
RECORD OF PROCEEDINGS

Minutes of the Special Meeting of the Board of Directors of Two Rivers Metropolitan District July 17, 2019

A Special Meeting of the Board of Directors of Two Rivers Metropolitan District, Eagle County, Colorado was held on July 17, 2019 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:

- Mike Pearson
- Mark Zbrzeznj
- KJ McEvoy
- Chad Cremonese

The following Directors were absent and excused:

- Patrick Dawson

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 Special Meeting of the Board of Directors of Two Rivers Metropolitan District was called to order by Director Pearson on July 17, 2019, at 10:04 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

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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 5 street lights and all the lights around the lakes have been updated with new ballasts and LED bulbs. A french drain has been installed in the soccer fields to help drain the excess water that had been previously pooling in the fields. Mr. Plizga reported that the contract for the new heaters had been finalized and the heaters were to be installed in the next few weeks. The major replastering/tile project for the pool has been pushed to spring 2020 in order to solicit additional bids.

Board

Vacancy

Director Patrick Dawson submitted a formal resignation to the board effective June 17, 2019. The Board has invited Esgar Acosta, Two Rivers Resident, to the next board meeting in October to be appointed and finish out Mr. Dawson's term.

Section 125

Premium

Only Plan

Section 125 is part of the IRS code that allows health insurance premiums paid by the employee, Craig Plizga, to be paid with pre-tax dollars. After discussion and upon motion duly made and seconded, it was unanimously

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RESOLVED to enter into the Section 125 Premium Only Plan effective on January 1, 2019.

Online Banking

Update When the Alpine Bank account was initially set up online, it was set up under the Fortius online account. Meghan Hayes, Account Manager, encouraged the board to have Two Rivers Metro District set up on its own online banking account. After discussion, upon motion duly made and seconded, it was unanimously

RESOLVED to set up the online banking for Two Rivers Metro District as a stand-alone account.

Encore Electric

Agreement The District entered into an agreement with Encore Electric in June 2019 to furnish the labor and materials for the removal of existing lamp heads throughout the community and install new LED lighting. By motion duly made and seconded, it was unanimously

RESOLVED to ratify the Encore Electric Agreement for \$3,897.

Vail Honeywagon

Agreement The District has been using Vail Honeywagon for trash removal services with no written agreement in place. Craig Plizga, Community Manager, believes that weekly trash pick-up service is necessary due to the increase in the number of parties being held at the community center. Ms. Hayes verified with Vail Honeywagon that entering into a written contract would decrease the cost of the service, even with the additional weekly pick-ups. After discussion, the board requested that Ms. Hayes put Request for Bids out to other trash removal companies and this will be discussed at the next meeting.

Consumer Data

Privacy Policy

Article 73, Title 24, of C.R.S. regarding security breaches and personal information enacted by H.B. 18-1128, the "Protections for Consumer Data Privacy" Act (the "Act"), requires governmental entities to: (i) develop a written policy for the destruction and proper disposal of paper and electronic documents that contain personal identifying information; (ii) maintain reasonable security procedures for personal identifying information; and (iii) notify Colorado residents following a security breach. A copy of a proposed resolution and

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Consumer Data Privacy Policy was distributed with the Board packets for consideration by the Board. After discussion and by motion duly made and seconded it was unanimously

RESOLVED to adopt the Consumer Data Privacy Policy.

Online Posting of Notices

Resolution Pursuant to House Bill 19-1087, codified in Section 24-6-402, C.R.S., as of August 2, 2019, the District is authorized to post full and timely notice of its meetings no less than twenty-four hours prior to the holding of the meeting on the public website of the District. A copy of the proposed resolution for this purpose was distributed with the Board packet. Upon consideration and by motion duly made and seconded it was unanimously

RESOLVED to adopt the resolution authorizing online notice of public meetings as distributed with the meeting packet, a copy of which is incorporated herein by this reference.

Water & Sewer Operations Update

Mr. Zancanella notified the Board that the Wastewater Treatment Plant Headworks project will not be completed this year and has moved the project to 2020.

Mr. Zancanella has been working with Jeff Houpt, Beattie, Houpt & Jarvis Water Lawyers, on the Two Rivers Trout Lake Diversion Point decree that will convert a portion of the conditional water rights to absolute status. This process will take approximately 6-8 months.

Minutes The Board reviewed the draft minutes from February 20, 2019, 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 June 30, 2019 included in the board packet. General discussion continued on operations and maintenance expenses for 2019. By motion duly made and seconded, it was unanimously

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RESOLVED to accept the June 30, 2019 financial statements as presented.

2018 Preliminary

Audit Draft The Board reviewed the 2018 Preliminary audit draft and after discussion and by motion duly made and seconded it was unanimously

RESOLVED to approve the 2018 preliminary Audit Report upon Director Pearson meeting with McMahan & Associates to review the report with them in person.

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 June 30, 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. Several accounts received a turn-off notice that was sent out June 24, 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 17th day of July, 2019.

Respectfully submitted,

Recording Secretary for the Meeting