
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors of Two Rivers Metropolitan District February 20, 2019

A Regular Meeting of the Board of Directors of Two Rivers Metropolitan District, Eagle County, Colorado was held on February 20, 2019 at 2:00 p.m., at the offices of Marchetti & Weaver, 28 Second St, Suite 213, Edwards, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

Attendance The following Directors were present and acting:

- Mike Pearson
- Mark Zbrzeznj
- Patrick Dawson

The following Directors were absent and excused:

- KJ McEvoy
- Chad Cremonese

Also in attendance:

- Tony Zancanella, Zancanella & Associates, Inc.
- Craig Plizga, Two Rivers Community Operations Manager
- Ken Marchetti, Marchetti & Weaver, LLC
- Meghan Hayes, Marchetti & Weaver, LLC, secretary for the meeting

Call To Order

A Regular Meeting of the Board of Directors of Two Rivers Metropolitan District was called to order by Director Pearson on February 20, 2019, at 2:04 p.m. noting a quorum was present.

Conflicts of Interest

Chairman Pearson is the managing Partner and partial owner of 2 Rivers Development, LLC (“**2 Rivers Development**”), which owns a portion of land which is less than 20% of the territory of the District. Additionally, he is the sole owner of Vail Commercial Advisors, LLC also known as NAI Mountain Commercial (“**Vail Commercial**” and together with 2 Rivers Development, the “**Companies**”), which has entered into a Management Agreement with the District to provide management services.

The District has issued, and intends in the future to issue, bonds or other debt obligations, the proceeds of which will be used for public purposes, including potentially the reimbursement of costs advanced by the Companies. The District

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has contracted, and intends in the future to contract, for operational services which may be supplied through or by the Companies.

Director McEvoy is employed by 2 Rivers Development, which owns a portion of land which is less than 20% of the territory of the District.

All Directors present stated that the participation of at least three of them in the meeting was necessary to obtain a quorum of the Board or otherwise enable the Board to act; that written disclosures of such potential conflicts of interest of each Director had been filed with the Board and the Secretary of State in accordance with statutory requirements; and that the nature of each Director's private interests related to their employment and/or officership positions with the above-mentioned entities. After each Director had summarily stated for the record the fact and nature of his private interests and had further stated that the determination to participate in voting or take any other action on any contract or other matter in which he may have a private interest would be made in compliance with Section 24-18-201(1)(b)(V), C.R.S., on an ad hoc basis, the Board turned their attention to the agenda items.

District Operations

Manager

Report

Operations Manager, Craig Plizga, presented the District Operations Manager Report. Mr. Plizga noted that Community Center Rentals have been going well, with about one party a week since the beginning of the year. The Eagle River Valley Food Bank has been holding their mobile market at the Community Center every Thursday. The turnout for the event has been so positive that they are considering holding more events this summer, which Mr. Plizga would be happy to accommodate. Mr. Plizga spoke about the various community improvement projects that he is currently getting bids for. The pool repair is the project with the highest priority. The Board discussed that any spending in excess of \$10,000 will need Board approval.

American Conservation &

Billing Agreement

Renewal

American Conservation & Billing has been providing the District Water/Sewer billing services. The Agreement was up for renewal. The Board reviewed the agreement and, by motion duly made and seconded, it was unanimously

RESOLVED to approve the 2019 Agreement with American Conservation & Billing.

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24 Hour Posting Notice & Meeting

Schedule The Board discussed the 2019 posting location for the 24 Hour Notice which is required to be posted 24 hours prior to each meeting. The Board agreed to continue using the Two Rivers Community Center as the posting location for the 24-Hour Notice. By motion duly made and seconded, it was unanimously

RESOLVED to adopt a resolution pursuant to Subsection 24-6-402(2)(c), C.R.S. designating Two Rivers Community Center as the posting location for the 24-Hour Notice and specifying that notices required pursuant to Section 32-1-903(2), C.R.S. will continue to be made as required. A copy of the resolution is incorporated herein by this reference.

2018 Audit The District has been applying for Audit Exemption since 2006. It was determined that the threshold for a required Audit were reached in 2018. Per the District's request, Marchetti & Weaver sent Requests for Proposal to three Accounting firms. Two proposals were received. After review, it was determined that the proposal from McMahan and Associates, LLC to audit the District's 2018 financial statements was the lower of the bids with less uncertain costs. After discussion and by motion duly made and seconded, it was unanimously

RESOLVED to approve McMahan and Associates, LLC. to complete the District's 2018 audit as outlined in the engagement letter.

Water & Sewer Operations

Update Mr. Zancanella reviewed the water and wastewater operations report included in the Board packet reporting that the pump in Well #1 was replaced on February 14, 2019 due to a seized motor. The pump was replaced with the same model and is running around 15 GPM more than the old pump.

Mr. Zancanella notified the Board that the Wastewater Treatment Plant Headworks project was moving forward and that they were continuing to work with the Control/Electrical Engineer on the final design. The lift station high water efficiency plan is with the Electrical Engineer for the design of the power supply and controls. The plan will be submitted for review by the end of March.

Minutes The Board reviewed the draft minutes from October 17, 2018, included in the packet, and upon motion duly made and seconded, it was unanimously

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RESOLVED to approve the minutes as presented.

**Financial
Statements**

Mr. Marchetti reviewed the financial statements ending December 31, 2018 included in the Board. General discussion continued on operations and maintenance expenses for 2018. By motion duly made and seconded, it was unanimously

RESOLVED to approve the December 31, 2018 financials as presented.

**Accounts
Payable**

The Board reviewed the Accounts Payable list included in the packet and, by motion duly made and seconded, it was unanimously

RESOLVED to ratify the Accounts Payable list through February 20, 2019.

**Tap Fee
Schedule**

The Board reviewed the tap fee schedule.

**Accounts
Receivable**

The Board reviewed the Accounts Receivable Aging Report stating that it looked good. There are several accounts which will receive a turn-off notice to be sent out by February 22, 2019.

Adjournment There being no further business to come before the Board, and by motion duly made and seconded, it was unanimously

RESOLVED to adjourn the Special Meeting of the Two Rivers Metropolitan District Board of Directors this 20th day of February, 2019.

Respectfully submitted,

Meghan Hayes

Recording Secretary for the Meeting