



METROPOLITAN DISTRICT

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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, February 18, 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. Approve ERMD Regular Board Meeting Minutes from December 3, 2020 and the Special Board Meeting Minutes from December 10, 2020
2. 4th Quarter Financial Report – Marilyn
3. Discussion of a Special Rate Hearing Meeting to Deal with Increased Cost of the New Wastewater Treatment Plant – Mr. Butler
4. Discuss ERMD Water Advisory notice dealing with La Plata County Exceptional Drought status
5. Temp help discussion
6. Staff Report
 - A) Waste Water Plant Update – Mr. Martinez & Mr. Butler
7. Board Concerns

Robert Ludwig is inviting you to a scheduled Zoom meeting.

Topic: Edgemont Ranch Metro February 2021 Board Meeting
Time: Feb 18, 2021 04:00 PM Mountain Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/83234380499?pwd=dGJPUXA5SSDA0QjlUaTBOTnExd01Kdz09>

Meeting ID: 832 3438 0499

Passcode: 963572

One tap mobile

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Dial by your location

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+1 312 626 6799 US (Chicago)
+1 646 876 9923 US (New York)
+1 301 715 8592 US (Washington DC)

Meeting ID: 832 3438 0499

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Find your local number: <https://us02web.zoom.us/j/83234380499?pwd=QkNQNx>

Dated this 16th day of February 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, February 18, 2021 at 4:08 PM.

Directors in attendance were: Steve Martin, Larry Mongelli, Al Winzerling, and Rich Butler. Andrew Rapiejko was excused from the meeting. Metro staff members in attendance were: Robert Ludwig, Mark Fuson, Kurtis Martinez, Mike Lancianese, Marilyn Heide and Annette Hutchins. Also in attendance were residents, Sue McWilliams, and about a dozen others, as well as Mike McGilton.

Mr. Winzerling moved to approve the Regular Metro Board meeting minutes from December 3, 2020, and the Special Board Meeting Minutes from December 10, 2020, seconded by Mr. Mongelli, and was carried unanimously.

Marilyn reviewed the 4th Quarter Financial Report. ERMD Consolidated Balance Sheet, December 31, 2020, ERMD Consolidated Statement of Cash Flows, December 31, 2020 YTD, and ERMD Analysis of Reserve Activity, December 31, 2020 YTD. (See attachment)

There was a lengthy discussion of the need to deal with the increased cost of the new wastewater treatment plant. Mr. Butler explained the approval for the plant from the state has taken much longer due to the Metro being required to have redundancies of key systems and meeting higher than expected future effluent standards. It has been about a 3 ½ year delay and the costs of the materials have risen sharply due to Covid and other factors. There is 5M in the Metro account for this project, but even with value engineering from Integrated Water Systems to reduce costs, the District will still need 3M – 3.25M more to pay for the whole project. The board is anticipating the need to increase the rate approximately \$5 - \$10/month later this year. The Board will plan a special rate hearing for residents to hear the District's plan at the next planned Metro meeting April 15th. The Metro would be able meet its financial obligations with a rate increase this summer. Mr. Butler and Mr. Ludwig will author a letter of explanation of the increased costs to all the residents. Mr. Mongelli asked if it would be hard to get another loan. Mr. Butler will look into combining the current waste water plant loan with an additional loan at a lower interest rate. Mr. Martin authorized Mr. Butler to proceed with his research. Mr. Butler stated it would be best to get a board approval with a specific deal. He will present the best option at the next meeting, and then the Board would authorize a final approval at the June 17th regular Metro Board meeting.

Mr. Ludwig explained a plan for Metro to develop a water advisory notice dealing with the La Plata County Exceptional Drought Status. He stated that this region has been in a drought and even with a good snow pack this winter, we may have to restrict water usage. The governor has developed a Colorado Drought Task Force – though at this time there are no restrictions. Mr. Martin would like to review a letter explaining the drought situation to the residents composed by Mr. Ludwig.

Mr. Fuson recommends hiring temporary help in the spring to assist staff members with various tasks such as jetting at the waste water plant. Mr. Lancianese needs help to install water meters. Mr. Fuson would like to hire a local person to help for about 10 weeks for \$15/hour – 8 hour/day for a 40 hour work week. Mr. Martin authorized this temporary help for an approximate amount of \$6K total for time spent helping Mr. Fuson and Mr. Lancianese. Mr. Martin asked that the staff members agree on whom to hire.

Marilyn also explained her need for help – a backup – in case she isn't able to work for various reasons. She would like to hire someone part time who could help her develop a procedural manual of the various tasks she performs for Metro. Mr. Martin stated he would trust Marilyn's employee choice.

Mr. Ludwig gave a staff update concerning a waste water plant change order. He explained that 4 line items were taken out of the bid. 1) Process building, 2) Building foundation, 3) Electrical and 4) Yard piping. Then he presented process change order #1, which added a fixed price. He explained there were two items that were added back into the project scope; yard piping and structures and electrical systems. The justification for including these items back in is due to the need for concurrent installation of select electrical equipment and yard piping with the secondary treatment basin construction schedule. There are two items that can't change; the building's concrete foundation and the electrical system. The electrical system needs a longer lead time for the construction phase with a locked in price. Then there was process order #2 that covers the building & the building foundation with savings on the electrical and the building. With value engineering they were able to save 600K – 800K. They are always looking for ways to save money in building this facility. The total cost of constructing the waste water plant will be approximately 7.2M – 7.5M. Mr. Martin moved to authorize the board to sign the change order, seconded by Mr. Winzerling, it was approved by Mr. Butler and Mr. Mongelli as well. Mr. Martin will sign the change order.

Mr. McGilton, from Integrated Water Systems, the Senior Project Manager for the Waste Water facility, reassured the Board that this project will definitely happen. It is in the best interest of his clients to confidently present and then fulfill their obligations. Mr. Winzerling asked if the cost included this new change order. Yes, it did. Mr. McGillon does not anticipate any 10% contingency for change order for this project.

Mr. Martinez stated that construction of the waste water facility will begin next week. He explained that the District was still not able to meet the state's strict requirements and were in violation. Metro has been penalized for not meeting the requirements due to the old lagoon system. Mr. Ludwig further explained the permit changes in the last two years caused the increase in violations. Metro has waited several years to receive the approval from the state to proceed on this project. And this delay has caused the state to charge Metro fees for not being in compliance. One group working for the state was not communicating with another group and caused this unfair situation to develop. Mr. Ludwig and Mr. Martinez are working diligently with the state to get the violation fees reduced. With the completion of the new waste water plant violations will be greatly reduced.

Lastly, Mr. Martin thanked Mr. Ludwig and Mr. Martinez for their hard work and diligence to resolve this matter.

A motion was made and approved to adjourn the meeting at 5:04 PM.

Respectfully submitted,

Annette Hutchins,
Administrative Assistant

EDGEMONT RANCH METROPOLITAN DISTRICT
Consolidated Balance Sheet
DECEMBER 31, 2020

ASSETS	
Current Assets	
Cash	\$680,558
Water System Reserve	84,936
Sewer System Reserve	4,726,037
Road Maintenance Reserve	336,967
Snow Removal Reserve	161,342
Property Taxes Receivable	302,893
Water/Sewer Base Fees Receivable	40,656
Infrastructure Maintenance Fees Receivable	70,775
Other Current Assets	28,702
Bad Debt Reserve	-2,917
Total Current Assets	6,429,949
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
TOTAL ASSETS	\$20,503,287
LIABILITIES	
Current Liabilities	
Accounts Payable	50,489
Accrued Compensated Absences	11,260
Unearned revenue	20,000
Total Current Liabilities	81,749
Long-term Debt	
Leases Payable, net of current portion	0
Notes Payable, net of current portion	4,504,798
Total Long-term Debt	4,504,798
TOTAL LIABILITIES	4,586,547
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax Revenue	302,893
NET POSITION	
Retained Earnings	8,588,274
Contributed Capital	4,090,641
Investment in General Fixed Assets	2,155,763
Restricted for Roads	259,817
LT Debt Paid YTD Reported in Cash Flow as Outflow	331,432
Net Cash Flow	187,920
TOTAL NET POSITION	15,613,847
TOTAL LIABILITIES AND NET POSITION	\$20,503,287

EDGEMONT RANCH METROPOLITAN DISTRICT
Consolidated Statement of Cash Flows
DECEMBER 31, 2020 YTD

CASH INFLOW	Water Fund	Sewer Fund	General Fund	Long Term Debt	Total	Budget	Variance	%
Water / Sewer Base Fees	\$277,631	\$180,549			\$458,180	\$421,053	37,127	9%
Infrastructure Maintenance Fees	222,298	227,627			449,925	439,752	10,173	2%
Property Tax Income			\$257,644	\$68,869	326,513	317,637	8,876	3%
Snow Removal Fees			54,685		54,685	53,424	1,261	2%
Water / Sewer Reserves	92,624	409,731			502,355	491,160	11,195	2%
Inspection/Equipment/Impact Fees	16,014	850	17,850		34,714	19,920	14,794	74%
Lease Income			27,172		27,172	13,824	13,348	97%
EPOA Reimbursement	500	500	9,468		10,468	13,970	(3,502)	-25%
Other	878	696	168		1,742	300	1,442	481%
Interest Income		6,727			6,727	6,700	27	0%
Bad Debt Reserve	-1,093	-1,680	-144		-2,917	0	(2,917)	
TOTAL CASH INFLOW	608,852	825,000	366,843	68,869	1,869,564	1,777,740	91,824	5%
Transfers to Reserves	-92,624	-416,458	-132,361	0	-641,443	-621,111		
NET OPERATING CASH INFLOW	516,228	408,542	234,482	68,869	1,228,121	1,156,629	71,492	6%
OPERATING CASH OUTFLOW								
Professional Fees	6,224	11,564	10,376	1,876	30,040	30,613	573	2%
Office Expenses	6,059	5,641	3,431		15,131	15,645	514	3%
Lease Expense	37,126	21,804	0		58,930	64,750	5,820	9%
Employee Expenses - Personnel	137,884	137,885	68,942		344,711	349,145	4,434	1%
Employee Exp - Taxes, Insurance, etc.	47,152	47,781	23,288		118,221	130,790	12,569	10%
Insurance	7,396	7,396	3,698		18,490	21,900	3,410	16%
Vehicle Expenses	3,464	4,491	1,454		9,409	16,125	6,716	42%
Operations Expenses	76,030	53,320	13,497		142,847	156,790	13,943	9%
Maintenance/Repair Equipment	9,020	5,393			14,413	9,445	(4,968)	-53%
Maintenance/Repair Infrastructure	6,859	793	3,789		11,441	22,375	10,934	49%
Distribution / Collections	27,858	9,329			37,187	57,275	20,088	35%
Capital Expenditures	5,581				5,581	34,000	28,419	84%
Debt & Interest Payments				61,394	61,394	61,394	0	0%
Other	74,933	1,971	2,046		78,950	64,755	(14,195)	-22%
TOTAL OPERATING CASH OUTFLOW	445,586	307,368	130,521	63,270	946,745	1,035,002	88,257	9%
CASH FLOW BEFORE RESERVES	\$70,642	\$101,174	\$103,961	\$5,599	\$281,376	\$121,627	\$159,749	131%
NET RESERVE ACTIVITY	-29,593	-104,777	40,914	0	-93,456	-3,893,839	3,800,383	
TOTAL CASH FLOW	\$41,049	-\$3,603	\$144,875	\$5,599	\$187,920	-\$3,772,212	\$3,960,132	-105%

EDGEMONT RANCH METROPOLITAN DISTRICT
Analysis of Reserve Activity
DECEMBER 31, 2020 YTD

	Water System Reserve	Waste Water System Reserve	Road Maintenance Reserve	Snow Removal Reserve	Total	Budget	Variance	%
CURRENT RESERVE CASH INFLOW								
Spring Valley Reservoir Reserve Fees	92,624				\$92,624	\$90,480	2,144	2%
WWTP Reserve		409,731			\$409,731	400,680	9,051	2%
Interest on Loan Proceeds		6,727			\$6,727	6,700	27	0%
Road Maintenance Tax Levy			\$59,826		\$59,826	59,827	(1)	0%
Snow Removal Fee				\$54,685	\$54,685	53,424	1,261	2%
Road Impact Fees			17,850		\$17,850	10,000	7,850	79%
TOTAL CASH INFLOW	92,624	416,458	77,676	54,685	641,443	621,111	20,332	3%
CURRENT RESERVE CASH OUTFLOW								
Spring Valley Reservoir Loan Payments	122,217				122,217	122,217	0	0%
WWTP Loan/Interest Payments		311,083			311,083	311,083	0	0%
WWTP Development / Construction		210,152			210,152	4,000,000	3,789,848	95%
R&M Roads			47,891		47,891	54,750	6,859	13%
Snow Removal Expense				20,513	20,513	18,700	(1,813)	-10%
Snow Equipment R&M				5,743	5,743	8,200	2,457	30%
New Plow for Loaders				17,300	17,300	0	(17,300)	#DIV/0!
TOTAL RESERVE CASH OUTFLOW	122,217	521,235	47,891	43,556	734,899	4,514,950	3,780,051	84%
NET RESERVE CASH FLOW	<u><u>-\$29,593</u></u>	<u><u>-\$104,777</u></u>	<u><u>\$29,785</u></u>	<u><u>\$11,129</u></u>	<u><u>-\$93,456</u></u>	<u><u>-\$3,893,839</u></u>	<u><u>-\$3,800,383</u></u>	<u><u>98%</u></u>
PREVIOUS BALANCE (12/31/19)	<u>114,529</u>	<u>4,830,814</u>	<u>307,182</u>	<u>150,213</u>	<u>5,402,738</u>			
TOTAL RESERVE BALANCE	<u><u>\$84,936</u></u>	<u><u>\$4,726,037</u></u>	<u><u>\$336,967</u></u>	<u><u>\$161,342</u></u>	<u><u>\$5,309,282</u></u>			