



5972 County Road 234 Durango, CO 81301  
Phone: 970-259-3102 Fax: 970-259-9870

**NOTICE OF 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** the Regular Meeting of the Edgemont Ranch Metropolitan District Board of Directors will be held at **4:00 PM on Tuesday, December 7, 2021 at 5972 CR 234, Durango, Colorado.**

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. Approve ERMD Regular Board Meeting Minutes from October 21, 2021
2. ERMD Adopt and Approve 2022 Budget and Resolutions – Marilyn
3. ERMD Adopt and Approve 2021 Budget Amendment – Marilyn
4. Auditor's Increased Fee to \$9000
5. Sick Leave Policy
6. Metro Board Meeting Dates – 2022 Calendar Year
7. Resolution of 5 Designated Posting Locations for ERMD Meeting Notices for 2022
8. Staff Report
  - a) Waste Water plant update
  - b) EPOA Proposal – discontinue use of RTV
9. Election of Metro Board Officers for 2022
10. Board Concerns
11. Board adjourns into executive session for the purposes of personnel evaluation and compensation pursuant to Sec. 24-6-402 (4)(f), C.R.S.
12. Board re-convenes public meeting

Robert Ludwig is inviting you to a scheduled Zoom meeting.

Topic: Edgemont Ranch Metro District December 2021 Board Meeting  
Time: Dec 7, 2021 04:00 PM Mountain Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/81872980948?pwd=eFRjV2hVQ0pYcHBLcEc4Yy9CQUpjQT09>

Meeting ID: 818 7298 0948

Passcode: 227982

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Find your local number: <https://us02web.zoom.us/u/kecl5An7n5>

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 Thursday, October 21, 2021 at 4:00 PM on Zoom.

All Directors were in attendance: Steve Martin, Al Winzerling, Andrew Rapiejko, and Richard Butler. Mr. Mongelli. Staff members in attendance were: Robert Ludwig, Mike Lancianese, Eric Mietchen and Marilyn Heide. About a half dozen others joined in on Zoom.

Mr. Martin moved to approve the August 19, 2021 ERMD Regular Board Meeting Minutes and the ERMD Special Board Meeting Minutes from September 23, 2021, seconded by Mr. Winzerling, and was unanimously carried.

Mr. Martin first wanted to take action on three items. (Not necessarily in the order from the agenda.) He was pleased with the recent results of the water case concerning the District's water rights trying to secure the #4 water right on the river and straightening up matters dealing with the reservoir. The court ruled in our direction by a summary judgement motion. The whole thing is settled, though the paperwork has not been completed. The Metro's attorney, Steve Bushong from Boulder, has asked us to take action on these items. First Mr. Martin discussed the Metro water rights settlement – The third party agreement for purchase of Florida Project Storage Water for long-term water service. Mr. Martin asked Mr. Ludwig to briefly explain this document. Mr. Ludwig stated that the water conservation board is the one who manages the instream water flow and the purchase of the water in the amount of approximately 2 ½ acre feet. The reason we are purchasing that water is to support the inflow stream rights for the Florida River so that we are not depleting the river during the winter months on the off-call of the irrigation call but we are actually keeping the water flow alive during the winter months. We are purchasing these water rights to support the environment. Mr. Martin moved to approve the signing of the third party agreement for purchase of Florida Project Storage Water, seconded by Mr. Butler and was unanimously carried. (See attachment)

Mr. Martin said as part of the stipulation between Edgemont and the Florida water conservancy district – in case #14CW3013 and #14CW3049, and #15CW3023. Mr. Martin moved to authorize Mr. Bushong to take action that he deemed appropriate, to act in our best interest without the District taking further action unless something different comes up, seconded by Mr. Winzerling, and was unanimously carried. Mr. Martin stated this is a great outcome – after setting it for trial, we strengthened our position and in the end got more than we planned to originally settle for. Now all we need to do is file with the water court the necessary documents.

Mr. Martin discussed the consideration of the sewer plant effluent agreement with the State Health Department. We have been in a dispute with the Colorado Department of Public Health and Environment about the progress in limiting some of our effluent into the river and have entered into an agreement with them, called a "compliance order on consent", and it resolves without litigation the matters sided therein associated civil penalties and under the thrust of this there is a document that is 18 pages long that we need to agree to and pass tonight. Mr. Martin moved to pass this compliance order on consent in the matter of Edgemont Ranch Metro District described as CDPS Permit #CO0040266 La Plata Colorado and also has a compliance #MC-2104xx-1. He moved to approve this consent with the state of Colorado, and Mr. Butler seconded. Mr. Winzerling then asked to clarify that the board had previously approved this signing. Mr. Butler explained that the Metro Board had previously agreed to sign this agreement when provided. Now we have the full 18 page consent agreement. The board unanimously approved the signing of this complete document. (See attachment)

Marilyn reviewed the 3<sup>rd</sup> Quarter Financials: ERMD Consolidated Balance Sheet, September 30, 2021, the ERMD Consolidated Statement of Cash Flow, September 30, 2021 YTD, and the ERMD Analysis of Reserve Activity, September 30, 2021 YTD. (See attachment) In the line items, there were extra expenses with vehicle repairs and with a water pump repair. Also the waste water plant loan has increased from the original amount budgeted.

Under board concerns, Mr. Martin reminded the board he had been called upon to contact Brainstorm internet service for an update of their lease intentions for the Metro tower and their use of the radio equipment and antennas on the District Tower. His contact, Eric, said they, Futurum Communication Corporation, dba Forethought.net, Brainstorm Internet, would like to update the lease agreement with the Metro District. Mr. Martin could not enter in an agreement alone, but needed to present the lease agreement to the Metro board for their approval. Futurum has reviewed and agreed to the terms of the lease for the District Tower - for installation and maintenance. Mr. Smith, the District's lawyer, has prepared a new lease agreement between ERMD and Futurum (Brainstorm). They have agreed to a monthly fee of \$150.00 starting from August 1, 2021. Mr. Martin stated that's when the Metro District took over the electric bill from Brainstorm. A clause was included that either party could terminate the lease agreement for any reason if given 180 days' notice. Mr. Butler moved to have Mr. Martin communicate with them to agree to the lease agreement with Futurum Communication Corporation, dba Forethought.net, Brainstorm Internet, seconded by Mr. Winzerling and was unanimously passed. (See attachment)

Marilyn reviewed the preliminary Metro budget for 2022. (See attachment) She added under revenues Staff recommended not to lease the ATV to EPOA. EPOA did not want to pay a lease because their trail maintenance person did not use it this past year. Mr. Martin asked to put it on the next Board meeting agenda. Mr. Butler stated Metro had unexpected expenses when a pump failed and the District realized there was a need to have a backup pump. He commented that Metro should be prepared for these type of expenses. He also had concerns about the roads, noting the older roads – we need to know how we will finance refurbishing the roads in 3-4 years.

Lastly, Mr. Ludwig gave an update on the waste water plant. The process basins are complete now to the point where we can start putting in the stainless steel, air diffusers and all the pumps and integral parts that makes the process work. The process building is still a hole in the ground. The footers have been poured, and all the under slab air-lined, the sewer line that runs back from the process tanks to the UV for the disinfection to the sludge pumps to deal with the sludge from the process, are being put in. The head works of the foundation have been poured and they will be starting, in the next two weeks, to put in the trough for the screens and the pump station to go with it. So the construction continues. We are facing delays currently – 2 month delays on stainless steel and PVC that have gone to a 3-4 week delay due to the hurricane, not just Covid. Integrated Water Systems originally expected that the plant would be completed at the end of this year. Though the completion date will more likely be the end of February. They were contracted to finish by the end of March. Metro is doing well on how we negotiated with the state in decommissioning the lagoons. We don't expect anything that will cost us money or cost us in some environmental non-compliance. We are still on schedule; though we are waiting on stainless steel and PVC.

Mr. Martin thanked all of the staff and visitors for attending the meeting.

A motion was made and approved to adjourn the meeting at 4:45 PM.

Respectfully submitted,

Annette Hutchins, Administrative Assistant

**EDGEMONT RANCH METROPOLITAN DISTRICT**  
**Consolidated Balance Sheet**  
**SEPTEMBER 30, 2021**

<b>ASSETS</b>	
Current Assets	
Cash	\$324,242
Water System Reserve + Unrestricted	324,378
Sewer System Reserve + Unrestricted	1,895,353
Road Maintenance Reserve	360,421
Snow Removal Reserve	182,526
Property Taxes Receivable	2,522
Water/Sewer Base Fees Receivable	48,992
Infrastructure Maintenance Fees Receivable	70,814
Other Current Assets	8,319
Bad Debt Reserve	<u>-4,695</u>
Total Current Assets	3,212,872
Property, Plant and Equipment	
Water Source and Distribution Infrastructure	6,223,531
Water Treatment Infrastructure	678,783
Water Plant Equipment	172,780
Sewer Transmission Infrastructure	4,047,559
Sewer Treatment Infrastructure	427,813
Sewer Treatment Plant Construction in Progress	568,248
Sewer Plant Equipment	158,285
Transportation Equipment	206,491
Office Building	71,280
Accumulated Depreciation	<u>-3,277,501</u>
Total Property, Plant and Equipment	9,277,269
Other Assets	
Roads Infrastructure	7,297,536
Security Infrastructure	262,576
Office Building & Equipment	350,802
Building Improvements	87,536
Land	62,609
Accumulated Depreciation	<u>-2,192,058</u>
Total Other Assets	5,869,001
<b>TOTAL ASSETS</b>	<b><u>\$18,359,142</u></b>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	841,992
Accrued Compensated Absences	11,260
Unearned revenue	<u>20,000</u>
Total Current Liabilities	873,252
Long-term Debt	
Notes Payable	464,892
LT Debt Paid YTD Reported in Cash Flow as Outflow	<u>197,072</u>
Total Long-term Debt	661,964
<b>TOTAL LIABILITIES</b>	<b>1,535,216</b>
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax Revenue	2,522
NET POSITION	
Retained Earnings	10,179,083
Contributed Capital	4,090,641
Investment in General Fixed Assets	2,155,763
Restricted for Roads	265,321
Net Cash Flow	<u>130,596</u>
<b>TOTAL NET POSITION</b>	<b>16,821,404</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b><u>\$18,359,142</u></b>

**EDGEMONT RANCH METROPOLITAN DISTRICT**  
**Consolidated Statement of Cash Flows**  
**SEPTEMBER 30, 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	\$215,711	\$142,591			\$358,302	\$336,890	21,412	6%
Infrastructure Maintenance Fees	182,948	188,594			371,542	379,345	(7,803)	-2%
Property Tax Income			\$255,798	\$67,085	322,883	316,420	6,463	2%
Snow Removal Fees			44,057		44,057	46,135	(2,078)	-5%
Water / Sewer Reserves	76,229	339,470			415,699	423,975	(8,276)	-2%
Inspection/Equipment/Impact Fees	16,016	850	17,950		34,816	18,375	16,441	89%
Lease Income			29,904		29,904	29,904	0	0%
EPOA Reimbursement	0	0	6,435		6,435	10,720	(4,285)	-40%
Other	1,619	1,473	591		3,683	225	3,458	1537%
Interest Income		3,146			3,146	5,025	(1,879)	-37%
Loan Proceeds		3,256,453			3,256,453	0	3,256,453	#DIV/0!
Bad Debt Reserve	-1,959	-2,520	-216		-4,695	0	(4,695)	
<b>TOTAL CASH INFLOW</b>	<b>490,564</b>	<b>3,930,057</b>	<b>354,519</b>	<b>67,085</b>	<b>4,842,225</b>	<b>1,567,014</b>	<b>3,275,211</b>	<b>209%</b>
Transfers to Reserves	-76,229	-3,599,069	-122,437	0	-3,797,735	-544,931		
<b>NET OPERATING CASH INFLOW</b>	<b>414,335</b>	<b>330,988</b>	<b>232,082</b>	<b>67,085</b>	<b>1,044,490</b>	<b>1,022,083</b>	<b>22,407</b>	<b>2%</b>
<b>OPERATING CASH OUTFLOW</b>								
Professional Fees	15,023	8,089	13,291	1,859	38,262	32,620	(5,642)	-17%
Office Expenses	4,614	4,544	2,714		11,872	11,813	(59)	0%
Employee Expenses - Personnel	103,764	103,764	51,882		259,410	272,175	12,765	5%
Employee Exp - Taxes, Insurance, etc.	38,247	38,047	17,785		94,079	108,350	14,271	13%
Insurance	7,382	7,382	3,691		18,455	21,900	3,445	16%
Vehicle Expenses	7,017	7,042	3,746		17,805	12,150	(5,655)	-47%
Operations Expenses	53,298	39,571	10,901		103,770	125,570	21,800	17%
Maintenance/Repair Equipment	6,190	0	0		6,190	5,600	(590)	-11%
Maintenance/Repair Infrastructure	12,016	945	7,377		20,338	16,940	(3,398)	-20%
Distribution / Collections	47,648	10,130			57,778	46,610	(11,168)	-24%
Capital Expenditures	25,838	4,876	8,480		39,194	22,875	(16,319)	-71%
Debt & Interest Payments				46,045	46,045	46,045	0	0%
Other	46,695	1,076	856		48,627	144,750	96,123	66%
<b>TOTAL OPERATING CASH OUTFLOW</b>	<b>367,732</b>	<b>225,466</b>	<b>120,723</b>	<b>47,904</b>	<b>761,825</b>	<b>867,398</b>	<b>105,573</b>	<b>12%</b>
<b>CASH FLOW BEFORE RESERVES</b>	<b>\$46,603</b>	<b>\$105,522</b>	<b>\$111,359</b>	<b>\$19,181</b>	<b>\$282,665</b>	<b>\$154,685</b>	<b>\$127,980</b>	<b>83%</b>
<b>NET RESERVE ACTIVITY</b>	<b>-15,433</b>	<b>-181,274</b>	<b>44,638</b>	<b>0</b>	<b>-152,069</b>	<b>-2,887,745</b>	<b>2,735,676</b>	
<b>TOTAL CASH FLOW</b>	<b>\$31,170</b>	<b>-\$75,752</b>	<b>\$155,997</b>	<b>\$19,181</b>	<b>\$130,596</b>	<b>-\$2,733,060</b>	<b>\$2,863,656</b>	<b>-105%</b>

**EDGEMONT RANCH METROPOLITAN DISTRICT**  
**Analysis of Reserve Activity**  
**SEPTEMBER 30, 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	76,229				\$76,229	\$77,970	(1,741)	-2%
WWTP Reserve		339,470			\$339,470	346,005	(6,535)	-2%
Interest on Loan Proceeds		3,146			\$3,146	5,025	(1,879)	-37%
Road Maintenance Tax Levy			\$60,430		\$60,430	60,346	84	0%
Snow Removal Fee				\$44,057	\$44,057	46,135	(2,078)	-5%
Road Impact Fees			17,950		\$17,950	9,450	8,500	90%
Loan Proceeds		<u>3,256,453</u>			<u>\$3,256,453</u>	<u>0</u>	<u>3,256,453</u>	
<b>TOTAL CASH INFLOW</b>	<b>76,229</b>	<b>3,599,069</b>	<b>78,380</b>	<b>44,057</b>	<b>3,797,735</b>	<b>544,931</b>	<b>3,252,804</b>	<b>597%</b>
<b>CURRENT RESERVE CASH OUTFLOW</b>								
Spring Valley Reservoir Loan Payments	91,662				91,662	91,662	0	0%
WWTP Loan/Interest Payments		147,665			147,665	233,314	85,649	37%
WWTP Development / Construction		3,632,678			3,632,678	3,000,000	(632,678)	-21%
R&M Roads			54,926		54,926	89,000	34,074	38%
Snow Removal Expense				14,063	14,063	14,600	537	4%
Snow Equipment R&M				8,810	8,810	4,100	(4,710)	-115%
<b>TOTAL RESERVE CASH OUTFLOW</b>	<b>91,662</b>	<b>3,780,343</b>	<b>54,926</b>	<b>22,873</b>	<b>3,949,804</b>	<b>3,432,676</b>	<b>-517,128</b>	<b>-15%</b>
<b>NET RESERVE CASH FLOW</b>	<b><u>-\$15,433</u></b>	<b><u>-\$181,274</u></b>	<b><u>\$23,454</u></b>	<b><u>\$21,184</u></b>	<b><u>-\$152,069</u></b>	<b><u>-\$2,887,745</u></b>	<b><u>-\$2,735,676</u></b>	<b><u>95%</u></b>
<b>PREVIOUS BALANCE (12/31/20)</b>								
	<u>84,936</u>	<u>4,726,037</u>	<u>336,967</u>	<u>161,342</u>	<u>5,309,282</u>			
Sewer Loan Payoff		-3,842,834			-3,842,834			
<b>TOTAL RESERVE BALANCE</b>	<b><u>\$69,503</u></b>	<b><u>\$701,929</u></b>	<b><u>\$360,421</u></b>	<b><u>\$182,526</u></b>	<b><u>\$1,314,379</u></b>			