
RECORD OF PROCEEDINGS

Minutes of the Special (Zoom) Meeting of the Board of Directors of Two Rivers Metropolitan District April 14, 2020

A Special (Zoom) Meeting of the Board of Directors of Two Rivers Metropolitan District, Eagle County, Colorado was held on April 14, 2020 at 2:00 p.m., via an online Zoom meeting, in accordance with the applicable statutes of the State of Colorado.

Attendance The following Directors were present and acting:

- Mike Pearson
- KJ McEvoy
- Mark Zbrzeznj

The following Directors were absent and excused:

- Chad Cremonese
- Esgar Acosta

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, Recording Secretary for the meeting

Call To Order

A Special (Zoom) Meeting of the Board of Directors of Two Rivers Metropolitan District was called to order by Director Pearson on April 14, 2020, at 2:09 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 Mountain Commercial Advisors, LLC also known as NAI Mountain Commercial (“**Mountain 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.

Additionally, Chairman Pearson is the sole owner of Fortius Capital, LLC ("**Fortius Capital**"), and the sole owner and manager of North Lot and 116, LLC ("**North Lot**" and together with 2 Rivers Development and Fortius Capital, the "**Companies**").

The Board also intends to consider and take action on a Lease Agreement with Right to Purchase with North Lot under which North Lot is to construct a community park, parking, landscaping and an irrigation system on the property at 35 Bass Loop, Dotsero, CO 81637.

Public Input There was no public input.

District Operations

Manager Report

Operations Manager, Craig Plizga, presented the District Operations Manager Report. Mr. Plizga reported that with the COVID crisis, the gym was shut down on March 18th and all Food Bank services would be operating from the parking lot instead of inside of the community center, which is closed to the public for the foreseeable future. Furnace #2 was replaced which leaves the other furnace as the only original one left. He anticipates it will also need to be replaced in the near future. Poolscales is scheduled to begin work on the re-tiling and re-plastering of

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the pool on May 1st. At this point, we are still hoping the pool will be able to open for Memorial Day weekend but that is totally dependent on the County's orders for reopening. The exterior painting of the community center, pool utility building and mailboxes was completed and was performed to Mr. Plizga's satisfaction.

Fire hydrants were inspected and some issues were identified. Hydrant #4 at the bottom of Stephens drive should be lifted and turned for easier access and Hydrant #22 on Cut Throat has a worn internal shaft. The total cost to repair these hydrants is approximately \$1,700. After discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the repair of Hydrants #4 and 22.

Mr. Plizga also reported that he received a bid to repair drainage issues around the community from Double M of \$8,358. The Board directed him to solicit additional bids. Double M also provided an estimate on re-milling and resurfacing the streets within Two Rivers Village. Since the estimate did not include Stephens Drive (North of I-70), the Board requested he reach back out to get a quote that includes all areas of Two Rivers Metro District.

Parking Lot Parcel G

Ms. Hayes received feedback from Eagle County stating that in order to move forward with proposed parking on Parcel G, the District would need to request a zoning variance as this parcel is within a 100-year flood zone. Since Director Acosta was not present at this meeting, the Board decided to table the discussion to a future meeting. The Board directed Ms. Hayes to reach out to the County to find out what would be necessary to start the zoning variance process.

Community Park Lease/ Purchase Agreement

At the February meeting, Director Pearson, sole owner of North Lot and 116, LLC ("North Lot"), presented a concept to construct community gardens and parking on the lot at 35 Bass Loop under a concept where the District would lease the property for a period of five years, with an option to renew for an additional five years and with an option to purchase the property after the initial lease term. The District would make annual rental payments of approximately \$6,650 which would increase each year at 3%. Based on discussion at the February meeting, the design of the site was revamped to replace the community garden with a small community park. Director Pearson refrained from discussion due to the potential

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conflict of interest. After discussion between Directors Mc Evoy and Zbrzezni motion was duly made and seconded, it was

RESOLVED to approve the lease/purchase agreement with North Lot and 116, LLC for the lease of 35 Bass Loop to be used for a community park, open space and potential playground and with corresponding parking spaces, contingent upon receiving Director Acosta's approval.

**Resolution
Suspending
Water/Sewer Late
Fees and
Interest**

Ken Marchetti discussed the current unemployment situation in Eagle County with respect to the members of the Two Rivers community. Many of the constituents in the District are currently unemployed due to the COVID-19 crisis. He opened up discussion to the Board about potential ways that the Metro District could help. There was discussion about whether the Board should suspend late fees and interest on Water/Sewer Payments. After this discussion, upon motion duly made and seconded, it was unanimously

RESOLVED to approve suspending all late fees and interest for 90 days, April through June, on all accounts.

FURTHER RESOLVED to approve the deferral of payment plan payments for two months for those customers who request the deferral.

**Resolution
Establishing
Infrastructure
Fee**

Last year a resolution was presented and approved by the Board, that allowed the Board to establish a fee to help fund District improvements related to infrastructure expenditures such as roads, sewer, storm drainage, landscaping and traffic control. This resolution has been updated to include a recreation component that adds additional costs to be covered by this fee associated with the pool, bike paths, hiking trails and other common recreational areas throughout the community. The Infrastructure and Recreation Usage fee will serve to promote the health, safety, prosperity, security and general welfare of the District, its residents and taxpayers. This fee will begin on July 1, 2020 and will be assessed at \$35 per month per property and will be administered through American Conservation and Billing

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solutions (AmCoBi) as a part of the Utility bill our residents already receive. After discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Infrastructure and Recreation Usage fee of \$35 per month beginning on July 1, 2020.

45 Day Notice Infrastructure

Fee Last year Mr. Marchetti presented a 45- Day Notice to the board. It served as a notice to the community that the District intends to establish a Usage fee for the purpose of funding the costs to provide and maintain certain infrastructure. It also served as a notice that the District is authorized to contract with the HOA to provide covenant enforcement and design review services in the event the HOA requests the District provide those services. The original 45- Day notice had been presented to the HOA and was approved. This 45-Day Notice has been updated to include the recreation piece of the Infrastructure and Recreation Usage Fee Resolution. After discussion and by motion duly made and seconded, it was unanimously

RESOLVED to approve and authorize publishing of the 45-Public Notice

HOA/Metro District Cost Sharing

Agreement In March, the HOA/Metro District Cost Sharing Agreement was presented to the HOA board for approval. The agreement outlines what expenses would be a shared cost between the HOA and Metro District. The HOA board approved the agreement. After discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the HOA/Metro District Cost Sharing Agreement.

Water & Sewer Operations Update

Tony Zancanella reported that our current Rules and Regulations were updated to include the appendices from the Eagle River Water & Sanitation Policy. In doing so, this addressed the issues with our former policy related to the meter vault and allowing the lines to come into a commercial mechanical room within in each building with a fire suppression system with a dedicated fire line. After discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the updated Rules and Regulations.

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Mr. Zancanella reported that final design package for the Wastewater Headworks project was submitted to CDPHE for final approval. The estimated timeline for construction is fall of 2020. GWUDI testing has begun on the wells ahead of the State inspection and Mr. Zancanella is anticipating the results to be distributed within the week. The waste water system had a meter installed that directly reports results to Mission control which is online reporting system that allows them to monitor the facility in a timelier manner.

Minutes The Board reviewed the draft minutes from February 11, 2020 regular meeting, 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 for the period ending March 31, 2020 included in the board packet. Mr. Marchetti reviewed the new presentation of the financials statements that show the new Infrastructure/Recreation Fund. This fund was created by moving the applicable revenues and expenses out of the General fund that are associated with infrastructure and recreation activities. By creating this new fund, it will be easier to track the costs by revenue source (i.e. property taxes vs. usage fees) After discussion and by motion duly made and seconded, it was unanimously

RESOLVED to accept the March 31, 2020 financial statements as presented.

**Long Range
Plan Update**

Mr. Marchetti reported that he is anticipating that assessed values will increase through 2023 due to the new construction of the Two Rivers Village Center parcel although there could be a potential decline in assessed values of already existing properties due to a potential recession related to the Covid crisis.

**Accounts
Payable**

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

RESOLVED to ratify the February and March Accounts Payable lists.

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**Tap Fee
Schedule**

There was no report to present as no tap fees had been collected yet for 2020.

**Accounts
Receivable**

The Board reviewed the Accounts Receivable Aging Report stating that it looked good.

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 regular Meeting of the Two Rivers Metropolitan District Board of Directors this 14th day of April, 2020.

Respectfully submitted,

Recording Secretary for the Meeting