



METROPOLITAN DISTRICT

5972 County Road 234 Durango, CO 81301

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**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 Thursday, August 15, 2019 at ERMD Office, 5972 C.R. 234, Durango, CO.**

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 June 21, 2019
2. 2nd Quarter Metro Financial Report - Marilyn
3. Waste Water Plant Update – Mr. Butler, Mr. Martinez and Mr. Ludwig
4. Staff Report
5. Board Concerns

Dated this 12th day of August 2019

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 at the District office on Thursday, August 15, 2019 at 4:07 PM.

Directors in attendance were: Steve Martin and Al Winzerling. Expecting Andrew Rapiejko to attend soon. Mr. Mongelli and Mr. Butler had excused absences. Metro staff members in attendance were: Robert Ludwig, Mike Lancianese, Marilyn Heide and Annette Hutchins. Also in attendance were residents: Linda Camino, Steve Doob, Tom Gorton and David Bray.

Marilyn reviewed ERMD 2nd Quarter Interim Financial Report: June 30, 2019, Edgemont Ranch Metropolitan District, Consolidated Balance Sheet, June 30, 2019, Edgemont Ranch Metropolitan District Consolidated Statement of Cash Flows, June 30, 2019 YTD, Edgemont Ranch Metropolitan District Analysis of Reserve Activity, June 30, 2019 YTD. (See attached)

Mr. Rapiejko arrived at this time.

Mr. Winzerling moved to approve the Regular Metro Board Meeting minutes from June 20, 2019, seconded by Mr. Rapiejko, and was carried unanimously.

Mr. Ludwig gave an update on the progress of the Waste Water Plant. The engineering firm has completed the process design report at 60% plans. The electrical plans will be ready in two weeks; the structural engineering report will be ready soon. It has been decided to move the plant's location 80 feet to the north, to a place where there is no settling. The plans should be wrapped up in September 2019 with the bidding to start in November with 90% of the structural process completed with a spring 2020 report. The Metro lawyer is creating an exemption plat to include the relocation of the waste water plant.

Mr. Ludwig reported on the Highlands ditch work. Staff will be replacing 2 sewer man-hole covers in Victorian Village.

Mr. Lancianese stated that the testing of the water and waste water lines in phase 5, the Overlook, is going well.

Mr. Bray had speeding concerns, especially in the Bluff area. There was much discussion on the speeding and various remedies for this issue. Mr. Bray said there was interest in the Bluffs to put in speed humps in that area. Mr. Martin asked Bray to present more data on the neighborhood consensus or lack thereof for speed humps. Mr. Martin stated that having police support was not an option. Mr. Rapiejko had some different ideas about traffic calming devices. Mr. Gorton recommended that the board consider all of the roads in Edgemont when developing a solution. Mr. Winzerling recommended that

the board be consistent in responding to the requests. Mr. Martin stated the cost of speed humps should be included in the Metro budget if there was a decision to install any. Mr. Ludwig suggested that pavement striping would help slow people down. Currently many people drive down the middle of the road. Also, the UPS and FedEx drivers are known to speed in the developments and should be reported to their companies. The board and staff will continue to evaluate the pros and cons of each option and find remedies to this issue.

Lastly, Mrs. Camino brought a parking concern up with the board. She explained that she received a parking ticket from staff because she parked her vehicle on the side of the road in the Bluff area. She explained that her driveway didn't have enough room to park a second car, and moving a second vehicle from the driveway/garage each time was very inconvenient for her household, and that's why she parked on the side of the road. She has a one-car garage and a one-car driveway. There are 4 such houses dealing with the same parking issues. Mr. Martin asked Mr. Ludwig to study this situation to see if there is a solution.

Mr. Winzerling moved to adjourn the meeting, seconded by Mr. Rapiejko. The meeting adjourned at 4:50 PM.

Respectfully submitted,

Annette Hutchins

Administrative Assistant

**ERMD INTERIM FINANCIAL REPORT
JUNE 30, 2019**

BALANCE SHEET

Current assets are \$6M, consisting of \$5.98M cash and \$193K receivables and other.

Property, Plant and Equipment is \$8M, which primarily represents the water and sewer infrastructure.

Other Assets are \$4.3M, made up primarily of all the roads for which the District has responsibility.

Liabilities are \$5.2M. The District's total 2019 tax levy is \$260,565. Of that amount \$66,613 is yet to be collected.

Total Net Position is \$13.2M.

FINANCIAL OVERVIEW:

The District's YTD Total Cash Inflow is just over \$1million, and \$546 less than budgeted. The variances are due to timing of revenues in relation to the quarterly budget. There have been 16 new house starts and 10 Highlands and Meadows lots sold as of June 30. The developer's obligation to collect fees on each lot sale for infrastructure has now been fully met. After transferring \$380K to Reserves, Net Operating Cash Inflow is \$639K.

Total Operating Cash Outflow was \$469K, which is \$114K less than budgeted. Again, the large variance is caused by timing regarding the quarterly budget. The Cash Flow before Reserves was \$170K, which is \$107K more than the budget. Total cash flow including reserve activity is \$222K, and \$1.049M more than budgeted

ANALYSIS OF RESERVE ACTIVITY:

Total Reserve Cash Inflow was \$380K, which is \$6K more than budgeted.

Total Reserve Cash Outflow was \$328K. The reason for the large variance of \$925K in WWTP Development is that the new treatment plant project is moving more slowly than anticipated at the time of budgeting. The road patching and overlay scheduled for Q2 was completed the second week of July.

Total Reserve increased by \$52K, beginning the year at \$5.495M and ending the quarter at \$5.547M.

CURRENT INFRASTRUCTURE STATUS

6/30/2019	WATER/SEWER CUSTOMERS	<u>RANCH</u>	<u>HIGHLAND</u>	<u>MEADOWS</u>	<u>TOTAL</u>
	UNIMPROVED	13	67	62	142
	RESIDENTIAL	218	333	22	573
	PONDS	3	0	0	3
	LANDSCAPING	3	2	1	6
	TOTAL	237	402	85	724

Miles of Road (estimate)	3.4	5.4	1.1	9.9
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EDGEMONT RANCH METROPOLITAN DISTRICT
Consolidated Balance Sheet
JUNE 30, 2019

ASSETS	
Current Assets	
Cash	\$433,672
Water System Reserve	139,867
Sewer System Reserve	4,953,878
Road Maintenance Reserve	308,010
Snow Removal Reserve	144,792
Property Taxes Receivable	66,613
Water/Sewer Base Fees Receivable	40,627
Infrastructure Maintenance Fees Receivable	85,464
Other Current Assets	6,817
Bad Debt Reserve	<u>-6,600</u>
Total Current Assets	6,173,140
Property, Plant and Equipment	
Water Source and Distribution Infrastructure	5,548,376
Water Treatment Infrastructure	676,371
Water Plant Equipment	160,718
Sewer Transmission Infrastructure	3,391,340
Sewer Treatment Infrastructure	427,813
Sewer Treatment Plant Construction in Progress	153,721
Sewer Plant Equipment	158,285
Transportation Equipment	206,491
Office Building	71,280
Accumulated Depreciation	<u>-2,782,382</u>
Total Property, Plant and Equipment	8,012,013
Other Assets	
Building Improvements	87,536
Security Infrastructure	212,610
Roads Infrastructure	5,518,045
Office Building & Equipment	333,377
Land	62,609
Accumulated Depreciation	<u>-1,903,687</u>
Total Other Assets	4,310,490
TOTAL ASSETS	<u>\$18,495,643</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	32,433
Current Portion of Long-term Debt	216,352
Unearned revenue	<u>20,000</u>
Total Current Liabilities	268,785
Long-term Debt	
Leases Payable	134,009
Notes Payable	<u>4,836,229</u>
Total Long-term Debt	4,970,238
TOTAL LIABILITIES	5,239,023
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax Revenue	66,613
NET POSITION	
Retained Earnings	6,268,658
Investment in General Fixed Assets	2,155,763
Restricted for Roads	231,120
Contributed Capital	4,090,641
Current Portion LT Debt Paid YTD Reported in Cash Flow as Outflow	222,261
Net Cash Flow	<u>221,564</u>
TOTAL NET POSITION	13,190,007
TOTAL LIABILITIES AND NET POSITION	<u>\$18,495,643</u>

EDGEMONT RANCH METROPOLITAN DISTRICT
Consolidated Statement of Cash Flows
JUNE 30, 2019 YTD

CASH INFLOW	Water Fund	Sewer Fund	General Fund	Long Term Debt	Total	Budget	Variance	%
Water / Sewer Base Fees	\$109,632	\$84,377			\$194,009	\$201,225	-\$7,216	-4%
Infrastructure Maintenance Fees	123,977	127,175			251,152	256,626	(5,474)	-2%
Property Tax Income			\$156,224	\$48,571	204,795	187,595	17,200	9%
Snow Removal Fees			30,552		30,552	31,212	(660)	-2%
Developer Lot Sale Fees	10,900	10,900			21,800	21,800	0	0%
Water / Sewer Reserves	51,658	228,915			280,573	286,830	(6,257)	-2%
Inspection/Equipment/Impact Fees	8,038	400	8,400		16,838	9,960	6,878	69%
Lease Income			13,824		13,824	13,824	0	0%
EPOA Reimbursement			5,726		5,726	6,485	(759)	-12%
Other	751	876	876		2,503	150	2,353	1569%
Interest Income		3,339			3,339	3,350	(11)	0%
Bad Debt Reserve	-2,040	-4,200	-360		-6,600	0	(6,600)	
TOTAL CASH INFLOW	302,916	451,782	215,242	48,571	1,018,511	1,019,057	-546	0%
Transfers to Reserves	-62,558	-243,154	-74,044	0	-379,756	-373,392		
NET OPERATING CASH INFLOW	240,358	208,628	141,198	48,571	638,755	645,665	-6,910	-1%
OPERATING CASH OUTFLOW								
Professional Fees	3,448	5,180	8,001	1,363	17,992	22,743	4,751	21%
Office Expenses	2,042	2,020	2,514		6,576	7,039	463	7%
Lease Expense	43,188	25,364			68,552	71,265	2,713	4%
Employee Expenses - Personnel	41,293	48,040	48,079		137,412	158,200	20,788	13%
Employee Exp - Taxes, Insurance, etc.	15,929	20,425	17,370		53,724	61,865	8,141	13%
Insurance	6,645	6,543	6,645		19,833	24,900	5,067	20%
Vehicle Expenses	955	1,089	4,113		6,157	9,000	2,843	32%
Operations Expenses	29,297	19,378	7,818		56,493	75,223	18,730	25%
Maintenance/Repair Equipment	7,307	1,182			8,489	6,320	(2,169)	-34%
Maintenance/Repair Infrastructure	8,523	178	3,057		11,758	12,970	1,212	9%
Distribution / Collections	7,941	2,781			10,722	24,150	13,428	56%
Capital Expenditures	20,067	0			20,067	41,000	20,933	51%
Debt Payments		0		30,697	30,697	30,697	0	0%
Other	19,556	0	933		20,489	37,146	16,657	45%
TOTAL OPERATING CASH OUTFLOW	206,191	132,180	98,530	32,060	468,961	582,518	113,557	19%
CASH FLOW BEFORE RESERVES	\$34,167	\$76,448	\$42,668	\$16,511	\$169,794	\$63,147	\$106,647	169%
NET RESERVE ACTIVITY	1,450	11,120	39,200	0	51,770	-890,659	942,429	
TOTAL CASH FLOW	\$35,617	\$87,568	\$81,868	\$16,511	\$221,564	-\$827,512	\$1,049,076	-127%

EDGEMONT RANCH METROPOLITAN DISTRICT
Analysis of Reserve Activity
JUNE 30, 2019 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>
CURRENT RESERVE CASH INFLOW							
Highlands Lot Sale Fee	\$10,900	\$10,900			\$21,800	\$21,800	0
Spring Valley Reservoir Reserve Fees	51,658				\$51,658	\$52,740	(1,082)
WWTP Reserve		228,915			\$228,915	234,090	(5,175)
Interest on Loan Proceeds		3,339			\$3,339	3,350	(11)
Road Maintenance Tax Levy			\$35,092		\$35,092	35,226	(134)
Snow Removal Fee				\$30,552	\$30,552	21,186	9,366
Road Impact Fees			8,400		\$8,400	5,000	3,400
TOTAL CASH INFLOW	62,558	243,154	43,492	30,552	379,756	373,392	6,364
CURRENT RESERVE CASH OUTFLOW							
Spring Valley Reservoir Loan Payments	61,108				61,108	61,109	1
WWTP Loan Payments		155,542			155,542	155,542	0
WWTP Development		76,492			76,492	1,001,000	924,508
R&M Roads			9,027		9,027	30,000	20,973
Snow Removal Expense				12,982	12,982	8,200	(4,782)
Snow Equipment R&M				12,835	12,835	8,200	(4,635)
TOTAL RESERVE CASH OUTFLOW	61,108	232,034	9,027	25,817	327,986	1,264,051	936,065
NET RESERVE CASH FLOW	\$1,450	\$11,120	\$34,465	\$4,735	\$51,770	-\$890,659	-\$942,429
PREVIOUS BALANCE (12/31/18)	138,417	4,942,758	273,545	140,057	5,494,777		
TOTAL RESERVE BALANCE	\$139,867	\$4,953,878	\$308,010	\$144,792	\$5,546,547		