

**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 17th, 2023 at 4:00 PM at 5972 CR 234, Durango, Colorado.

All directors were in attendance: Steve Martin, Al Winzerling, Marlena deCarion and Larry Mongelli and Rich Butler. Metro staff members in attendance were: Robert Ludwig, Kurtis Martinez, Sean Young, Kevin White, Dave Johnston, Marilyn Heide, and Annette Hutchins. Residents who attended were: Linda Riggle, Mark Norton, John Stiff and Tom Gorton.

Mr. Winzerling moved to approve the Regular Metro Board meeting minutes from the June 15, 2023 meeting, seconded by Mr. Butler, and was carried unanimously.

Marilyn reviewed the 2nd Quarter Financial Report. ERMD Interim Financial Report June 30, 2023; ERMD Consolidated Balance Sheet, June 30, 2023; ERMD Consolidated Statement of Cash Flows, June 30 2023 YTD, and ERMD Analysis of Reserve Activity, June 30, 2023. (See Attachment)

Marilyn also presented the 2022 ERMD audit. Mr. Butler related there were no issues concerning the results; the company fulfilled their obligations. Mr. Martin moved to approve the 2022 ERMD audit, seconded by Mr. Mongelli and was unanimously approved by the board.

Mr. Butler discussed his concerns about the Metro's capital replacement costs. He would like to have a reserve analysis done of Metro's assets – to determine the timing of replacements and costs. Mr. Butler and Mr. Ludwig plan to speak with firms to see what they would charge to analyze Metro's future needs and expenses. Mr. Martin would like to get the best price for this independent counsel. Mr. Winzerling asked if there was a local firm that could be used for this task. Mr. Butler and Mr. Ludwig stated Metro was already proactive with reserves for future capital projects and then compared this with the county and the city of Durango – they have a “blighted” status due to the bad shape the roads and bridges were in and the lack of planning and budgeting for their replacement. Mr. Ludwig stated the Metro should not fall behind as the city and county have done. Mr. Butler reported the last Metro fee increase was in 2014.

Metro plans to put two road projects out to bid around Thanksgiving with a decision by next February. One project is for the replacement section for the broken water line on Iron King and the second project is for the water line on Hidden Treasure in Victorian Village - all new lines and taps to the 9 lots and 6 townhouse units. Both projects will be done at the same time with the same company. The Hidden Treasure water lines and road will be completely replaced with the road looking brand new. The whole project is estimated to be around \$180K. \$120K is just for the pipe. The estimated cost is \$200 per foot. Ms. deCarion recommended including other similar projects in the bid. Also, there was a reminder to keep a traffic lane open while the roads were being worked on.

Ms. Riggle from 94 Hidden Treasure and Mark Norton from Victorian Village Townhomes brought their grievances to the Board concerning the corroded water lines affecting their water filters and appliances. Ms. Riggle presented a summary of expenses. Mr. Norton asked for the board to consider at least a partial reimbursement for broken fixtures and equipment due to the iron magnesium residue in the water lines. Mr. Norton commented that he had problems with sediments in his water but Ms. Riggles had the worst issues in the cul-de-sect. (sac) The affected residents appreciated the staff's efforts of flushing the water lines every 3 weeks to help

clear out the lines from debris, but still asked for help in shouldering the costs with the damaged water filters and appliances and would appreciate any financial help offered. Mr. Winzerling commented that there may be other areas affected by this same issue. Mr. Martin was concerned about who was liable in this situation and would consult Metro's lawyer. The board would take this request into consideration and find out if Metro was liable or not. Ms. deCarion recommended a schedule to work by. No action was specifically requested. Mr. Martin indicated he would consult legal counsel.

Mr. Martinez reported on the waste water plant. A final payment was made to the state for the non-compliance fine from before the waste water plant was built. The waste water plant is in compliance since its completion. He related the increased costs to dispose of the bio-solids at the landfill. He commented that the trash collection company had changed hands from GFL to Republican.

Mr. Ludwig reported on the water plant. It is operating with new filters; micro-membrane. We want to restack our filters. The restacking will help mitigate our water shed issues. We have plenty of water with the good winter that we recently had. Mr. Ludwig also commented on the water line issue in Hidden Treasure. Metro is not responsible for the original water line problem. Metro is responsible for the water line to the property and water meter. And Metro is replacing the water lines. It is the customer's responsibility to take care of any problems from the meter to the house.

Mr. Ludwig also reported that the Edgemont Ranch sub-division and water/wastewater utilities has been accepted into the Colorado Green Business Network - Bronze Level. This is due to the whole subdivision meeting stringent requirements, with further opportunities to advance as they go above and beyond the basic requirements. Mr. Martinez will attend the ceremony in Denver to receive the reward and plaque, and anticipates this noteworthy accomplishment to be reported in the Durango Herald.

Mr. Martin reported that he is continuing to negotiate on the proposed new lease agreement with AT&T. They are asking for a future reduction in the annual fee, as follows: there will be one more charge of \$33,600 and then a reduction to \$22,000 in 2025. And then every 5 years there would be a 10% increase. We are insisting that the clause allowing either party to cancel upon 6 months' notice must be preserved. Also we insist for our approval for changes to the tower apparatus. Mr. Martin is continuing to negotiate with AT&T national leasing agent to reach an amended written agreement for a later presentation to the board.

Mr. Gorton proposed selling a small parcel of land in Edgemont Highlands to the Metro for \$10. He said he had no use for this land. Mr. Ludwig commented this would help Metro's access to the lift station through this property. Mr. Butler moved to accept this small piece of property for \$10, seconded by Mr. Winzerling and was unanimously approved.

Staff member, Mr. Johnson, passed his Wastewater Treatment D and Collections - 1 tests. Mr. Ludwig commented that Mr. Young was keeping up with installing the water meters and was a great help to the process.

Lastly, Mr. Mongelli moved to adjourn the Metro Board Meeting at 4:58 pm, seconded by Mr. Winzerling and was unanimously approved.

Respectfully submitted,

Annette Hutchins,
Administrative Assistant