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# RECORD OF PROCEEDINGS

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## Minutes of the Special Meeting of the Board of Directors of Two Rivers Metropolitan District May 15, 2018

A Special Meeting of the Board of Directors of Two Rivers Metropolitan District, Eagle County, Colorado was held on May 15, 2018 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:

- Chad Cremonese
- Mike Pearson
- Mark Zbrzeznj

The following Directors were absent and excused:

- KJ McEvoy
- Patrick Dawson

Also in attendance:

- Ernest Anastos, Operations Manager, Two Rivers Metro District
- Ken Marchetti, Marchetti & Weaver, LLC
- Beth Johnston, Marchetti & Weaver, LLC, secretary for the meeting
- Tony Zancanella, Zancanella & Associates, Inc.

### **Call To Order**

A special Meeting of the Board of Directors of Two Rivers Metropolitan District was called to order by Director Pearson on May 15, 2018 at 2:00 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 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.

### **Board of Directors**

Director Pearson, Chairman of the Two Rivers Metropolitan District Board of Directors, administered the oaths of office to Directors Cremonese and Zbrzeznj.

After discussion, and by motion duly made and seconded, it was unanimously

**RESOLVED** to elect the following officers:

Mike Pearson	President/Chairman
KJ McEvoy	Vice President/Asst Sec/Asst Treas
Mark Zbrzeznj	Secretary/Treasurer
Chad Cremonese	Asst Secretary/Asst Treasurer
Patrick Dawson	Asst Secretary/Asst Treasurer

The Board discussed the workshop for special district Board members being presented in Avon by SDA. Directors McEvoy and Zbrzeznj indicated they would like to attend as well as Mr. Anastos. Director Pearson directed Ms. Johnston to register the three participants for the workshop.

**Public Input** There was no public input.

### **District Operations Manager**

**Report** Mr. Anastos gave a verbal report of current operations and issues in the Two Rivers community:

- The irrigation pumps had numerous issues due to poor blowout last season.
- The irrigation clock in the entrance circle is being fixed.

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- Several trees in the entrance circle and throughout the community were dead or in distress. General discussion ensued with the Board directing Mr. Anastos to follow up with the vendor on any warranties remaining and to determine the best course of action for removal and/or replacement of the trees and other landscaping ideas, such as native grasses.
- Mr. Anastos reported that he had completed a pool care certification course.
- The Board requested Mr. Anastos to obtain a mosquito contract for the season, to tour the property and pool with Zancanella to begin taking over some of the daily operations, and complete other routine maintenance items around the property such as painting fire hydrants and installing new doggie bag stations.

### **Fishing Rules at**

**TRMD Lake** Ms. Johnston reviewed the email received by Director McEvoy from a resident about the usage and fishing rights for the lakes in Two Rivers. Director Pearson confirmed that only Two Rivers residents were allowed to fish in the lakes and that appropriate signage should be installed. General discussion ensued about signage within the community. Director Zbrzezny requested that Mr. Anastos prepare a complete signage plan and send to Ms. Johnston for distribution to the Board for review and approval. Director Pearson also requested patrol of the lake areas throughout the summer as well.

### **Consideration**

**of AED** Ms. Johnston reviewed a Two Rivers resident's request for installation of an AED in the Two Rivers community. The Board reviewed the information included in the packet stating that it was a good idea for the community. General discussion was had on potential installation locations, upfront and on-going maintenance costs, and training on its use with the Board directing Ms. Johnston to research and report back on specifics.

### **Water & Sewer**

#### **Operations**

#### **Update**

Mr. Zancanella reviewed the water and wastewater operations report included in the Board packet. The auto dialers for the water plant are being replaced with an internet-based system and will tie into the HSI at the community center. Zancanella is still working on the final design for the Headworks project and will include the lift station for the wastewater treatment plant in the final design.

Mr. Zancanella distributed an invoice for additional work performed in excess of the fixed fee original contract by Matrix Design related to the additional survey work in creating the floodplain and LOMR application. Mr. Zancanella recommended paying the \$3285 overage and, upon motion duly made and seconded, it was unanimously

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**RESOLVED** to approve payment to Matrix Design for \$3285 for additional floodplain work.

Mr. Zancanella confirmed that a comparison of water and sewer rates was completed and will email the comparison out to the Board for review. Mr. Zancanella reported that the raw water irrigation plan was started and requested that Mr. Anastos meet with the design engineer to identify the irrigation needs of the community before a final plan was submitted.

**Minutes** The Board reviewed the draft minutes from March 13, 2018 included in the packet, and upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the minutes as presented.

### **Financial Statements**

Mr. Marchetti reviewed the financial statements ending March 31, 2018, included in the Board packet. Mr. Marchetti reviewed the increased Assessed Valuation for 2018 and noted that any increases in 2020 would most likely be offset by the decrease in the Residential Assessment Rate. Ms. Johnston noted that the street repairs line item was for the fences built along the alleys, asking the Board if they wanted these expenditures in a different line item. Mr. Marchetti reviewed the Water and Sewer fund capital projects for 2018. Mr. Zancanella noted that the application process has pushed back the Headworks project with final design to be completed and going to bid in fall of 2018 with construction now expected to start in spring 2019.

The Board directed Ms. Johnston to open a Colotrust investment account for deposit of property tax and excess cash funds. Ms. Johnston requested that she and Ms. Olson be added to the US Bank account for inquiry only and online access.

### **Marijuana Sales Tax**

Mr. Marchetti reviewed the background and need of the letter to the Colorado Department of Revenue regarding collection of sales tax on marijuana retail sales. Mr. Marchetti noted that there were no dispensaries currently in Two Rivers Metropolitan District but that the letter authorized the District to collect sales taxes on any future marijuana retail sales. After review, and upon motion duly made and seconded, it was unanimously

**RESOLVED** to ratify the letter to Colorado Department of Revenue regarding SB 18-088 Marijuana Sales Taxation.

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**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 May 8, 2018.

**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. Director Pearson requested a refund to 2 Rivers Development of the credit on the 82 Haymaker Lp account.

**Future Meetings**

The Board tentatively confirmed the next meeting on June 19, 2018 starting at 2:00 pm depending on the status of raw water plan.

**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 15<sup>th</sup> day of May, 2018.

Respectfully submitted,



Secretary for the Meeting