



METROPOLITAN DISTRICT

5972 County Road 234 Durango, CO 81301

Phone: 970-259-3102 Fax: 970-259-9870

**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 Regular Meeting of the Edgemont Ranch Metropolitan District Board of Directors will be held at **4:00 PM on Thursday, August 19, 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. Make a motion to amend minutes previously adopted from June 3, 2021 Board Meeting.
2. Approve ERMD Regular Board Meeting Minutes from June 17, 2021
3. 2nd Quarter Financials – Marilyn
4. Communication Tower Contract with Brainstorm – Mr. Martin
5. Wastewater Treatment Plant Update – Mr. Butler & Mr. Martinez
6. Staff Report
 - A) Wastewater Change order #3 discussion, Robert Ludwig
7. Board Concerns

Dated this 16th day of August, 2021

EDGEMONT RANCH METROPOLITAN DISTRICT
Steve Martin, President

5 Edgemont Ranch Metropolitan District Locations & La Plata County Clerk's Office

Robert Ludwig is inviting you to a scheduled Zoom meeting.

Topic: Edgemont Ranch Metro District August Board Meeting
Time: Aug 19, 2021 04:00 PM Mountain Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/81539453554?pwd=ZXBRSjBmMHlZS3FjTGdSNXd4b2VWdz09>

Meeting ID: 815 3945 3554

Passcode: 926554

One tap mobile

+14086380968,,81539453554#,,,,*926554# US (San Jose)

+16699006833,,81539453554#,,,,*926554# US (San Jose)

Dial by your location

+1 408 638 0968 US (San Jose)

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 646 876 9923 US (New York)

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

Meeting ID: 815 3945 3554

Passcode: 926554

Find your local number: <https://us02web.zoom.us/j/81539453554>

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, August 19, 2021 at 4:00 PM on Zoom.

Directors in attendance were: Steve Martin, Al Winzerling, Andrew Rapiejko and Rich Butler. Mr. Mongelli was unable to attend. Staff members in attendance were: Robert Ludwig, Kurtis Martinez, Mike Lancianese, and Eric Mietchen. About a half dozen others joined in on Zoom.

Mr. Martin explained there were errors from the June 3, 2021 minutes that had been corrected. Mr. Rapiejko made a motion to approve as amended the June 3, 2021 ERMD Board Meeting Minutes and the ERMD Regular Board Meeting Minutes from June 17, 2021, seconded by Mr. Martin, and was unanimously carried.

Mr. Butler reviewed the 2nd Quarter Financials: ERMD Consolidated Balance Sheet, June 30, 2021, the ERMD Consolidated Statement of Cash Flow, June 30, 2021 YTD, and the ERMD Analysis of Reserve Activity, June 30, 2021 YTD. (See attachment) Mr. Butler related that the Metro's debt position had dropped as of 30th of June. The original waste water plant loan was paid off at Alpine Bank and then refinanced in July for the larger amount for the new waste water plant. He then explained that the Metro will only need to draw on the new waste water plant loan as needed, saving significantly on interest. Mr. Butler related that Metro had unexpected expenses recently. The water treatment pump was burnt out from a power surge. Mr. Martinez stated the pump has been repaired plus a backup pump was ordered and will arrive next week. Mr. Butler said there would be no need to increase the sewer rates at this time because Metro has sufficient cash flow to cover the debt for the new plant. Though this status could change depending on the final cost of the waste water plant. Mr. Martin thanked Mr. Butler for reporting on the financials.

Mr. Martin discussed the communication tower and Metro's out-of-date contract with Brainstorm internet service. Brainstorm had been contacted regarding their plans for future use and we do not yet have that information. He explained there are 2 entities: 1) Brainstorm and 2) Skywerks. Originally there was a contract - an exchange of internet service for the use of the tower and for servicing some customers in Edgemont. Then Metro changed over to Skywerks internet service due to Brainstorm's poor service coverage. Brainstorm has been paying the ERMD electric bill for the tower. Mr. Butler asked if Metro could make the switch without Brainstorm – Metro doesn't want the electricity to be shut off. Mr. Martin will prepare a draft letter to formally end the agreement with Brainstorm and have them remove their equipment from the tower, and also to get in touch with LPEA for Metro to take over the payments. Mr. Martin will check with Marilyn to review the contract and get back to the board on this issue.

Marilyn and Mrs. Hutchins made the connection on Zoom.

Mr. Martinez reported on the current waste water lagoon's status; the ammonia levels have dropped and the total nitrogen level was within 1 mg of being in compliance. He expected they would be in compliance by next month. The update on the new waste water plant construction: the bio-code tank is almost finished, 2 buildings will be painted on site, and next Tuesday F&M Construction will be digging the foundation for the process building. Most tasks are on schedule. There have been delays on receiving the stainless steel due to shortages. The lead time is in line as told in the beginning. The contractors meet every Wednesday before meeting each

Thursday with the engineers and staff. Mr. Martinez assured the board they are all working well together as a team.

Mr. Ludwig reviewed the third and final change order for the wastewater plant. The complete value engineering from the original bid pulled out 4 line items from the original bid to get the best value savings. The 4 items are: 1) process building, 2) electrical, 3) yard piping and 4) chemical additives going into the concrete. The biggest savings comes from changing the construction design of the stick built building to a steel building. This will save \$484,342. Another savings comes from removing the anti-microbial crystalline additive from the concrete that will save \$85K. \$15,290 will be saved by changing the way the electrical system runs the heat in the building. Mr. Ludwig then explained that as some items were taken away, there were 3 items that were added. The under-drain system to the entire process building and the process tanks – all infrastructure were added for \$47,740. The intake structure was removed from inside the building to outside the building. The hazard classification #1 was removed from the building, with the removal of the requirement of the fire sprinkler, deep trace and insulation at the bar screen were added to the structure which added \$5169. The design change in our foundation of our head work structure moving away from the building, got into a soil condition we didn't expect so we excavated the area and found we weren't able to bare the foundation previously chosen but were able to change the foundation to a slod type foundation that holds all the equipment into one block so if one part tries to move it will hold the plumbing together so there won't be any cracking or differential settlement within the head works design. So with this final change order #3 it will add \$912,517. The total cost will be \$7,778,449. Though it is above what we planned to pay, we are spending money the best way we can. Metro saved \$300K. Mr. Ludwig asked the board if there were any questions, and also asked the board to vote to approve this change order and authorize Mr. Martin to sign for it. Mr. Martinez asked if the cost of the lab, 50K, was included in the waste water plant contract. Mr. Ludwig stated it was not, it was outside of the contract of the build. Mr. Martin asked Mr. Ludwig if all the ground compaction concerns were satisfied. Mr. Ludwig said they were, he further explained that instead of having a footer foundation they would have a slab on the coble layer that is the load bearing layer of the ground and the footers are attached to that slab and tied in an efficient way and quite durable for the next 40/50 years for the life of this plant. Mr. Butler asked if this amount included the collared type approach for piping that he learned about when attending the meeting with the geo-engineers. Mr. Ludwig said they were; the collard application is when they go through the slab of the floor of the process building with an expansion ring that will allow the pipe to move separately from the actual floor of the building so when/if we experience differential settlement and/or expansion of soils there is a place for it to move rather than causing tracking and breaking. Mr. Butler then queried about the cost of the engineering. He wanted to keep the engineering expenses with Trautner Geotech and Goff under control because their fees are outside of the bid. Mr. Ludwig will work to keep the engineering expenses under control. Mr. Butler stated the final cost for the waste water plant will be \$7,778,449. Metro's change order amount was kept under 5% contingency.

Mr. Martin complimented Mr. Ludwig and Mr. Butler on their good reports. Mr. Martin then made a motion to approve the 3rd change order as described by Mr. Ludwig for the waste water plant, seconded by Mr. Rapiejko and was unanimously passed.

Mr. Martinez stated that new hire, Mr. Mietchen, flushed all of the fire hydrants throughout Edgemont. The pressure readings on spread sheets were given to the fire department and the insurance company. Mr. Martinez said the Metro's information records were the best in the state. Mr. Martin thanked Mr. Mietchen for his hard work. Mr. Rapiejko said, well done,

concerning his hydrant work. Mr. Butler added his thanks for Mr. Mietchen's electrical work for the District.

Lastly, Mr. Butler asked Mr. Ludwig for an update on the Meadows Phase 3 infrastructure progress. Mr. Ludwig related that the county had checked all of the infrastructure. There was one fire hydrant that needed repairing and was repaired. The District still needed the acceptance letter from Corrola, and for the sign-off to be recorded with the county. Mr. Butler asked Mr. Ludwig to follow up with this process.

Mr. Butler thanked the team for all their hard work; everyone is appreciated.

A motion was made and approved to adjourn the meeting at 4:30 PM.

Respectfully submitted,

Annette Hutchins,
Administrative Assistant

EDGEMONT RANCH METROPOLITAN DISTRICT
Consolidated Balance Sheet
JUNE 30, 2021

ASSETS	
Current Assets	
Cash	\$294,300
Water System Reserve + Unrestricted	317,293
Sewer System Reserve + Unrestricted	-202,399
Road Maintenance Reserve	373,324
Snow Removal Reserve	171,077
Property Taxes Receivable	70,398
Water/Sewer Base Fees Receivable	48,106
Infrastructure Maintenance Fees Receivable	68,247
Other Current Assets	8,439
Bad Debt Reserve	0
Total Current Assets	1,148,785
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	-3,277,501
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	-2,192,058
Total Other Assets	5,869,001
TOTAL ASSETS	\$16,295,055
LIABILITIES	
Current Liabilities	
Accounts Payable	36,448
Accrued Compensated Absences	11,260
Unearned revenue	20,000
Total Current Liabilities	67,708
Long-term Debt	
Notes Payable	506,077
Total Long-term Debt	506,077
TOTAL LIABILITIES	573,785
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax Revenue	70,398
NET POSITION	
Retained Earnings	10,161,452
Contributed Capital	4,090,641
Investment in General Fixed Assets	2,155,763
Restricted for Roads	282,949
LT Debt Paid YTD Reported in Cash Flow as Outflow	155,887
Net Cash Flow	-1,195,820
TOTAL NET POSITION	15,650,872
TOTAL LIABILITIES AND NET POSITION	\$16,295,055

EDGEMONT RANCH METROPOLITAN DISTRICT
Consolidated Statement of Cash Flows
JUNE 30, 2021 YTD

CASH INFLOW	Water Fund	Sewer Fund	General Fund	Long Term Debt	Total	Budget	Variance	%
Water / Sewer Base Fees	\$134,120	\$94,281			\$228,401	\$217,865	10,536	5%
Infrastructure Maintenance Fees	132,216	136,105			268,321	279,570	(11,249)	-4%
Property Tax Income			\$194,963	\$51,138	246,101	222,258	23,843	11%
Snow Removal Fees			32,608		32,608	34,020	(1,412)	-4%
Water / Sewer Reserves	55,090	244,989			300,079	312,570	(12,491)	-4%
Inspection/Equipment/Impact Fees	11,775	625	13,225		25,625	12,250	13,375	109%
Lease Income			14,952		14,952	29,904	(14,952)	-50%
EPOA Reimbursement	0	0	3,858		3,858	6,480	(2,622)	-40%
Other	936	936	468		2,340	150	2,190	1460%
Interest Income		3,146			3,146	3,350	(204)	-6%
Bad Debt Reserve	0	0	0		0	0	0	
TOTAL CASH INFLOW	334,137	480,082	260,074	51,138	1,125,431	1,118,417	7,014	1%
Transfers to Reserves	-55,090	-248,135	-92,622	0	-395,847	-398,910		
NET OPERATING CASH INFLOW	279,047	231,947	167,452	51,138	729,584	719,507	10,077	1%
OPERATING CASH OUTFLOW								
Professional Fees	14,623	6,264	10,839	1,435	33,161	24,930	(8,231)	-33%
Office Expenses	3,200	2,836	2,010		8,046	7,877	(169)	-2%
Employee Expenses - Personnel	71,408	71,408	35,704		178,520	181,450	2,930	2%
Employee Exp - Taxes, Insurance, etc.	26,194	25,158	12,337		63,689	71,550	7,861	11%
Insurance	7,182	7,182	3,591		17,955	21,900	3,945	18%
Vehicle Expenses	4,725	4,675	2,360		11,760	8,100	(3,660)	-45%
Operations Expenses	31,009	25,243	5,992		62,244	82,005	19,761	24%
Maintenance/Repair Equipment	2,533	0			2,533	3,735	1,202	32%
Maintenance/Repair Infrastructure	7,413	945	3,336		11,694	13,035	1,341	10%
Distribution / Collections	32,347	5,825			38,172	28,630	(9,542)	-33%
Capital Expenditures	4,876	4,876	4,668		14,420	22,875	8,455	37%
Debt & Interest Payments				30,697	30,697	30,698	1	0%
Other	29,277	1,072	487		30,836	96,500	65,664	68%
TOTAL OPERATING CASH OUTFLOW	234,787	155,484	81,324	32,132	503,727	593,285	89,558	15%
CASH FLOW BEFORE RESERVES	\$44,260	\$76,463	\$86,128	\$19,006	\$225,857	\$126,222	\$99,635	79%
NET RESERVE ACTIVITY	-6,018	-1,461,751	46,092	0	-1,421,677	-1,921,441	499,764	
TOTAL CASH FLOW	\$38,242	-\$1,385,288	\$132,220	\$19,006	-\$1,195,820	-\$1,795,219	\$599,399	-33%

EDGEMONT RANCH METROPOLITAN DISTRICT
Analysis of Reserve Activity
JUNE 30, 2021 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	55,090				\$55,090	\$57,420	(2,330)	-4%
WWTP Reserve		244,989			\$244,989	255,150	(10,161)	-4%
Interest on Loan Proceeds		3,146			\$3,146	3,350	(204)	-6%
Road Maintenance Tax Levy			\$46,789		\$46,789	42,670	4,119	10%
Snow Removal Fee				\$32,608	\$32,608	34,020	(1,412)	-4%
Road Impact Fees			13,225		\$13,225	6,300	6,925	110%
TOTAL CASH INFLOW	55,090	248,135	60,014	32,608	395,847	398,910	-3,063	-1%
CURRENT RESERVE CASH OUTFLOW								
Spring Valley Reservoir Loan Payments	61,108				61,108	61,108	0	0%
WWTP Loan/Interest Payments		137,574			137,574	155,543	17,969	12%
WWTP Development / Construction		1,572,312			1,572,312	2,000,000	427,688	21%
R&M Roads			23,657		23,657	85,000	61,343	72%
Snow Removal Expense				14,063	14,063	14,600	537	4%
Snow Equipment R&M				8,810	8,810	4,100	(4,710)	-115%
TOTAL RESERVE CASH OUTFLOW	61,108	1,709,886	23,657	22,873	1,817,524	2,320,351	502,827	22%
NET RESERVE CASH FLOW	-\$6,018	-\$1,461,751	\$36,357	\$9,735	-\$1,421,677	-\$1,921,441	-\$499,764	26%
PREVIOUS BALANCE (12/31/20)								
	84,936	4,726,037	336,967	161,342	5,309,282			
Sewer Loan Payoff		-3,842,834						
TOTAL RESERVE BALANCE	\$78,918	-\$578,548	\$373,324	\$171,077	\$3,887,605			