

**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 19th, 2023 at 4:00 PM at 5972 CR 234, Durango, Colorado.

Directors in attendance: Steve Martin, Al Winzerling, Larry Mongelli and Rich Butler. Metro staff members in attendance were: Robert Ludwig, Kurtis Martinez, Sean Young, Kevin White, Marilyn Heide, and Debbie Smith. Residents who attended were: Linda Herz (EPOA President), Stephanie Utley (Edgemont Highlands HOA President), Linda Riggle, David Bray, and Wayne Peterson.

Mr. Winzerling moved to approve the Regular Metro Board meeting minutes from the August 17, 2023 meeting, seconded by Mr. Mongelli, and was carried unanimously.

Marilyn reviewed the 3rd Quarter Financial Reports including the ERMD Interim Financial Report September 30, 2023; ERMD Consolidated Balance Sheet, September 30, 2023; ERMD Consolidated Statement of Cash Flows, September 30 2023 YTD, and ERMD Analysis of Reserve Activity, June 30, 2023. (See Attachment). There have been 9 builders that have paid equipment fees this year compared to 30 last year. \$2mil from the Cash Concentration Account was transferred to a Money Market account to take advantage of high interest rates which resulted in \$52,565 in interest earned.

Marilyn presented the 2024 Preliminary ERMD Budget. She noted liability insurance is going up; expected increase of 3.5%. Legal costs are down due to water legal issues being resolved. Labor costs are up due to mid-year raises. Vehicle costs are higher due to increased fuel costs. Operational costs are up due to inflationary pressures. There were three items missing from the budget to be included in final budget. The first item is the Victorian Village water line repair estimated to be \$400K; bids are due by end of November with selection of contractor in January/February 2024. The second item missing is a dump trailer to haul bio solid waste in lieu of Republic which will reduce cost of the bio-solids waste hauling by half and will pay for itself within a year. The third item missing is an enclosure for the headworks at the waste water treatment plant to prevent freezing, estimated to cost less than \$20K. All agreed these are valid expenses to be included in the 2024 budget and funds exist to cover the costs.

Kyle Amstadter from Shaw Solar presented a Solar Service Agreement Proposal for consideration by the district. This would be a 30 year agreement between Shaw Solar and the Metro district. Solar arrays built would offset the usage of the waste water treatment plant, water plant, maintenance shop and booster station. The service agreement price will be based on a 12% discount from current LPEA rate for the first five years and will then increase to \$0.10/k Wh rate based off the year 1 production with 1.5% escalation for the remainder of 30 year agreement; resulting in expected savings of \$545,724 (20%) savings over 30 year agreement. Metro district has option to purchase system in Year 6 at fair market value to boost overall savings. There are no up-front costs to ERMD for installation. All arrays will be designed to integrate with battery additions in the future. Shaw will set up a stand-alone LLC for ERMD entity; there is no risk to ERMD for any future changes with Shaw Solar. While service agreement is in place Shaw solar will monitor system and perform all maintenance. Concerns expressed by board included commitment to 30 year agreement. Board contact references and schedule a "field trip" with Shaw Solar to visit current set up at other local water treatment

facilities. Implementation from approval to install is approximately 6-9 months pending availability of parts from vendors. It was noted there is not another local vendor that can handle a project of this size and having a local maintenance resource is important.

Mr. Ludwig obtained 3 bids for reserve analysis for Metro's assets as discussed at August meeting. The bids ranged from approximately \$7k to \$20k. Robert recommended the bid from Association Reserves at \$12k-\$14k. They are based in Golden, CO and currently completed an analysis for Jefferson County Water. Every depreciable item will be assessed for replacement cost and 20 year replacement cost. The main goal is to have adequate monies to carry into the future and be prepared when replacements are necessary. Mr. Martin motioned to add Valuation Assessment and Mr. Mongelli seconded the motion.

Mr. Ludwig advised that David Johnston left ERMD and introduced Mr. Gilbert Martinez as his replacement. Mr. Martinez comes to ERMD from the City of Durango and 32 years of sewer management experience. He will start with ERMD November 6, 2023.

Mr. Ludwig proposed a raise in the Snow Plowing Fee from \$6/month to \$10/month. The fee has not been raised in 12 years. Costs in fuel have risen substantially and ERMD purchased a new "used" loader in lieu of renting equipment. The current plow attachment will be "retro-fit" for the new loader. Mr. Butler also mentioned grit and employee costs and the fact that our roads have expanded more than 30% to nearly 12 miles. Mr. Ludwig was requested to provide 3 scenarios of how rate increase will offset projected higher costs. The issue will be discussed and a final decision to be made at the public December board meeting.

Mr. Martinez reported on the waste water plant. The colder temperatures have caused the nitrates to raise but they remain within normal limits. He reiterated the cost savings of purchasing a dump trailer to offset the increased costs to dispose of the bio-solids at the landfill through Republic. He will obtain a quote for the enclosure of the head-gate at the waste water treatment plant but advised work cannot be done until next year.

Mr. Ludwig will track the amperage required for all components in relation to the Shaw Solar proposal.

Wayne Peterson, resident at 165 Hay Barn, expressed extreme concern regarding speed limits and safety on CR 240. Speed is the #2 cause of auto accidents in the U.S. He asked how ERMD can support discussions with La Plata County to lower the speed limit and provide better signage. Foot traffic has increased as well causing concern about crossing from Highlands to Edgemont/Meadows subdivisions. Mr. Peterson requested "support on record" with Board that they will support residents' stand on safety concerns with La Plata County. Board agreed there is a safety issue but it is outside ERMD jurisdiction. Mr. Peterson will notify county of residents' concerns and attend County Commissioner's meeting(s) as well as encourage other residents to attend. A petition is being routed through the subdivisions for traffic mitigation on CR 240.

Stephanie Utley, resident and Board member of Edgemont Highlands HOA, asked how ERMD can help support speed reductions within subdivisions, specifically Pinecone Road. HOA has additional signage and lighted signs in budget. Ms. Utley asked if road re-painting was an option. Mr. Martin advised the road painting was only done in Highlands as a test to see if it would reduce speeds; results were inconclusive. The cost to maintain paint and do throughout subdivisions would be prohibitive. Speed bumps are not acceptable to ERMD or residents.

Ms. Utley asked about options of “no spray zones”. Spraying does not happen where culverts are maintained by resident. Spraying only happens in public areas where excessive weed growth threatens the integrity of the asphalt.

Ms. Utley asked if ERMD would be open to an RV Storage area for which residents would be charged; Board advised no.

Ms. Utley inquired about accountability of road maintenance from Edgemont Highlands Drive to the water tank above the Overlook. The Board informed her that ERMD is not responsible for road maintenance to the water tank. The developer placed asphalt on a portion of the non-maintained road without authorization and it did not meet ERMD standards. ERMD does not own that road, ERMD has an easement only to access the water tank. Staff will follow up with Highlands HOA on this issue.

Mr. Ludwig mentioned concern regarding development of land on 234 above ERMD. Issue deferred to a later time.

Mr. Mongelli moved to adjourn the Metro Board Meeting at 6 pm, seconded by Mr. Winzerling and was unanimously approved.

Respectfully submitted,

Debbie Smith,
Accounting Assistant