
RECORD OF PROCEEDINGS

Minutes of the Special Meeting of the Board of Directors of Two Rivers Metropolitan District June 21, 2017

A Special Meeting of the Board of Directors of Two Rivers Metropolitan District, Eagle County, Colorado was held on June 21, 2017 at 10:00 a.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:

- Chad Cremonese
- Mike Pearson
- K.J. McEvoy
- Patrick Dawson

The following Directors were absent and excused:

- Mark Zbrzeznj

Also in attendance were:

- Ken Marchetti, Marchetti & Weaver, LLC
- Tom Zancanella, Zancanella & Associates, Inc.
- Tim Beck, Zancanella & Associates, Inc.
- David Greher, Collins Cockrel and Cole (by telephone)
- Beth Johnston, Marchetti & Weaver, LLC, secretary for the meeting

Call To Order

A Special Meeting of the Board of Directors of Two Rivers Metropolitan District was called to order by Director Pearson on June 21, 2017 at 10:00 a.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 has contracted, and intends in the future to contract, for operational services which may be supplied through or by the Companies.

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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.

Public Input There was no public input at the meeting.

**Villa Broken
Meter**

Director McEvoy reviewed the background of the broken meter fees posted to the Villa's account. Ms. Johnston reviewed the charges and after discussion, upon motion duly made and seconded, it was unanimously

RESOLVED to waive \$930 in broken meter fees posted to the account of Rafael and Maria Villa.

Boulders

Background on the boulders placed at the access road by 82 Rainbow Circle to discourage vehicle access was given. Mr. Greher reviewed his recommendations on the boulders stating they should be removed due to the County requiring access to the road for emergency vehicles. Director Pearson suggested a gate could be installed in place of the boulders and stated he would inquire with Eagle County if this was acceptable. If the County did not approve the gate, the Board would consider signage and hiring of a towing company to monitor the area.

**Maddalone
Retaining
Wall**

Ms. Johnston reviewed the phone call with Mr. Maddalone and his request to build a retaining wall at the back of his property. The Board stated that no action could be taken until Mr. Maddalone submitted a plan for the wall construction

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along with supporting documentation such as pictures of the property and a lot survey showing the location of the proposed wall.

Community Manager

Director Pearson gave projected growth of the Two Rivers community over the next several years and suggested that the growth warranted a dedicated person to actively manage the Community on a day to day basis. Discussion continued about the need for and necessary qualifications of a manager and whether the duties could be more efficiently contracted out to multiple companies with suitable expertise. Mr. Marchetti suggested that he and Director Pearson meet to draft a scope of services that the Community requires.

2017 Meeting

Dates

The 2017 meeting calendar included in the Board packet was reviewed. Due to a conflict, it was suggested that the proposed meeting on November 13 be moved to November 14. Upon motion duly made and seconded, it was unanimously

RESOLVED to set the remaining 2017 meeting dates for September 19 and November 14.

Water & Sewer Operations

Update

Mr. Zancanella reviewed current operations at the water and sewer plants stating that the lift station motor issues were fixed and should now run on demand. Mr. Zancanella reported that construction on the bar screen and grit removal system was anticipated to start next summer. Mr. Zancanella distributed and reviewed the new floodplain maps with general discussion about the maps. The Board directed Mr. Zancanella to work with legal counsel on the floodplain review and report their findings to the Board at the next meeting.

Tom Zancanella, Tim Beck, and David Greher left the meeting at 11 a.m.

Minutes

The Board reviewed the draft minutes from November 14, 2016, December 20, 2016 and March 17, 2017 included in the packet. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes from November 14, 2016; and

FURTHER RESOLVED to approve the minutes from December 20, 2016; and

FURTHER RESOLVED to approve the minutes from March 17, 2017.

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Financial Report

Director Pearson reported that the District switched to a new sludge hauler that required more testing but resulted in an overall cost savings to the District.

The Telephone Equipment Memorandum and Ground Lease were distributed via email by Ben Elmore prior to the meeting. The Ground Lease was discussed and it was determined that the Lease needed to be amended to show the Metropolitan District as the Landlord since the original Landlord no longer has an interest in the leased property. Director Pearson said he would reach out to San Isabel Telecom and renegotiate the lease.

Mr. Marchetti reviewed the financial statements and the projected 2018 assessed valuation. Mr. Marchetti requested budget items for 2018 be identified, including capital items, so that sufficient funds could be identified to cover upcoming project costs.

Accounts Payable

The Board reviewed the Accounts Payable List provided in the Board packet. The new bill pay system Bill.com was discussed. After review, and by motion duly made and seconded, it was unanimously

RESOLVED to ratify the Accounts Payable List through June 7, 2017.

Tap Fee Schedule

The Board reviewed the tap fee schedule. Ms. Johnston reported that there was a small balance owing from the Developer and it would be collected with the next tap fee payment.

Accounts Receivable

The Board reviewed the Accounts Receivable Aging Report included in the packet. Ms. Johnston reported that several accounts that had water shut off after appropriate notice were now paid in full or on payment plans. The Board directed Marchetti and Weaver to instruct AmCoBi to send 90+ days past due communications and shut off notices to the owner of a residence in addition to tenants of the property. Following additional discussion, and upon motion duly made and seconded, it was

RESOLVED to collect a \$250.00 deposit on all new water accounts set up for the District, refundable after one year of on-time payments.

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Adjournment There being no further business to come before the Board, 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 21st day of June, 2017.

Respectfully submitted,

Beth Johnston

Secretary for the Meeting