

**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, April 18, 2024 at 4:00 PM at 5972 CR 234, Durango, Colorado.

Directors in attendance were: Steve Martin, Larry Mongelli, Richard Butler, Al Winzerling and Marlana deCarion. Staff members in attendance were: Robert Ludwig, Gilbert Martinez, James White, Sean Young, Kevin White, Kurtis Martinez, Marilyn Heide, Debbie Smith and Annette Hutchins. Residents in attendance were Linda Riggle, Linda Herz, David Bray, Dave Stiller, Julie and Vaughn Daugherty.

The Board discussed the final Agreement with Shaw Solar that was negotiated by the District's attorney and the Treasurer. Mr. Martin explained that he had not initially supported the proposal because he believed a 30-year agreement was too long of a commitment. However, the current agreement provides the District the yearly option not to appropriate funds in the District's budget and that would terminate the Agreement. Mr. Butler read the following provision crafted by the District's attorney that meets the statutory requirements for Special Districts and grants the option to the District to exit the deal if the Board determines it is in the District's best interests to exit the agreement:

The District shall not be obligated to make the Payments provided for in this Agreement beyond the then current Year as shown on Schedule B. All Payments shall constitute a current expense of the District and shall not be construed as a multiple fiscal year direct or indirect debt of the District in contravention of any applicable constitutional or statutory limitation or requirements concerning the creation of indebtedness by the District. In the event sufficient funds shall not be specifically budgeted and appropriated for the payment of the Payments required to be paid in the next occurring Year under Schedule B, the Districts agrees at District's cost and expense to peaceably surrender possession of the System to Service Provider in good working order and condition.

Mr. Butler also explained that the solar array planned for the Booster Station near the Water tower would not be included in the current project. He explained that LPEA denied our Interconnection request due to LPEA's lack of capacity to handle additional solar power in our area. This development was welcomed by Mr. Martin and several meeting attendees. A resident asked if the District could own the power and sell it to LPEA. Mr. Ludwig explained that the District does not own the Solar System, Shaw Solar does, and the District does not have the right to do this. Mr. Butler then outlined the key elements of the project from prior meetings: The solar system will be installed at zero cost to the District. The District would enter into an agreement to purchase the solar power at a discount to LPEA charges of about 15%, which would save the District about \$8,000 per year. The District also has the option to purchase the solar system after 5 years. The cost to Shaw to install the solar system is approximately \$1.9 million. The District's payments will reimburse Shaw for this upfront cost and provide them a profit margin over time. After further discussion the Board unanimously resolved to approve the contract and authorized the Secretary/Treasurer and President to sign final documentation. Construction will start as soon as equipment can be delivered and should be finished late this year or early next year.

Mr. Winzerling moved to approve the February 15, 2024 ERMD Regular Board Meeting Minutes, seconded by Mr. Mongelli, and was unanimously carried.

Marilyn reported on the 1st quarter financials. ERMD Consolidated Balance Sheet, March 31, 2024, ERMD Consolidated Statement of Cash Flows, March 31, 2024 YTD, and ERMD Analysis of Reserve Activity, March 31, 2024 YTD. (See attachment). The payment for the road bonds ends in May. Marilyn asked the Metro Board for permission to pay Metro bills on line. Metro will pay the monthly reoccurring bills through Alpine bill pay rather than printing checks. There will be a report listing the bills paid each month for 2 board member signatures. The board authorized this procedure.

Mr. Ludwig explained that the reserve analysis was being conducted on the Metro's infrastructure. This information will help Metro know how to plan for the future and determine the rates. Mr. Ludwig also gave an update on the waterline repairs for Victorian Village & Iron King. Cannon Construction's bid was chosen for the repairs. They were the only company to bid on this job. Mr. Ludwig commented that Cannon was very qualified to do this work. The repair cost is \$530K. One of Metro's main goal is to keep Edgemont in good shape.

Mr. Martinez gave an update on the wastewater treatment plant. We have good effluent numbers. Woodbridge cu de sac will be getting a slurry seal coating and asphalt patching this year that will cost 30k. The dump trailer we purchased to haul our own fan press cake will pay for itself in 4 years.

A motion was made and approved to adjourn the meeting at 4:35 PM.

Respectfully submitted,

Annette Hutchins,
Administrative Assistant