price reduction for the arrangement. The Board instructed Andrew to discontinue that practice. An RFP for vactoring services will be prepared.
- Andrew has been discussing a consulting engagement with Peter Hayes. Operator and testing training would be provided to District staff to enable them to obtain operator licensing certifications. A written proposal will be presented for Board approval.
- Andrew requested and received Board approval to purchase boots and shirts with the District logo for staff members.
- Andrew advised the Board that the RAM truck had been experiencing numerous problems that seem to be getting progressively worse. He has checked into trading the truck for a new GMC. The Board authorized him to complete the trade.

Rick Johnson presented the engineering update. He and Andrew visited the Southern Ute wastewater treatment plant sludge drying facility. Continued investigation will determine if a similar sludge processing facility would be suitable for the District.

Rick reported that work on the master plan update is continuing. An updated financial model should be ready for Board review in March. Rick believes the model will suggest a significant increase in tap fees is needed to meet the rapid cost increases in constructing new wastewater facilities.

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Rick presented plans for the construction of a new administration building at the plant. The building would provide office space, board meeting area and file storage. A proposal from Bonds Construction for preparation of the pad was reviewed. Rick noted the preparation could include settling pond. The Board authorized the work to be completed.

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

**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 March 21, 2024, at 6:00 p.m. at 125 Mercado Street, Durango, Colorado.

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

Curt Piccoli  
Bud Gohn  
Judy Campbell  
Tom Price

Also present were Erick Martin and Andrew Kimball.

The Board reviewed and approved payment of the District invoices.

The Board approved an increase in the Alpine credit card limit to \$10,000.

Andrew Kimball presented the monthly operations report. A copy of the staff report is attached.

Erick Martin introduced himself and gave a background for consideration of becoming a board member  
On motion duly made and seconded, the Board appointed Erick Martin to fill the vacancy on the board of directors.

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

**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 18, 2024, at 6:00 p.m. at 125 Mercado Street, Durango, Colorado.

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

Curt Piccoli  
Bud Gohn  
Judy Campbell  
Tom Price

Also present were Andrew Kimball, Dave Marsa, Rick Johnson and Bud Smith. Erick Martin participated by phone.

The Board reviewed and approved the minutes of February 15 and March 21, 2024.

The Board reviewed and approved the accounts payable.

Attorney Smith reviewed the March 2024 financial statements. There were no significant issues. Attorney Smith reviewed the investment update. Annual investment interest is projected at just over \$200,000 with a return of 5.33%

Andrew Kimball presented the monthly operations report. A copy of the issues for discussion is attached.

- Sludge processing will begin soon. A slightly different polymer has been purchased which should improve the process.
- The new employee, Kegan Aragon, is progressing in his training. A third employee will be needed as summer demands for locates, inspections, and other issues will increase.
- The basins are scheduled to be cleaned in July. All components will be inspected and replaced as needed.

Rick reviewed the status of various projects in the District. Rick reported that work on the master plan is continuing. He suggested a work session should be scheduled to review the financial model. The Board discussed the possibility of holding the work session at Rick's office in Bayfield. All directors indicated their availability for the session on May 9. Notices and a draft of the financial model will be sent out before the work session.

Attorney Smith reviewed a consulting agreement with Peter Hayes. Andrew Kimball stated that the services provided by Peter will allow staff to improve operations and qualify for certifications. On motion duly made and seconded, the agreement was approved.

Attorney Smith stated that the Board had agreed to review Andrew's performance in a couple of months following his promotion to operations supervisor. On motion duly made and seconded the

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Board voted to go into executive session to discuss a personnel matter as authorized by §24-6-402(4)(f), C.R.S.

The Board returned from executive session. After discussion of Andrew Kimball's performance, on motion duly made and seconded the Board approved any increase in his wages to \$40/hour effective May 1, 2024.

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



**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 May 16, 2024, at 6:00 p.m. at 125 Mercado Street, Durango, Colorado.

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

Bud Gohn  
Judy Campbell  
Tom Price  
Erick Martin

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

The Board reviewed and approved the minutes of April 18, 2024.

The Board reviewed and approved the accounts payable.

Attorney Smith reviewed the April 2024 financial statements. He noted that the District cash accounts exceeded \$4 million and that the District received the first Three Springs Crossing impact fee.

Andrew Kimball presented the monthly operations report. A copy of the issues for discussion is attached.

- Sludge processing will begin soon. Additional testing requirements have delayed the start of processing.
- A jet pump has been replaced which has increased the effectiveness of mixing resulting in improved effluent.
- Kegan Aragon is performing well. A third employee is needed. Andrew reported on an applicant that seems eager. The Board authorized Andrew to hire the applicant.

Attorney Smith provided an update on the District reimbursement policy for engineering, legal and other expenses incurred for new projects.

Rick reviewed the status of various projects in the District.

Rick provided an update on the administration building. Final plans are being developed to use in selecting a contractor.

Attorney Smith reviewed the new Colorado requirements for all special district websites to be ADA compliant. The July 1, 2024 deadline has been extended to July 1, 2025 however the District must demonstrate good faith efforts are underway to achieve compliance.

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

**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 June 20, 2024, at 6:00 p.m. at 125 Mercado Street, Durango, Colorado.

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

Bud Gohn  
Judy Campbell  
Tom Price  
Erick Martin

Also present were Andrew Kimball, Dave Marsa, and Rick Johnson.

The Board reviewed and approved the accounts payable.

On motion duly made and seconded, the minutes from the May 16, 2024 meeting were approved.

Andrew reviewed the May 2024 financial statements.

On motion duly made and seconded, the Board agreed to table the Streamline proposal.

Andrew Kimball presented the monthly operations report. No significant issues were reported.

Rick provided an update on the Master Plan. The Board approved a motion to schedule a study session to review the Master Plan on July 1, 2024 at 6 pm. administration building. Final plans are being developed to use in selecting a contractor.

Rick provided an update on various projects in the District.

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