



METROPOLITAN DISTRICT

5972 County Road 234 Durango, CO 81301

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**NOTICE OF PUBLIC RATE HEARING AND REGULAR 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** of the Public Rate Hearing and of the Regular Meeting of the Edgemont Ranch Metropolitan District Board of Directors will be held at **4:00 PM on Thursday, April 15, 2021 via Zoom.**

The purpose of the meeting is to transact the items specified below and transact such other business as may properly come before the Board in accordance with the Bylaws of the District.

**AGENDA ITEMS:**

1. Special Metro Rate Hearing Meeting
2. Approve ERMD Regular Board Meeting Minutes from February 18, 2021
3. 1<sup>st</sup> Quarter Financial Report – Marilyn
4. Wastewater Treatment Plant Update – Mr. Butler & Mr. Martinez
5. Staff Report
  - A) Discuss ERMD Water Advisory notice dealing with La Plata County Exceptional Drought status
6. Board Concerns

Robert Ludwig is inviting you to a scheduled Zoom meeting.

Topic: Edgemont Ranch Metro April Board Meeting and Public Sewer Rate Hearing

Time: Apr 15, 2021 04:00 PM Mountain Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/86295527751?pwd=dVpzWWYxR3hRWDRVT0lyODY0cFFUQT09>

Meeting ID: 862 9552 7751

Passcode: 791446

One tap mobile

+13462487799,,86295527751#,,,,\*791446# US (Houston)

+14086380968,,86295527751#,,,,\*791446# 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)

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

+1 646 876 9923 US (New York)

Meeting ID: 862 9552 7751

Passcode: 791446

Find your local number: <https://us02web.zoom.us/j/86295527751>

Dated this 12th day of April 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 regular meeting of the Board of Directors of the Edgemont Ranch Metropolitan District was called to order on Zoom Thursday, April 15, 2021 at 4:00 PM.

All directors were in attendance:: Steve Martin, Larry Mongelli, Al Winzerling, Rich Butler and Andrew Rapiejko. Metro staff members in attendance were: Robert Ludwig, Kurtis Martinez, and Mike Lancianese, and Marilyn Heide. There were also about 30 residents who joined in on Zoom.

Mr. Martin called the Special Metro Rate Hearing Meeting to order. He stated that this meeting will cover the explanation of a possible sewer rate increase with the final decision to be made at the next Metro Board meeting on June 17<sup>th</sup>.

Mr. Butler prepared data to present to the board and residents on how to raise additional funds needed to finance the increased costs for the required waste water plant construction due to the significantly increased stringent regulations. He first thanked the residents for emailing their questions to the board after they received additional information concerning the new required Waste Water Treatment Plant. He would like to give a brief summary of the situation with the main focus on the facility's increased cost and the financing. (See attachment for additional information and the breakdown of three proposed fee increase projections \$5, \$8, and \$10/month) Mr. Butler referenced his past experience as a banker for 30 years with extensive experience in raising capital for various projects.

The resident's questions included - Would the board consider using a sliding rate scale variable? It is a consideration – though a flat rate would be more certain. Another suggestion was a rate based on usage. He explained the fee amount would be difficult to estimate. Again they would need more certainty. Would rates be reset lower after the loan had been paid? It will take a long time to find the answer to this question – in not knowing what the Metro's financial situation will be in 20-30 years at the end of the life of the loan. Mr. Butler discussed various other financial possibilities. First he reviewed the research he had done on the bond market. The process would be under a placement agent with a tax exemption status, 25-30 year maturity that needed a guaranty and would get an investment rating. Metro would be locked in and limited to 10 year maturity schedule. Then he reviewed his findings with 2 Denver Banks and several local banks and is hopeful for a 20-25 maturity schedule. The banks required a contingency reserve as a cushion in the loan. They also wanted to see cash coverage of 10-15%. We won't know this until we see their offer. Mr. Mongelli asked what the life of the plant was. Mr. Ludwig stated the wastewater plant would have about 40-50 years of useful life. Mr. Butler explained Metro's need to build up reserves to 35K for repairs that can occur over the years. Even after full payment the budget won't go to 0 costs. Mr. Martin stated that the plant can be upgraded to meet more stringent anticipated regulations in the future. A resident asked if the Metro had flood insurance. Mr. Butler explained Metro had a comprehensive insurance plan and expected the rates and deductible to increase as soon as the new plant started operation. He said that the wastewater plant will be further away from the river than the lagoons and didn't expect flooding problems. Mr. Ludwig stated the District could get a large amount of fire funds from the state. Mr. Butler expected it would take a week to ten days to get a formal offer from a bank. Mr. Martin concluded this part of the meeting by stating that Metro would not set a rate until the District had gotten replies from the banks. Also, the research would continue until the June Metro Board meeting as financial numbers are reworked. Mr. Martin moved to have the financing research continue, seconded by Mr. Butler and was unanimously approved. Mr. Butler then stated he would like to engage a bond attorney to go through the paperwork. He asked the

board for approval to work with Bud Smith, the Metro's attorney, to start the process. Mr. Martin moved for Mr. Butler to work with Mr. Smith to proceed with the paperwork, seconded by Mr. Winzerling and was unanimously approved.

Mr. Martin thanked Mr. Butler for his thorough research in preparing this presentation.

Mr. Martin then preceded on to the Regular Metro Board Meeting about 4:30 PM.

Mr. Winzerling moved to approve the Regular Metro Board meeting minutes from February 18, 2021, seconded by Mr. Mongelli, and was carried unanimously.

Marilyn reviewed the 1st Quarter Financial Report. ERMD Consolidated Balance Sheet, March 31, 2021, ERMD Consolidated Statement of Cash Flows, March 31, 2021 YTD, and ERMD Analysis of Reserve Activity, March 31, 2021 YTD. (See attachment)

Mr. Martin congratulated staff member, Mr. Martinez, on his wedding the next day. Mr. Martinez gave the wastewater treatment plant update; the current lagoon system has had fairly normal nitrogen and ammonia levels. Update on the WWP - 450 yards of concrete will be poured for the whole foundation for the bio tanks to sit on. The complete system will be back filled and have French drains. They are planning to be ahead of the irrigation ditches starting May 20<sup>th</sup>, and are on track to beat the opening of the ditches. Staff members meet with the sub-contractors weekly on Wednesdays and then meet with the engineers, Integrated Systems, on Thursdays. The frequent communication is helpful in the WWP building process and is working out well.

Mr. Ludwig continued his discussion of the water advisory dealing with La Plata County exceptional drought status. Snow pack was at 70%. He was advising the residents to be conscientious about choosing plants to be watered, and understand they may need to be hand watered this summer and fall. Metro is better off than the summer of 2019 so far, but be aware it could be quite a dry season. He will get a letter out to the residents concerning the water budget for 2021.

Mr. Martin brought up an issue from last October concerning resident Mr. Shaner's interest in developing his property outside and adjacent to Edgemont Ranch and asking Metro for water service for the properties. The board had voted "no" on the proposal at the October board meeting. Mr. Anesi, Mr. Shaner's lawyer, has presented his request to the board for reconsideration. This was done by a letter to the board attorney. Mr. Martin inquired if any director wished to reconsider his position. There being no response, the board attorney will inform Mr. Anesi the board reconsidered and rejected this latest request as well.

Mr. Martin brought up a continuing issue with the State Department of Water Resources concerning the Metro receiving violation fees for the 3 year delay in building the required WWP while the District had been waiting on the state for their final approval this whole time. Mr. Ludwig stated that staff had been working with the state to get the fees reduced. Mr. Smith would finalize a proposed settlement of the matter and that it be formalized by a written document when presented to the Board in a satisfactory manner. Mr. Smith advised the board not to completely reject the settlement so as not drag out the legal process costing the Metro more than the settlement. Mr. Butler moved to proceed on a formal settlement agreement with the state, seconded by Mr. Martin, and all board members agreed unanimously.

Lastly, Mr. Butler related Mr. Cortese's good news that Metro's water lawyer had recently won a major part of Metro's water rights. The District is certain to get a good outcome for the Abling Cash with a decision from the water court. The Metro's water attorney was still working out the final details. This good outcome was largely due to Mr. Cortese's steadfastness in his involvement with Metro's important water rights. Mr. Martin asked board members to discuss ideas on how to thank Mr. Cortese for all of his time working on this tedious legal issue.

Board and staff members again thanked Mr. Butler for all of his hard work in presenting this information and his work with the banks researching the wastewater plant financing.

A motion was made and approved to adjourn the meeting at 5:00 PM.

Respectfully submitted,

Annette Hutchins,  
Administrative Assistant

## **Additional Information for the April 15, 2021 Sewer Rate Hearing Relating to the Edgemont Ranch Metro District Wastewater Treatment Plant**

**Below you will find additional information about the new required Wastewater Treatment Plant (WWTP). We will be discussing this at our Rate Hearing on April 15<sup>th</sup>, 2021 via Zoom Conference call. Please send your questions via email ahead of time so that staff and the board can try to prepare any needed information. Address emails to: [robert@edgemontranch.com](mailto:robert@edgemontranch.com)**

**Background:** ERMD has been working with the Colorado Department of Public Health and Environment (CDPHE), our primary water quality regulator, to get approval of a new WWTP to meet new, more stringent effluent limits that went into effect in 2015. At that time, we started the process to design and build a new WWTP to meet these new requirements. The District engaged Goff Engineering (Durango) and Element Engineering; a Denver based firm specializing in water treatment projects. We expected a 12-month approval process for plant design and location. Unfortunately, that process took more than 3 years, during which time our requirements to remove grit, nitrogen and phosphorus were increased and treatment redundancies were added by CDPHE, all of which required upgrades to our design. The additional requirements and the delayed approval have significantly increased the plant's cost. However, ERMD now has approval of all aspects of the project and secured a firm bid from Integrated Water Services of \$7.5 million for plant construction during a competitive bidding process that included entering into a value-engineering process that reduced the final cost by over \$500,000.

**Financing Options:** When ERMD received our first set of new Effluent Limits from CDPHE we were given a deadline to have financing in place by 2017. We did this, borrowing \$4.5 million from Alpine Bank in 2017 at 3.375% on a 20-year amortization schedule. This would have been sufficient to finance a plant designed to meet this first set of limits. The Board considered several options, including, 1. A one-time assessment of all lots (approximately \$7,200 per lot), 2. partial grant funding, and 3. borrowing at 5-, 10- and 20-year amortizations. The Board's approach was that the new WWTP costs should be borne by future residents as well as current residents and spread over a longer period of time in order to benefit from future growth.

We considered grants. However, the higher-than-average median home and income level of our development, the decrease in DOLA and other government funding agencies resources and the high cost of complying with government funded projects made grant funding unlikely and uneconomic. The new \$1.9 trillion stimulus bill does contain funding for water quality projects at the local level. We will explore these, and if successful, any reduction in borrowing costs will allow us to lower our sewer rates. The borrowing options included the bond market and local banks. The bond option was more expensive (fees and legal costs were higher on a small deal of our size) and was not flexible – no ability to pre-pay the debt if our growth generated more cash flow. We chose Alpine on cost and flexibility: we are able to prepay the debt without penalty and the long term loan spreads the cost over future and current residents.

**Current Situation:** Now that we have finally received all necessary approvals and the cost has been bid at \$7.5 million, we are discussing financing with banks and bond providers. We intend to provide a \$600,000 Contingency on the project bid cost, 8% of the expected cost. In the past 6 months construction costs, especially steel, concrete and lumber have soared. And, while we do not anticipate incurring costs beyond the bid price, it is prudent and standard practice to provide for contingencies. Finally, while interest rates are rising now, they remain at very low historic levels; for planning purposes we are assuming a rate of approximately 3% on a 20-year maturity schedule. Taking all of this into account, at this time we believe our new financing need is an additional \$3.25 million.

In the coming weeks we plan to get preliminary indications of our financing options (fees, rates and maturities). By mid-year we hope to lock in the financing. At that time the board will determine any needed changes to our current Sewer rates and timing. Currently any rate increase would likely take effect as of September 31 or December 31, 2021. Based on the information we now have the most likely options are an increase in ERMD's sewer charges of between \$5 and \$10 per month. This would be a 5.3% to 10.5% increase over existing Sewer charges of \$95/month. As stated above, in setting rates, the

board will take into consideration lower interest rates, lower construction cost, etc. However, please be aware that this depends on ERMD’s ability to secure financing, and, while we are confident in our ability to get good financial terms, we do not yet have firm, committed financing. We are negotiating with local and national tax-exempt underwriters and banks to secure the least expensive, most flexible financing package available and will pass on savings from lower interest rates and better repayment schedules into our Sewer fee levels.

Below are 3 potential options showing the impact of a \$5, \$8 and \$10 per month rate increase to our Maintenance fee (Infrastructure cost is included in our Maintenance category). In the past, the board has considered variable rate charges that are based on water/sewer usage. However, due to the fact that variable charges are difficult to forecast and plan with, especially when trying to establish long term fixed rate financing, a flat fee per lot is more appropriate at this time.

We are assuming rapid growth over the next 2 years and then a slower rate of growth in lot and home building. Currently the District has 764 properties (616 homes & 148 lots). We are forecasting rapid growth in the next 2 years (62 new lots and 60 new homes – more than our historical average). In the event even faster growth occurs ERMD plans to pre-pay debt to lower our overall costs and pass that on in lower rates if feasible. It is also important to note that the operating costs of the new WWTP will be higher than those of the current lagoon system. This is due to the significantly more stringent standards (nitrogen, phosphorous and grit removal, filter maintenance and power requirements). These projections include the higher estimated operating costs.

Summary Edgemont Ranch Metro District Sewer Fund Cash Flow Forecast: New Rate Increase \$10 Per Month													
	Actual 2018	Actual 2019	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030
Existing Lots Start of Year	181	152	178	148	138	150	140	130	120	115	110	105	100
New Lots	17	49	0	20	42	10	5	5	5	5	5	5	5
Total Lots End of Year	152	178	148	138	150	140	130	120	115	110	105	100	95
Existing Homes Start of Year	517	563	586	616	646	676	696	711	726	736	746	756	766
New Homes	46	23	30	30	30	20	15	15	10	10	10	10	10
Homes @ End of Year	563	586	616	646	676	696	711	726	736	746	756	766	776
TOTAL PROPERTIES	715	764	764	784	826	836	841	846	851	856	861	866	871
TOTAL SEWER FUND REVS	\$821,797	\$788,790	\$829,610	\$928,630	\$962,374	\$1,001,880	\$1,015,345	\$1,024,645	\$1,033,070	\$1,040,870	\$1,048,670	\$1,056,470	\$1,064,270
TOTAL SEWER EXPENSES	\$563,327	\$672,652	\$661,393	\$5,640,071	\$3,400,574	\$654,994	\$659,552	\$664,256	\$669,102	\$674,104	\$679,266	\$684,587	\$690,077
NET REV BEFORE DEBT	\$258,470	\$116,138	\$168,217	-\$4,711,441	-\$2,438,200	\$346,886	\$355,793	\$360,389	\$363,968	\$366,766	\$369,404	\$371,883	\$374,193
New Debt				\$3,250,000									
Principal Repayment	\$162,335	\$167,978	\$173,426	\$240,000	\$285,750	\$294,550	\$303,129	\$312,005	\$321,864	\$331,276	\$342,004	\$353,338	\$362,779
NET CASH FLOW	\$96,135	-\$51,840	-\$5,209	-\$1,701,441	-\$2,723,950	\$52,336	\$52,664	\$48,384	\$42,104	\$35,490	\$27,400	\$18,545	\$11,414
Begin Sewer Cash Reserve	\$4,975,217	\$5,071,352	\$5,019,512	\$5,014,303	\$3,312,862	\$588,912	\$641,248	\$693,912	\$742,296	\$784,399	\$819,889	\$847,289	\$865,835
YE Sewer Cash Reserve	\$5,071,352	\$5,019,512	\$5,014,303	\$3,312,862	\$588,912	\$641,248	\$693,912	\$742,296	\$784,399	\$819,889	\$847,289	\$865,835	\$877,248

Summary Edgemont Ranch Metro District Sewer Fund Cash Flow Forecast: New Rate Increase \$8 Per Month														
	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
Existing Lots Start of Year	181	152	178	148	138	150	140	130	120	115	110	105	100	
<u>New Lots</u>	17	49	0	20	42	10	5	5	5	5	5	5	5	
Total Lots End of Year	152	178	148	138	150	140	130	120	115	110	105	100	95	
Existing Homes Start of Year	517	563	586	616	646	676	696	711	726	736	746	756	766	
<u>New Homes</u>	46	23	30	30	30	20	15	15	10	10	10	10	10	
Homes @ End of Year	563	586	616	646	676	696	711	726	736	746	756	766	776	
TOTAL PROPERTIES	715	764	764	784	826	836	841	846	851	856	861	866	871	
TOTAL SEWER FUND REVS	\$821,797	\$788,790	\$829,610	\$910,054	\$943,054	\$981,936	\$995,221	\$1,004,401	\$1,012,706	\$1,020,386	\$1,028,066	\$1,035,746	\$1,043,426	
TOTAL SEWER EXPENSES	\$563,327	\$672,652	\$661,393	\$5,640,071	\$3,400,574	\$654,994	\$659,552	\$664,256	\$669,102	\$674,104	\$679,266	\$684,587	\$690,077	
NET REV BEFORE DEBT	\$258,470	\$116,138	\$168,217	-\$4,730,017	-\$2,457,520	\$326,942	\$335,669	\$340,145	\$343,604	\$346,282	\$348,800	\$351,159	\$353,349	
New Debt				\$3,250,000										
Principal Repayment	\$162,335	\$167,978	\$173,426	\$240,000	\$285,750	\$294,550	\$303,129	\$312,005	\$321,864	\$331,276	\$342,004	\$353,338	\$362,779	
NET CASH FLOW	\$96,135	-\$51,840	-\$5,209	-\$1,720,017	-\$2,743,270	\$32,392	\$32,540	\$28,140	\$21,740	\$15,006	\$6,796	-\$2,179	-\$9,430	
Begin Sewer Cash Reserve	\$4,975,217	\$5,071,352	\$5,019,512	\$5,014,303	\$3,294,286	\$551,016	\$583,408	\$615,948	\$644,088	\$665,827	\$680,833	\$687,629	\$685,451	
YE Sewer Cash Reserve	\$5,071,352	\$5,019,512	\$5,014,303	\$3,294,286	\$551,016	\$583,408	\$615,948	\$644,088	\$665,827	\$680,833	\$687,629	\$685,451	\$676,020	

Summary Edgemont Ranch Metro District Sewer Fund Cash Flow Forecast: New Rate Increase \$5 Per Month														
	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
Existing Lots Start of Year	181	152	178	148	138	150	140	130	120	115	110	105	100	
<u>New Lots</u>	17	49	0	20	42	10	5	5	5	5	5	5	5	
Total Lots End of Year	152	178	148	138	150	140	130	120	115	110	105	100	95	
Existing Homes Start of Year	517	563	586	616	646	676	696	711	726	736	746	756	766	
<u>New Homes</u>	46	23	30	30	30	20	15	15	10	10	10	10	10	
Homes @ End of Year	563	586	616	646	676	696	711	726	736	746	756	766	776	
TOTAL PROPERTIES	715	764	764	784	826	836	841	846	851	856	861	866	871	
TOTAL SEWER FUND REVS	\$821,797	\$788,790	\$829,610	\$882,190	\$914,074	\$952,020	\$965,035	\$974,035	\$982,160	\$989,660	\$997,160	\$1,004,660	\$1,012,160	
TOTAL SEWER EXPENSES	\$563,327	\$672,652	\$661,393	\$5,640,071	\$3,400,574	\$654,994	\$659,552	\$664,256	\$669,102	\$674,104	\$679,266	\$684,587	\$690,077	
NET REV BEFORE DEBT	\$258,470	\$116,138	\$168,217	-\$4,757,881	-\$2,486,500	\$297,026	\$305,483	\$309,779	\$313,058	\$315,556	\$317,894	\$320,073	\$322,083	
New Debt				\$3,250,000										
Principal Repayment	\$162,335	\$167,978	\$173,426	\$240,000	\$285,750	\$294,550	\$303,129	\$312,005	\$321,864	\$331,276	\$342,004	\$353,338	\$362,779	
NET CASH FLOW	\$96,135	-\$51,840	-\$5,209	-\$1,747,881	-\$2,772,250	\$2,476	\$2,354	-\$2,226	-\$8,806	-\$15,720	-\$24,110	-\$33,265	-\$40,696	
Begin Sewer Cash Reserve	\$4,975,217	\$5,071,352	\$5,019,512	\$5,014,303	\$3,266,422	\$494,172	\$496,648	\$499,002	\$496,776	\$487,969	\$472,249	\$448,139	\$414,875	
YE Sewer Cash Reserve	\$5,071,352	\$5,019,512	\$5,014,303	\$3,266,422	\$494,172	\$496,648	\$499,002	\$496,776	\$487,969	\$472,249	\$448,139	\$414,875	\$374,178	



**EDGEMONT RANCH METROPOLITAN DISTRICT**  
**Consolidated Balance Sheet**  
**MARCH 31, 2021**

<b>ASSETS</b>		
Current Assets		
Cash		\$253,078
Water System Reserve + Unrestricted		332,771
Sewer System Reserve + Unrestricted		4,648,982
Road Maintenance Reserve		349,923
Snow Removal Reserve		161,229
Property Taxes Receivable		175,567
Water/Sewer Base Fees Receivable		39,048
Infrastructure Maintenance Fees Receivable		88,095
Other Current Assets		1,023
Bad Debt Reserve		-3,020
	Total Current Assets	6,046,696
Property, Plant and Equipment		
Water Source and Distribution Infrastructure		5,907,111
Water Treatment Infrastructure		678,783
Water Plant Equipment		172,780
Sewer Transmission Infrastructure		3,853,944
Sewer Treatment Infrastructure		427,813
Sewer Treatment Plant Construction in Progress		358,513
Sewer Plant Equipment		158,285
Transportation Equipment		206,491
Office Building		71,280
Accumulated Depreciation		-3,017,490
	Total Property, Plant and Equipment	8,817,510
Other Assets		
Roads Infrastructure		6,540,980
Security Infrastructure		262,576
Office Building & Equipment		333,502
Building Improvements		87,536
Land		62,609
Accumulated Depreciation		-2,031,375
	Total Other Assets	5,255,828
	<b>TOTAL ASSETS</b>	<b>\$20,120,034</b>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable		28,703
Accrued Compensated Absences		11,260
Unearned revenue		20,000
	Total Current Liabilities	59,963
Long-term Debt		
Notes Payable		4,836,230
	Total Long-term Debt	4,836,230
	<b>TOTAL LIABILITIES</b>	<b>4,896,193</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Property Tax Revenue		175,567
<b>NET POSITION</b>		
		<b>\$0</b>
Retained Earnings		8,650,971
Contributed Capital		4,090,641
Investment in General Fixed Assets		2,155,763
Restricted for Roads		265,398
LT Debt Paid YTD Reported in Cash Flow as Outflow		123,673
Net Cash Flow		-238,172
	<b>TOTAL NET POSITION</b>	<b>15,048,274</b>
	<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$20,120,034</b>

**EDGEMONT RANCH METROPOLITAN DISTRICT**  
**Consolidated Statement of Cash Flows**  
**MARCH 31, 2021 YTD**

<b>CASH INFLOW</b>	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>General Fund</b>	<b>Long Term Debt</b>	<b>Total</b>	<b>Budget</b>	<b>Variance</b>	<b>%</b>
Water / Sewer Base Fees	\$58,275	\$46,818			\$105,093	\$103,565	1,528	1%
Infrastructure Maintenance Fees	88,710	91,422			180,132	187,995	(7,863)	-4%
Property Tax Income			\$101,792	\$26,690	128,482	110,125	18,357	17%
Snow Removal Fees			21,956		21,956	22,915	(959)	-4%
Water / Sewer Reserves	36,963	164,560			201,523	210,405	(8,882)	-4%
Inspection/Equipment/Impact Fees	6,594	350	7,375		14,319	6,125	8,194	134%
Lease Income			14,952		14,952	29,904	(14,952)	-50%
EPOA Reimbursement	0	0	2,163		2,163	3,240	(1,077)	-33%
Other	936	936	468		2,340	75	2,265	3020%
Interest Income		1,656			1,656	1,675	(19)	-1%
Bad Debt Reserve	-1,196	-1,680	-144		-3,020	0	(3,020)	
<b>TOTAL CASH INFLOW</b>	<b>190,282</b>	<b>304,062</b>	<b>148,562</b>	<b>26,690</b>	<b>669,596</b>	<b>676,024</b>	<b>-6,428</b>	<b>-1%</b>
Transfers to Reserves	-36,963	-166,216	-54,066	0	-257,245	-259,480		
<b>NET OPERATING CASH INFLOW</b>	<b>153,319</b>	<b>137,846</b>	<b>94,496</b>	<b>26,690</b>	<b>412,351</b>	<b>416,544</b>	<b>-4,193</b>	<b>-1%</b>
<b>OPERATING CASH OUTFLOW</b>								
Professional Fees	8,064	675	3,074	766	12,579	8,340	(4,239)	-51%
Office Expenses	1,041	1,092	879		3,012	3,936	924	23%
Employee Expenses - Personnel	32,410	32,410	16,205		81,025	90,725	9,700	11%
Employee Exp - Taxes, Insurance, etc.	16,848	16,848	8,424		42,120	39,650	(2,470)	-6%
Insurance	7,182	7,182	3,591		17,955	21,900	3,945	18%
Vehicle Expenses	3,759	3,690	1,851		9,300	4,050	(5,250)	-130%
Operations Expenses	13,137	10,379	2,361		25,877	41,140	15,263	37%
Maintenance/Repair Equipment	343	0			343	1,865	1,522	82%
Maintenance/Repair Infrastructure	5,523	0	1,897		7,420	8,305	885	11%
Distribution / Collections	2,610	4,632			7,242	10,630	3,388	32%
Capital Expenditures	0				0	0	0	#DIV/0!
Debt & Interest Payments				15,348	15,348	15,349	1	0%
Other	14,796	0	18		14,814	48,250	33,436	69%
<b>TOTAL OPERATING CASH OUTFLOW</b>	<b>105,713</b>	<b>76,908</b>	<b>38,300</b>	<b>16,114</b>	<b>237,035</b>	<b>294,140</b>	<b>57,105</b>	<b>19%</b>
<b>CASH FLOW BEFORE RESERVES</b>	<b>\$47,606</b>	<b>\$60,938</b>	<b>\$56,196</b>	<b>\$10,576</b>	<b>\$175,316</b>	<b>\$122,404</b>	<b>\$52,912</b>	<b>43%</b>
<b>NET RESERVE ACTIVITY</b>	<b>6,409</b>	<b>-432,740</b>	<b>12,843</b>	<b>0</b>	<b>-413,488</b>	<b>-887,546</b>	<b>474,058</b>	
<b>TOTAL CASH FLOW</b>	<b>\$54,015</b>	<b>-\$371,802</b>	<b>\$69,039</b>	<b>\$10,576</b>	<b>-\$238,172</b>	<b>-\$765,142</b>	<b>\$526,970</b>	<b>-69%</b>

**EDGEMONT RANCH METROPOLITAN DISTRICT**  
**Analysis of Reserve Activity**  
**MARCH 31, 2021 YTD**

	<u>Water System Reserve</u>	<u>Waste Water System Reserve</u>	<u>Road Maintenance Reserve</u>	<u>Snow Removal Reserve</u>	<u>Total</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
<b>CURRENT RESERVE CASH INFLOW</b>								
Spring Valley Reservoir Reserve Fees	36,963				\$36,963	\$38,550	(1,587)	-4%
WWTP Reserve		164,560			\$164,560	171,855	(7,295)	-4%
Interest on Loan Proceeds		1,656			\$1,656	1,675	(19)	-1%
Road Maintenance Tax Levy			\$24,735		\$24,735	21,335	3,400	16%
Snow Removal Fee				\$21,956	\$21,956	22,915	(959)	-4%
Road Impact Fees			7,375		\$7,375	3,150	4,225	134%
<b>TOTAL CASH INFLOW</b>	<b>36,963</b>	<b>166,216</b>	<b>32,110</b>	<b>21,956</b>	<b>257,245</b>	<b>259,480</b>	<b>-2,235</b>	<b>-1%</b>
<b>CURRENT RESERVE CASH OUTFLOW</b>								
Spring Valley Reservoir Loan Payments	30,554				30,554	30,554	0	0%
WWTP Loan/Interest Payments		77,771			77,771	77,772	1	0%
WWTP Development / Construction		521,185			521,185	1,000,000	478,815	48%
R&M Roads			19,154		19,154	20,000	846	4%
Snow Removal Expense				14,063	14,063	14,600	537	4%
Snow Equipment R&M				8,006	8,006	4,100	(3,906)	-95%
<b>TOTAL RESERVE CASH OUTFLOW</b>	<b>30,554</b>	<b>598,956</b>	<b>19,154</b>	<b>22,069</b>	<b>670,733</b>	<b>1,147,026</b>	<b>476,293</b>	<b>42%</b>
<b>NET RESERVE CASH FLOW</b>	<b>\$6,409</b>	<b>-\$432,740</b>	<b>\$12,956</b>	<b>-\$113</b>	<b>-\$413,488</b>	<b>-\$887,546</b>	<b>-\$474,058</b>	<b>53%</b>
<b>PREVIOUS BALANCE (12/31/20)</b>	<b>84,936</b>	<b>4,726,037</b>	<b>336,967</b>	<b>161,342</b>	<b>5,309,282</b>			
<b>TOTAL RESERVE BALANCE</b>	<b>\$91,345</b>	<b>\$4,293,297</b>	<b>\$349,923</b>	<b>\$161,229</b>	<b>\$4,895,794</b>			