

**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 Tuesday, August 20, 2024 at 4:00 PM at 5972 CR 234, Durango, Colorado.

Directors in attendance were: Steve Martin, Larry Mongelli, Richard Butler, and Marlena DeCarion. Larry Mongelli was not able to attend the meeting. Staff members in attendance were: Robert Ludwig, Gilbert Martinez, James White, Kevin White, Kurtis Martinez, James Hobby, Marilyn Heide, Debbie Smith, and Annette Hutchins. Residents in attendance were Linda Riggle, Tom Norton, Steve Iwaniki, Linda Riggle, Mike Montgomery, Bonnie Unis, Glenn Unis, Ron Duvall, Pat Norton, and Mark Norton.

Mr. Winzerling moved to approve the June 20, 2024 ERMD Regular Board Meeting Minutes, seconded by Mr. Butler and was unanimously carried.

Marilyn reviewed the 2<sup>nd</sup> Quarter Financial Report. ERMD Interim Financial Report June 30, 2024; ERMD Consolidated Balance Sheet, June 30, 2024; ERMD Consolidated Statement of Cash Flows, June 30 2024 YTD, and ERMD Analysis of Reserve Activity, June 30, 2024. (See Attachment) Marilyn stated that ERMD has \$3M in cash.

Marilyn also reviewed the ERMD travel and business expense policies and procedures that had last been updated December 11, 2009. She said the current expense amount was \$50 per day. She recommended that they increase the per diem to \$100 per day: \$25 – breakfast, \$25 – lunch, and \$50 – dinner due to the rising costs. Mr. Martin moved to increase the per diem from \$50 per day to \$100 per day, seconded by Mr. Winzerling and was unanimously approved.

Mr. Butler gave an update on the reserves analysis study & capital projects. He talked about the current Metro project that was taking place. The replacement of the water line in Victorian Village originally was quoted to cost approximately \$300K, but only Canyon Construction turned in their bid of \$560K, which the Metro accepted. Association Reserves a Colorado LLC, a firm out of Golden, was still working on the draft of the reserves analysis. They will present it to the Board once they receive the Metro's staff comments. The draft study showed our actual reserves + cash were at 91% of recommended reserves levels, which is a relatively sound position. However, the draft study indicated that ERMD's annual addition to reserves was below recommended levels.

Mr. Butler reported there has been significant-price increases in everything due to inflation. An example - buying and installing a new fire hydrant used to be about \$800, but now purchasing a new hydrant, not including installation, was \$4,999. Building material inflation has exceeded 27% over the past three years. Staff has noted greatly increased replacement costs for our basic parts and equipment. These increased operating and maintenance costs are the primary reason behind the annual reserving shortfall outlined in the draft Reserve Study ~~the~~. Staff and the Board will analyze the situation over the next few weeks. It may be necessary to increase Metro water & sewer rates to meet the higher costs and maintain our reserve funds. At this point Mr. Butler did not have an estimated amount. They will complete the final analysis report after the board's comments had been reviewed. At the next Metro Board meeting on October 17<sup>th</sup> the board will hold a public rate hearing to determine

any necessary changes, though Mr. Butler did not expect a great increase. The Highlands lot 121 is expected to open 12 units by 2026— this is the last phase to be developed\_ and Edgemont's growth will slow significantly. A resident pointed out the poor condition of some District roads. Mr. Butler commented that Staff and the Board are aware of this, but have determined it is best for heavy construction to be completed before major investment is made in road resurfacing. He anticipated a stabilizing in construction by 2026. Once the construction is complete the road repairs can start because most of the heavy trucks that tear up the roads will be gone.

Mr. Kurtis Martinez gave a waste water plant report. The equipment is running well. They recently installed a spray bar on their screen. Shaw Solar will be staking the new solar panels by the waste water plant next week.

Mr. Ludwig gave a water plant report. He related that the water plant processed 7.5 million gallons last month. The 2023 Metro Water Quality report went out in June to all of the residents and to the state.

Mr. Ludwig gave an update on the progress of the water line and road repairs for sections of Iron King and Victorian Village. Many residents from Victorian Village attended the meeting to hear the explanation of the delays with the contract workers. Mr. Ludwig explained that the sub-contractors were having hard labor issues which is why it's taking longer than expected. The plan is to put all the connecting lines in for the Victorian Village residents and the section of Iron King, turn off the water, make connections to the main line, then transfer water service from the old line to the new line in a day. The main water line had passed the pressure test. The time table is to complete the water line connections in preparation of applying asphalt over the connections by the end of September.

Ms. Riggle brought up the poor condition of the river trail. Mr. Martin stated that most of the trail system was the responsibility of the Homeowners Associations of the Ranch, Highlands and the Meadows. They need to develop a maintenance plan for the trails.

Mr. Montgomery moved to adjourn the meeting, seconded by Mr. Butler at 4:30 PM.

Respectfully submitted,

Annette Hutchins,

Administrative Assistant