



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 Thursday, August 20, 2020 via Zoom MT.**

The purpose of the meeting is as stated below.

**AGENDA ITEM:**

- 1) Approve Special Metro Board meeting minutes for March 26, 2020 and June 23, 2020
- 2) Q2 Financials – Marilyn
- 3) Update on the waste water plant – Mr. Martinez
- 4) Update on THM Sampling results for this year – Mr. Lancianese
- 5) Highlands Drive Striping – Mr. Ludwig
- 6) Board Concerns

Join Zoom Meeting

<https://us02web.zoom.us/j/83978678389?pwd=cDIOTXBKdUpJeTNhaGxKa2hCMnIwQT09>

Meeting ID: 839 7867 8389

Passcode: 725709

One tap mobile

+16699006833,,83978678389#,,,,,0#,,725709# US (San Jose)

+12532158782,,83978678389#,,,,,0#,,725709# US (Tacoma)

Dial by your location

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 408 638 0968 US (San Jose)

+1 646 876 9923 US (New York)

+1 301 715 8592 US (Germantown)

+1 312 626 6799 US (Chicago)

Meeting ID: 839 7867 8389

Passcode: 725709

Find your local number: <https://us02web.zoom.us/j/kZF31HXQF>

Dated this 17th day of August, 2020.

EDGEMONT RANCH METROPOLITAN DISTRICT

Steve Martin, President

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

[www.edgemontranch.com](http://www.edgemontranch.com)

[ermd@edgemontranch.com](mailto:ermd@edgemontranch.com)



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

## **Edgemont Ranch Metropolitan District Regular Meeting Minutes**

A regular meeting of ERMD was convened at 4:08 p.m. on Thursday August 20, 2020 via Zoom.

Board members that joined the board meeting remotely; Steve Martin, Larry Mongelli and Andrew Rapiejko. Rich Butler and Al Winzerling had excused absences – they were out of town. There was a quorum. Staff members Robert Ludwig, Kurtis Martinez, Mike Lancianese, Mark Fuson, Marilyn Heide and Annette Hutchins also joined in. Residents Steve Doob and Kevin and Jeanie Mills, Linda Herz and David Bray were added on-line as well.

Mr. Martin moved to approve the Special Metro Board meeting minutes for March 26, 2020 and June 23, 2020, seconded by Mr. Mongelli and was unanimously approved.

Mr. Martin asked Mrs. Hutchins to check the two meeting's status – whether they were special or regular meetings. They both were special meetings.

Marilyn reported on the Q2 Financials. (See attachment)

Mr. Martinez updated the District's progress on the waste water plant. The bid went out on August 14<sup>th</sup>. There will be a walk-through on September 2<sup>nd</sup> at 2:00 PM for all interested parties. They must attend in person to quality for the bidding process and to be awarded the contract. The bid closes October 9<sup>th</sup>.

Mr. Martinez stated that the waterline construction to the site of the waste water plant is complete. There were additional items – added road base, a gate and fencing – that should be included for final completion of the project. This change order totaled \$16,702. The new total amount for the project came to \$118,070. Mr. Mongelli moved to approve the additional construction amount, seconded by Mr. Rapiejko, and was unanimously approved.

Mr. Lancianese gave an update on the last THM. There had been an issue with this a year ago. He reported that the Metro District has taken care of the water quality issues. There were low readings and they were back in the grade. The high reading for one quarter was due to the 2018 drought and low river water. Metro can keep it under control. See posted updates of the reports on the Metro website:

[www.edgemontranch.com](http://www.edgemontranch.com)>ERMD>Current Quarter Disinfection ByProducts and Water Quality Report

Mr. Ludwig stated the Highlands sub-division would like the Metro to stripe Edgemont Highlands Drive from the entrance to Monarch Crest Drive. He received a quote from Leeder Construction for \$2600 for the ½ mile.

Mr. Ludwig also got a striping quote for El Diente Drive round about to Golden Dipper, \$500-\$700 – a query from the Bluff sub-division. Mr. Martin commented there would be upkeep expenses for the proposed striping. There was much discussion concerning this issue which included traffic slowing methods/devices. Mr. Bray, from the Bluff sub-division, felt the striping may slow traffic down inexpensively. He was willing to try various ways to slow the traffic down. He said there were about 8-10 people who were speeding through the sub-division. Ms. Herz said that the EPOA board had composed and mailed a letter to one of the major offenders. Mr. Ludwig stated that striping would remind drivers to stay on their side of the road when it is clearly marked. Speed humps had been put in to help reduce speeders. Some residents approved their installation – others did not. Staff members, Mr. Ludwig and Mr. Martinez said they were willing to try the striping if the residents wanted it. Mr. Martinez added he was against installing removable speed bumps. Mr. Rapiejko thought taking different steps to help reduce the speeding was a plan. Mr. Martin was not for striping but would not obstruct a board vote for them. Mr. Mongelli said the Highland street signs that read, “Only You Can Prevent Speed Bumps” was a good reminder to drive the speed limit. Mr. Mongelli moved to approve striping on the previously mentioned streets, seconded by Mr. Rapiejko. Mr. Martin said, “All in favor say, “Aye”. All three, said “Aye.”

Lastly, Mr. Martin had a board issue concerning children driving motorized bikes on both sides of the road. Mr. Bray added that they were also riding the scooters. Also, there was a report about a drone that went into a garage. Mr. Bray appreciated the Metro board’s efforts to slow the speeders.

Mr. Mongelli moved to adjourn the meeting, seconded by Mr. Rapiejko. The meeting adjourned at 4:42 p.m.

Respectively Submitted,  
Annette Hutchins  
Administrative Assistant

**ERMD INTERIM FINANCIAL REPORT  
JUNE 30, 2020**

**BALANCE SHEET**

Current assets are \$6.26M, consisting of \$6M cash and \$209K receivables and other. Bad debt consists of three accounts owing for 2020 annual maintenance fees plus delinquency charges and one account owing for two years of infrastructure fees plus delinquency charges. Emails will be sent to each owner in the near future as a reminder. If not paid by November, we will pursue having the fees collected by La Plata County with property taxes.

Property, Plant and Equipment is \$8.8M, which primarily represents the water and sewer infrastructure.

Other Assets are \$5.3M, made up primarily of all the roads for which the District has responsibility.

Liabilities are \$4.6M. The District's total 2020 tax levy is \$298,477. Of that amount \$70,345 is yet to be collected.

Total Net Position is \$15.7M.

**FINANCIAL OVERVIEW:**

The District's YTD Total Cash Inflow is \$1.1M, a positive variance from the budget of \$53K. There are several reasons for the variance. Property tax income was received earlier than expected; water usage was greater than budgeted; the District collected an extra \$13K for the AT&T water tower lease; and there were 16 new housing starts in the first half of 2020 compared to a budget of 10. After transferring \$393K to Reserves, Net Operating Cash Inflow is \$718K.

Total Operating Cash Outflow was \$498K, a positive variance of 56K. The variance is mainly from timing issues. The Cash Flow before Reserves was \$220K, giving us a positive variance of almost \$100K. Total cash flow including reserve activity is \$264K.

**ANALYSIS OF RESERVE ACTIVITY:**

Total Reserve Cash Inflow was \$393K, a positive variance from the budget of \$11K.

Total Reserve Cash Outflow was \$349K, a positive variance of \$230K. The largest variance of \$237K in WWTP Development is a timing issue. All necessary approvals have now been received and we are in the bidding phase for the new WWTP. The negative variance of \$17K is because the \$18,500 budget for the purchase of a new plow was inadvertently left out when preparing the budget.

Total Reserve increased by \$44K, beginning the year at \$5.4M and ending the quarter at \$5.45M.

**CURRENT INFRASTRUCTURE STATUS**

6/30/2020	WATER/SEWER CUSTOMERS	<u>RANCH</u>	<u>HIGHLAND</u>	<u>MEADOWS</u>	<u>TOTAL</u>
	UNIMPROVED	11	90	60	161
	RESIDENTIAL	220	348	35	603
	PONDS	3	0	0	3
	LANDSCAPING	3	2	1	6
	TOTAL	237	440	96	773

Miles of Road (estimate)	3.4	5.4	1.1	9.9
--------------------------	-----	-----	-----	-----

**EDGEMONT RANCH METROPOLITAN DISTRICT**  
**Consolidated Balance Sheet**  
**JUNE 30, 2020**

**ASSETS**

**Current Assets**

Cash	\$607,886
Water System Reserve	109,118
Sewer System Reserve	4,862,798
Road Maintenance Reserve	326,253
Snow Removal Reserve	148,610
Property Taxes Receivable	70,345
Water/Sewer Base Fees Receivable	51,571
Infrastructure Maintenance Fees Receivable	92,870
Other Current Assets	850
Bad Debt Reserve	-6,900

Total Current Assets 6,263,401

**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 \$20,336,739

**LIABILITIES**

**Current Liabilities**

Accounts Payable	40,002
Accrued Compensated Absences	11,260
Unearned revenue	20,500
Current portion of long-term debt	247,348

Total Current Liabilities 319,110

**Long-term Debt**

Leases Payable, net of current portion	0
Notes Payable, net of current portion	4,290,407

Total Long-term Debt 4,290,407

TOTAL LIABILITIES 4,609,517

**DEFERRED INFLOWS OF RESOURCES**

Deferred Property Tax Revenue	70,345
-------------------------------	--------

**NET POSITION**

Retained Earnings	8,599,709
Contributed Capital	4,090,641
Investment in General Fixed Assets	2,155,763
Restricted for Roads	247,882
LT Debt Paid YTD Reported in Cash Flow as Outflow	298,475
Net Cash Flow	264,407

TOTAL NET POSITION 15,656,877

TOTAL LIABILITIES AND NET POSITION \$20,336,739

**EDGEMONT RANCH METROPOLITAN DISTRICT**  
**Consolidated Statement of Cash Flows**  
**JUNE 30, 2020 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	\$131,885	\$88,462			\$220,347	\$207,689	12,658	6%
Infrastructure Maintenance Fees	133,673	137,276			270,949	267,798	3,151	1%
Property Tax Income			\$188,841	\$50,495	239,336	216,985	22,351	10%
Snow Removal Fees			32,980		32,980	32,580	400	1%
Water / Sewer Reserves	55,697	247,099			302,796	299,370	3,426	1%
Inspection/Equipment/Impact Fees	7,536	400	8,400		16,336	9,960	6,376	64%
Lease Income			27,172		27,172	13,824	13,348	97%
EPOA Reimbursement			5,212		5,212	6,485	(1,273)	-20%
Other					0	150	(150)	-100%
Interest Income		3,362			3,362	3,350	12	0%
Bad Debt Reserve	-2,340	-4,200	-360		-6,900	0	(6,900)	
<b>TOTAL CASH INFLOW</b>	<b>326,451</b>	<b>472,399</b>	<b>262,245</b>	<b>50,495</b>	<b>1,111,590</b>	<b>1,058,191</b>	<b>53,399</b>	<b>5%</b>
Transfers to Reserves	-55,697	-250,461	-87,113	0	-393,271	-382,180		
<b>NET OPERATING CASH INFLOW</b>	<b>270,754</b>	<b>221,938</b>	<b>175,132</b>	<b>50,495</b>	<b>718,319</b>	<b>676,011</b>	<b>42,308</b>	<b>6%</b>
<b>OPERATING CASH OUTFLOW</b>								
Professional Fees	3,848	7,719	7,587	1,429	20,583	19,301	(1,282)	-7%
Office Expenses	3,548	3,134	1,598		8,280	7,824	(456)	-6%
Lease Expense	37,126	21,804	0		58,930	64,750	5,820	9%
Employee Expenses - Personnel	61,682	61,300	29,290		152,272	154,600	2,328	2%
Employee Exp - Taxes, Insurance, etc.	23,418	23,445	11,396		58,259	66,390	8,131	12%
Insurance	7,396	7,396	3,698		18,490	21,900	3,410	16%
Vehicle Expenses	1,198	1,335	439		2,972	8,075	5,103	63%
Operations Expenses	41,026	24,621	6,966		72,613	78,885	6,272	8%
Maintenance/Repair Equipment		171			171	4,725	4,554	96%
Maintenance/Repair Infrastructure	6,210		1,513		7,723	14,270	6,547	46%
Distribution / Collections	10,730	8,676			19,406	28,640	9,234	32%
Capital Expenditures					0	17,000	17,000	100%
Debt & Interest Payments				30,697	30,697	30,697	0	0%
Other	42,667	1,971	2,919		47,557	37,370	(10,187)	-27%
<b>TOTAL OPERATING CASH OUTFLOW</b>	<b>238,849</b>	<b>161,572</b>	<b>65,406</b>	<b>32,126</b>	<b>497,953</b>	<b>554,427</b>	<b>56,474</b>	<b>10%</b>
<b>CASH FLOW BEFORE RESERVES</b>	<b>\$31,905</b>	<b>\$60,366</b>	<b>\$109,726</b>	<b>\$18,369</b>	<b>\$220,366</b>	<b>\$121,584</b>	<b>\$98,782</b>	<b>81%</b>
<b>NET RESERVE ACTIVITY</b>	<b>-5,411</b>	<b>31,984</b>	<b>17,468</b>	<b>0</b>	<b>44,041</b>	<b>-195,469</b>	<b>239,510</b>	
<b>TOTAL CASH FLOW</b>	<b>\$26,494</b>	<b>\$92,350</b>	<b>\$127,194</b>	<b>\$18,369</b>	<b>\$264,407</b>	<b>-\$73,885</b>	<b>\$338,292</b>	<b>-458%</b>

**EDGEMONT RANCH METROPOLITAN DISTRICT**  
**Analysis of Reserve Activity**  
**JUNE 30, 2020 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>
<b>CURRENT RESERVE CASH INFLOW</b>							
Spring Valley Reservoir Reserve Fees	55,697				\$55,697	\$55,020	677
WWTP Reserve		247,099			\$247,099	244,350	2,749
Interest on Loan Proceeds		3,362			\$3,362	3,350	12
Road Maintenance Tax Levy			\$45,733		\$45,733	41,880	3,853
Snow Removal Fee				\$32,980	\$32,980	32,580	400
Road Impact Fees			8,400		\$8,400	5,000	3,400
<b>TOTAL CASH INFLOW</b>	<b>55,697</b>	<b>250,461</b>	<b>54,133</b>	<b>32,980</b>	<b>393,271</b>	<b>382,180</b>	<b>11,091</b>
<b>CURRENT RESERVE CASH OUTFLOW</b>							
Spring Valley Reservoir Loan Payments	61,108				61,108	61,108	0
WWTP Loan/Interest Payments		155,541			155,541	155,541	0
WWTP Development		62,936			62,936	300,000	237,064
R&M Roads			35,062		35,062	40,500	5,438
Snow Removal Expense				13,712	13,712	15,500	1,788
Snow Equipment R&M				3,571	3,571	5,000	1,429
New Plow for Loaders				17,300	17,300	0	(17,300)
<b>TOTAL RESERVE CASH OUTFLOW</b>	<b>61,108</b>	<b>218,477</b>	<b>35,062</b>	<b>34,583</b>	<b>349,230</b>	<b>577,649</b>	<b>228,419</b>
<b>NET RESERVE CASH FLOW</b>	<b><u><u>-\$5,411</u></u></b>	<b><u><u>\$31,984</u></u></b>	<b><u><u>\$19,071</u></u></b>	<b><u><u>-\$1,603</u></u></b>	<b><u><u>\$44,041</u></u></b>	<b><u><u>-\$195,469</u></u></b>	<b><u><u>-\$239,510</u></u></b>
<b>PREVIOUS BALANCE (12/31/19)</b>	<b><u>114,529</u></b>	<b><u>4,830,814</u></b>	<b><u>307,182</u></b>	<b><u>150,213</u></b>	<b><u>5,402,738</u></b>		
<b>TOTAL RESERVE BALANCE</b>	<b><u><u>\$109,118</u></u></b>	<b><u><u>\$4,862,798</u></u></b>	<b><u><u>\$326,253</u></u></b>	<b><u><u>\$148,610</u></u></b>	<b><u><u>\$5,446,779</u></u></b>		