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**NOTICE OF SPECIAL MEETING OF THE EDGEMONT RANCH METROPOLITAN DISTRICT
BOARD OF DIRECTORS**

TO ALL QUALIFIED TAXPAYING ELECTORS OF EDGEMONT RANCH METROPOLITAN DISTRICT TO ALL OTHER PERSONS TO WHOM IT MAY BE OF CONCERN:

NOTICE IS HEREBY GIVEN the Special Meeting of the Edgemont Ranch Metropolitan District Board of Directors will be held at **4:00 PM on Wednesday, June 3, 2021 via Zoom.**

Join Zoom Meeting

The purpose of the special Metro Board Meeting is to approve the new financing resolution

AGENDA ITEMS:

- 1) Approval of a Resolution to Authorize the Treasurer to finalize and close new financing for the ERMD Wastewater Treatment Plant
- 2) Any other business

Robert Ludwig is inviting you to a scheduled Zoom meeting.

Topic: Edgemont Metro Special Meeting for Approval of Loan Financing
Time: Jun 3, 2021 04:00 PM Mountain Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/82988454103?pwd=czNVc2tuTkI2L2l1NlFKcXdNeUpJZz09>

Meeting ID: 829 8845 4103

Passcode: 219621

One tap mobile

+13462487799,,82988454103#,,,,*219621# US (Houston)

+14086380968,,82988454103#,,,,*219621# US (San Jose)

Dial by your location

+1 346 248 7799 US (Houston)

+1 408 638 0968 US (San Jose)

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 646 876 9923 US (New York)

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

Meeting ID: 829 8845 4103

Passcode: 219621

Find your local number: <https://us02web.zoom.us/j/9169219621>

Dated this 28th day of May, 2021

EDGEMONT RANCH METROPOLITAN DISTRICT

Steve Martin, President

5 Edgemont Ranch Metropolitan District Locations & La Plata County Clerk's Office

**Edgemont Ranch Metropolitan District
Meeting of the Board of Directors
Minutes**

The Special meeting of the Board of Directors of the Edgemont Ranch Metropolitan District was called to order on Zoom Thursday, June 3, 2021 at 4:03 PM.

Directors in attendance: Steve Martin, Larry Mongelli, Al Winzerling, and Richard Butler. Andrew Rapiejko was absent. Metro staff members in attendance were: Robert Ludwig, Kurtis Martinez, Eric Mietchen and Mike Lancianese, Marilyn Heide, and Annette Hutchins. There were also about half dozen residents who joined in on Zoom.

Mr. Martin called the Special Metro Board Meeting to order. He stated that this meeting will only cover the resolution to authorize the Treasurer to finalize and close new financing for the ERMD Wastewater Treatment Plant.

Mr. Martin read resolution no. 2021-6.1: A resolution authorizing the execution and delivery of a loan agreement and note by Edgemont Ranch Metropolitan District, action by and through its sewer enterprise as a water activity enterprise, to an accredited investor bank, such note to be in a principal amount not exceeding \$7,600,000, for the purpose of financing or refinancing improvements to the system operated by such enterprise; providing for application of the net revenue of the system to the payment of the principal of and interest on such note and providing other details in connection therewith. (See attachment)

This was sent to the Metro's attorney, Mr. Smith.

Mr. Butler summarized that at this point he has received financing proposals from Denver based investment banks for an underwritten bond issue, Denver based Placement Agents, local banks and the USDA/DOLA Water Quality Revolving loans. He noted that the interest rates are rising and the District needs to make a decision soon to take advantage of current rates. The Metro needs to open an account at the bank for this special project. He expects we can achieve an interest rate of 2.9% - 3%. Mr. Butler believes that if the Wastewater Treatment Plant is completed on budget and we secure a financing at current interest rates that a Sewer rate hike might not be needed at this point in time. He stated he believes we can close the financing within 2 weeks.

Mr. Martin read the incidental action section of the resolution. The President, the Secretary and the other officials of the board are hereby authorized and directed to take all such action as may be necessary or appropriate in order to accomplish the transactions contemplated hereby. This action would include opening up a bank project account for the Metro's construction project.

Resident, Mr. Williams, asked if there were any grants available for this project. Mr. Butler stated that his research revealed that because of the high value of the homes and the high incomes represented in the neighborhood, Edgemont Ranch Metro District would not qualify for grants sufficient to support the project. He did examine federal and state low-cost loans from various USDA and DOLA programs. The issue with these loans is that the interest rate is not low enough to offset the higher construction and compliance costs associated with these programs.

Lastly, Mr. Martin moved to pass Resolution 2021-6-3.1, seconded by Mr. Winzerling and was unanimously approved. Mr. Butler moved to open up the new bank project account at Alpine Bank, seconded by Mr. Mongellii and was unanimously approved.

A motion was made and approved to adjourn the meeting at 4:10 PM.

Respectfully submitted,

Annette Hutchins,
Administrative Assistant

June 3, 2021

STATE OF COLORADO)
COUNTY OF LA PLATA)
EDGEMONT RANCH METROPOLITAN DISTRICT)

As the Secretary/Treasurer of the Board of Directors of Edgemont Ranch Metropolitan District (the "District"), in La Plata County, Colorado, I do hereby certify that the Board of Directors (the "Board") met in regular session at 5972 County Road 234, Durango, Colorado on June 3, 2021, and that:

1. Attached is a true and correct copy of a resolution (the "Resolution") adopted by the Board at the meeting.
2. Notice of such meeting was posted in three public places within the boundaries of the District and in the office of the County Clerk and Recorder.
3. The Resolution was duly moved, seconded and adopted at such meeting by the affirmative vote of a majority of the members of the Board.


<u>Board Member</u>	<u>Yes</u>	<u>No</u>	<u>Absent</u>	<u>Abstaining</u>
P. Stephen Martin, President	<input checked="" type="checkbox"/>	_____	_____	_____
Larry Mongelli, Vice President	<input checked="" type="checkbox"/>	_____	_____	_____
Richard Butler, Secretary/Treasurer	<input checked="" type="checkbox"/>	_____	_____	_____
Andrew Rapiejko, Director	_____	_____	<input checked="" type="checkbox"/>	_____
Al Winzerling, Director	<input checked="" type="checkbox"/>	_____	_____	_____

4. The Resolution was duly approved by the Board, signed by the President of the Board, sealed with the District's seal, attested by the Secretary/Treasurer of the Board and recorded in the minutes of the Board.

5. The meeting at which the Resolution was adopted was noticed, and all proceedings relating to the adoption of the Resolution were conducted, in accordance with all applicable bylaws, rules, regulations and resolutions of the District, in accordance with the normal procedures of the District relating to such matters, and in accordance with applicable constitutional provisions and statutes of the State of Colorado and all other applicable laws.

WITNESS my hand and the seal of the District as of June 3 2021.

[SEAL]


Secretary/Treasurer

RESOLUTION NO. 2021-6-3.1
(Series of 2021)

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND NOTE BY EDGEMONT RANCH METROPOLITAN DISTRICT, ACTING BY AND THROUGH ITS SEWER ENTERPRISE AS A WATER ACTIVITY ENTERPRISE, TO AN ACCREDITED INVESTOR BANK, SUCH NOTE TO BE IN A PRINCIPAL AMOUNT NOT EXCEEDING \$7,600,000, FOR THE PURPOSE OF FINANCING OR REFINANCING IMPROVEMENTS TO THE SYSTEM OPERATED BY SUCH ENTERPRISE; PROVIDING FOR APPLICATION OF THE NET REVENUE OF THE SYSTEM TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH NOTE AND PROVIDING OTHER DETAILS IN CONNECTION THEREWITH.

WHEREAS, Edgemont Ranch Metropolitan District (the “District”), in La Plata County, Colorado, is a quasi-municipal corporation, duly organized as a metropolitan district having, among other things, water and sanitation powers, and currently operating under the constitution and laws of the State of Colorado; and

WHEREAS, the District is acting hereunder by and through the Edgemont Ranch Metropolitan District Sewer Enterprise (the “Enterprise”), which has been duly and regularly established pursuant to Enabling Laws and a resolution of the District adopted on May 19, 2011, and the Enterprise has been and continues to be operated as a “water activity enterprise” within the meaning of Section 37-45.1-102(4), C.R.S., and such enterprise constitutes a government owned business which is authorized to issue its own revenue bonds and which shall not receive 10% or more of annual revenue in grants from all Colorado state and local governments combined; and

WHEREAS, the District has received several proposals to finance or refinance necessary improvements to its sewer infrastructure in an amount not to exceed \$7,600,000 (the “Loan”), to be made available through a lump-sum disbursement or through multiple advances to the District, at a stated interest rate not to exceed 3.25%, excluding penalties and interest applied to defaulted payments (which shall accrue at a rate not exceeding the highest rate permitted by law), for the purpose of financing certain improvements to the sewer system owned by the District (the “System”) and operated by the Enterprise including, but not limited to, the construction and improvement of a wastewater treatment plant and related appurtenances and connection lines (such improvements being referred to herein as the “Project”); and

WHEREAS, the District desires to delegate to the Secretary/Treasurer of the Board the authority to select the Lender from among the financial institutions presenting proposals and to provide for the preparation of a loan agreement between the District, acting by and through the Enterprise, and the Lender (the “Loan Agreement”), including the form of note (the “Note”) to be delivered to the Lender by the District, acting by and through the Enterprise (the Loan Agreement and the Note being referred to collectively herein as the “Loan Documents”); and

WHEREAS, the Note is exempt from registration under the “Colorado Municipal Bond Supervision Act” by virtue of the exemption provided in Section 11-59-110(1)(i), C.R.S., and following the adoption of this Resolution, an appropriate filing will be made under Section 11-59-110(2), C.R.S., in order to make such exemption applicable; and

WHEREAS, the Board has determined that it is necessary and advisable at this time to authorize the contracting of the Loan and the execution and delivery of the Loan Documents as provided herein;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF EDMONT RANCH METROPOLITAN DISTRICT IN LA PLATA COUNTY, COLORADO:

Section 1. Definitions. As used herein, the following capitalized terms shall have the respective meanings set forth below, unless the context indicates otherwise.

“*Board*” means the Board of Directors of the District, acting as the governing body of the Enterprise.

“*C.R.S.*” means the Colorado Revised Statutes, as amended and supplemented as of the date hereof.

“*District*” means the Edgemont Ranch Metropolitan District, acting by and through its Sewer Enterprise.

“*Enabling Laws*” means Article 56 of Title 11, Colorado Revised Statutes, as amended, Part 2, Article 57 of Title 11, Colorado Revised Statutes, as amended; Part 4, Article 35 of Title 31, Colorado Revised Statutes, as amended; Article 1 of Title 32, Colorado Revised Statutes, as amended; Part 1, Article 45.1 of Title 37, Colorado Revised Statutes, as amended; and all other laws of the State thereunto enabling.

“*Enterprise*” means the Edgemont Ranch Metropolitan District Sewer Enterprise, as established and maintained as a Water Activity Enterprise by the District.

“*Enterprise Fund*” means the Sewer Enterprise Fund of the District which accounts for the financial activities of the Enterprise.

“*Financing Documents*” means the Loan Agreement and the Note.

“*Lender*” means the lender financial institution as finally approved by the Secretary/Treasurer of the Board, which lender financial institution shall be a qualified financial institution approved by the Secretary/Treasurer of the Board and bond counsel to the District or the District’s General Counsel.

“*Loan*” means the loan to be made by the Lender pursuant to the Loan Agreement.

“*Loan Agreement*” means that certain Loan Agreement between the District and the Lender pursuant to which the Lender is to loan the District moneys pursuant to the terms thereof.

“*Note*” means the Note to be issued by the District to the Lender pursuant to the Loan Agreement, the form of which is set forth as an Exhibit to the Loan Agreement.

“*Project*” means any purpose for which proceeds of the Loan may be expended under the Enabling Laws, which purposes are expected to include the construction and improvement of a wastewater treatment plant and related appurtenances and connection lines.

“*Project Costs*” means the District’s costs properly attributable to the Project, or any parts thereof, and permitted by the provisions of the Enabling Law.

“*State*” means the State of Colorado.

“*System*” means (i) any facility, plant, works, system, building, structure, improvement, machinery, equipment, fixture or other real or personal property, relating to the collection, treatment, transmission and disposal of wastewater that is owned, operated or controlled by the District, including, without limitation, the Project, (ii) any renewal, replacement, addition, modification or improvement to (i) above, and (iii) all real or personal property and rights therein and appurtenances thereto necessary or useful or convenient for the effectiveness of the purposes of the District in the collection, treatment, transmission and disposal of wastewater.

Section 2. Authorization of Loan. The District hereby elects to apply the provisions of Part 2 of Article 57, Title 11, Colorado Revised Statutes (the “Supplemental Public Securities Act”) to the Loan Agreement and the Note. The Loan, in a maximum principal amount not to exceed \$7,600,000, to be disbursed to the District either at closing or by multiple advances within eighteen (18) months thereafter, maturing in not more than twenty-six (26) years from the date of issuance of the Note and bearing interest at a stated interest rate, excluding penalties and interest applicable to defaulted payments (which shall accrue at a rate not exceeding the highest rate permitted by law), not to exceed 3.250% and a maximum net effective interest rate, based on the stated maturity and payment terms of the Note, not to exceed 3.250% per annum, is hereby authorized. The Loan shall be made subject to prepayment as provided in the Loan Agreement. Before the Loan Documents are delivered to the Lender, the final details of the Loan, including the name of the Lender, not inconsistent herewith, shall be approved by the Secretary/Treasurer of the Board. To the fullest extent permitted by the Supplemental Public Securities Act, any such

approval may include such additional details pertaining to the Loan and not inconsistent herewith as may be reasonably required.

Section 3. Form and Execution of Loan Documents. The execution and delivery of the Loan Documents, in substantially the form presented to the Board at this meeting with such changes, not inconsistent herewith, as are approved by bond counsel to the District or the District’s General Counsel, are hereby authorized. The Loan Documents shall include such appropriate variations as are necessary to conform to the final Loan terms approved by the Secretary/Treasurer of the Board

Section 4. Disposition of Note. When the Note has been duly executed as authorized by this Resolution, and the Lender has either disbursed the Loan proceeds or certified in writing that the moneys to be borrowed under the Loan Agreement are available for disbursement, the Note shall be delivered to the Lender.

Section 5. Payment of Principal and Interest. The District, acting by and through the Enterprise, pledges and covenants to apply the Net Revenue (as defined in the Loan Agreement) to pay the interest on and the principal of the Note as the same respectively become due and payable; provided that the obligation of the District, acting by and through the Enterprise, is not a general obligation and does not constitute a debt, indebtedness or multiple-fiscal year financial obligation of the District within the meaning of any constitutional or statutory limitation.

Section 6. Various Findings, Determinations, Declarations and Covenants. The Board, having been fully informed of and having considered all the pertinent facts and circumstances, hereby finds, determines, declares and covenants that:

(a) The Board hereby determines that the Enterprise is an “enterprise” within the meaning of Article X, Section 20 of the Colorado Constitution. The District has and will continue to maintain the System as part of its “enterprise” within the meaning Article X, Section 20 of the Colorado Constitution, and the meaning of Title 37, Article 45.1, C.R.S.; provided, however, after the current calendar year the District may disqualify the “enterprise” in any year in which said disqualification does not materially, adversely affect the enforceability of the covenants made in the Financing Documents. In the event that the “enterprise” is disqualified and the enforceability of the covenants made by the District in the Financing Documents are materially, adversely affected, the District covenants to (i) immediately take all actions necessary to qualify System as an enterprise within the meaning of Article X, Section 20 of the Colorado Constitution and (ii) permit the enforcement of the covenants made in the Financing Documents.

(b) The District has no outstanding debt, bonds, loans or other multiple fiscal year obligations which are secured by the Net Revenue.

(c) The Board elects to apply all of the provisions of Part 2, Article 57 of Title 11, Colorado Revised Statutes to the execution of the Loan Agreement and to the issuance of the Note. Pursuant to and in accordance with Section 11-57-212, C.R.S., no action or proceeding concerning the issuance of the Note shall be maintained against the District unless commenced within 30 days after the date of passage of this Resolution.

(d) The issuance of the Note and all procedures undertaken incident thereto are in full compliance and conformity with all applicable requirements, provisions and limitations prescribed by the Constitution and laws of the State, including all provisions and limitations in the Enabling Laws, imposed upon the issuance of the Note have been met.

(e) It is in the best interests of the District and its residents that the Note be authorized, issued and delivered at the time, in the manner and for the purposes provided in this Resolution.

Section 7. Special, Limited Obligations; No Covenant to Levy Taxes. The Loan Documents and the provisions of this Resolution shall be special, limited obligations of the District, acting by and through the Enterprise. Nothing herein shall be construed to authorize the

levying of any taxes for the payment of the principal of the Note or interest thereon, the obligations thereunder being payable solely from the Net Revenue and from no other source.

Section 8. Repealer. All orders, bylaws, ordinances and resolutions, or parts thereof, inconsistent with or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.

Section 9. Resolution Irrepealable; Expiration. After the Loan Agreement is executed and delivered, and the Note is issued, this Resolution shall be and remain irrepealable until the Loan and the interest thereon shall have been fully paid, satisfied and discharged. This Resolution shall expire by its terms if and to the extent that the Loan Agreement is not executed and delivered or the Note is not issued within one year of the final adoption hereof.

Section 10. Severability. Should any one or more sections or provisions of this Resolution be judicially determined invalid or unenforceable, such determination shall not affect, impair or invalidate the remaining provisions hereof, the intention being that the various provisions hereof are severable.

Section 11. Incidental Action. The President, the Secretary and the other officials of the Board are hereby authorized and directed to take all such action as may be necessary or appropriate in order to accomplish the transactions contemplated hereby.

Adopted and approved this 3rd day of June, 2021.

EDGEMONT RANCH METROPOLITAN
DISTRICT

[SEAL]

By 
President

Attested:

By 
Secretary/Treasurer