

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 at the District office on Thursday, October 19, 2022 at 4:02 PM by Steve Martin.

All directors were in attendance: Steve Martin, Rich Butler, Al Winzerling, Larry Mongelli and Andrew Rapiejko. Also, in attendance were staff members, Robert Ludwig, Kurtis Martinez, Mike Lancianese, Eric Mietchen, Marilyn Heide. Edgemont residents and guests included Mr. Norton.

The minutes of the August 18, 2022, Regular Board Meeting were reviewed and approved unanimously.

Controller Marilyn Heide presented her Third Quarter Financial Report. Total cash inflow equaled \$1,650,000 (net of the Wastewater Plant Debt draws of \$2.3mm) – 1% above budget. Net of expenses and reserves, cash flow through the first nine months was - \$59,000, due to large transfers to the wastewater plant reserves. In general, revenues and expenses came in close to budget.

The 2023 Draft Budget was presented to the Board by Marilyn Heide. Previous to the meeting the Budget was circulated to the Board on October 9. The draft budget shows increasing inflation impacting vehicles, fuel, personnel, and capital spending. Revenues are budgeted to increase slightly as new lots and homes are finished and property taxes increase. Mr. Butler noted that higher inflation will be a concern – especially for fuel road expenses and chemicals. The final 2023 budget (and the amended 2022 budget) will be presented for Board approval at the December meeting.

Mr. Martin presented a resolution drafted by the District's outside attorney relating to the FAML I Leave program. Mr. Martin explained that since the District has a paid leave policy equal to the FAML I program and we have less than 10 employees the District can opt out of the state run program. The state-run program requires employees to pay for the coverage (0.45% of salary), while the District provides paid leave coverage at no cost to the employee. Mr. Winzerling moved to approve the Resolution as drafted. It was seconded by Mr. Mongelli and approved unanimously.

Mr. Martinez presented an update on the new wastewater plant. The plant is in full operation and being fine-tuned to manage lower than capacity inflows, which are impacting grit treatment. Due to pandemic part shortages, we are still waiting for a few parts for the plant, the most crucial being the gates which will require the plant to be drained into the old lagoon. Staff will attempt to keep the "bugs" alive so that we will not need to import new bugs from an outside source when the plant is refilled. IWS has a few more punch list items to complete. The District will continue to hold their deposit (>\$100K) until all items are finished. Also, staff is finding significant levels of grease in the plant inflow. Staff is considering installing a large concrete grease trap to filter out grease prior to treatment. This expense will be for the District's sewer account. Mr. Rapiejko expressed concerns about the size and cost of such an installation.

Longtime staff member, Mike Lancianese, informed everyone that he had submitted his retirement notice to Mr. Martin. After 11 years with the District, Mike's last day will be January 6, 2023. He stated how much he appreciated and enjoyed working at the District, serving the residents and working with the staff. Mr. Martin told him we all were pleased with his efforts and wished him well in his retirement.

Mr. Butler seconded Mr. Martin's words and recognized Annette Hutchins' 20 years of service at the District.

Mr. Martin noted that with the District's expansion (roads and more than 200 new homes in 3 years) and a much more complex waste water plant we will need to add a new employee in 2023 and replace Mike. Staff has presented the Board with a new organization structure that will meet supervisory requirements required by the state. Mr. Ludwig and Mr. Martinez worked with Mr. Martin and Mr. Butler to create The Edgemont Ranch Metro District Employee Operating Guidelines for employees and the org structure. This document was circulated to the Board prior to the meeting. After brief discussion, Mr. Martin moved we approve the new structure, seconded by Mr. Winzerling. It was unanimously approved.

Tom Norton, Resident in the Highlands, expressed concern about significant cracks in the Highlands roads, especially in the Window Lake area. Mr. Ludwig replied that staff is aware of the issue but has been so busy with the new Wastewater Plant that crack seal work has been delayed. Mr. Martinez noted that we have the crack seal material and the budget and will set up a plan to crack seal worst areas first.

There being no other business, the meeting was adjourned.