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# RECORD OF PROCEEDINGS

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## Minutes of the Regular Meeting of the Board of Directors of Two Rivers Metropolitan District October 1, 2019

A Regular Meeting of the Board of Directors of Two Rivers Metropolitan District, Eagle County, Colorado was held on October 1, 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
- KJ McEvoy
- Chad Cremonese (By Telephone)

The following Director was absent and excused:

- Mark Zbzezji

Also in attendance:

- Tony Zancanella, Zancanella & Associates, Inc.
- Craig Plizga, Two Rivers Community Operations Manager
- Judith Medina, Two Rivers Resident
- 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 October 1, 2019, at 2:10 p.m. noting a quorum was not present and the meeting would start with the Community Manager Report until Director McEvoy arrived.

### 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.

### **Consideration of Changes to Agenda**

Director McEvoy was running late so the Board decided to move the Community Manager's report up to the first order of business before Public Input. Consideration to increase water/sewer rates, establishing infrastructure usage fee, temporary HOA credit and 45-day notice resolutions were all moved to the budget hearing section of the meeting.

### **District Operations Manager Report**

Operations Manager, Craig Plizga, presented the District Operations Manager Report. Mr. Plizga gave an update on several projects that are currently in progress such as lake lighting, community center cleaning, Russian olive tree removal and Fresh MTN irrigation season blowout. Mr. Plizga received an estimate from Dot-zero media to produce a community newsletter. The Board directed him to research other options as the price was very high. The pool has been closed for the season and Mr. Plizga will be working with Colorado Pool and Spa Scapes coordinating the timing of the pool plaster and tile repair for Spring 2020. They company will honor the pricing we received from them this year.

Director McEvoy joined the meeting at 2:25 noting a quorum was present.

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**Public Input** Judith Medina, Two Rivers Resident, expressed her concerns about the following

1. That there are no homeowners on the Metro District Board.
2. Metro District meetings taking place at a time and place that no one from the Community can attend. Suggested it take place at Two Rivers.
3. Proposed price increase for the Water and Sewer. She would like to the board to consider using other methods of tracking water usage as opposed to a base rate/tiered system.
4. Pool water temperature was too cold all season.

### **Resignation/Appointment of**

#### **Directors**

It was reported Mr. Dawson had resigned from the Board prior to today's meeting. Mr. Esgar Acosta was nominated to fill the vacancy. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to appoint Mr. Acosta to fill the vacancy with the term ending in May 2020.

Mr. Acosta's oath of office was administered and immediately emailed to the Eagle County Clerk and Records office, enabling Mr. Acosta to participate as a voting member on the Board.

### **2020 Contract**

#### **Renewals**

Ms. Hayes, Marchetti & Weaver, reviewed each of the following 2020 contract renewals:

1. Superior Alarm & Electronics Fire Alarm Monitoring Agreement
2. Vail Honeywagon Trash Removal Agreement
3. Fresh MTN Lawns Irrigation/Lawn Care Agreement
4. M&M Maintenance Cleaning Agreement
5. D3 Concrete Snow Plowing Agreement

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

**RESOLVED** to approve all contract renewals for 2020.

### **Community Center**

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**Flooring** Mr. Plizga presented a bid to replace the Community Center flooring. The Board agreed that the Community Center is under utilized and could benefit from the new flooring. The Board directed Mr. Plizga to obtain more bids before a decision will be made on how to proceed.

**Water & Sewer  
Operations  
Update**

Before Mr. Zancanella began his update, Director Pearson asked Mr. Zancanella if the Lift station will require an expanded easement in the future to accommodate additional condominium units to be built on Block 11. Mr. Zancanella said he would review the current easement and report back to the Board his findings and suggestions at a future meeting.

Mr. Zancanella notified the Board that starting in 2020, the state law requires back flow preventors to be inspected and certified annually. The Board discussed with Mr. Zancanella the potential solutions to monitoring back flow preventors throughout the community. Mr. Zancanella will do more research on the new requirements and report back to the Board at a future meeting.

**Minutes** The Board reviewed the draft minutes from July 17, 2019 special 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 August 31, 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

**RESOLVED** to accept the August 31, 2019 financial statements as presented.

**2019 Amended  
Budget  
Resolution/  
HOA Credit**

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**Resolution** Mr. Marchetti proposed a resolution eliminating the Debt Service Fund starting in 2019. The excess property tax revenues collected would be applied as a credit against the HOA's obligation to fund Metro District services outlined in the Cost Sharing Agreement entered into January 2018. By motion duly made and seconded, it was unanimously

**RESOLVED** to approve the resolution for a one-time HOA credit of \$88,496 against the HOA's obligation to the Metro District, a copy of which is incorporated herein by this reference.

### 2020 Budget

**Hearing** During Mr. Marchetti's review of the District's August financial statements, he discussed the 2020 preliminary budget numbers. By motion duly made and seconded, it was unanimously

**RESOLVED** to continue the public budget hearing to the November 12<sup>th</sup> meeting.

### 2020 Water/ Sewer Rate

Mr. Marchetti reported that a Notice of Meeting to Consider a Rate Increase had been noticed via the water bills for all water and sewer customers of the Two Rivers Metropolitan District to review, as required. Mr. Marchetti reviewed the District's proposed increase and opened the meeting to public comment of the 2020 water and sewer rate increase. There was no public comment. By motion duly made and seconded, it was unanimously

**RESOLVED** to approve a \$2.00 per month water rate increase from \$51 to \$53 per month up to 15,000 gallons and to approve a \$2.00 per month sewer rate increase from \$56 to \$58 per month beginning January 1, 2020, and

**FURTHER RESOLVED** to approve an increase of the water tap fee to \$6,174 and the sewer tap fee to \$6,360 beginning January 1, 2020.

### Infrastructure

**Usage Fee** Mr. Marchetti presented a resolution to the board that would implement an Infrastructure Usage fee of \$35 per month beginning July 2020. This fee is intended to be revenue neutral to the community and expense neutral to the property owners in the community and will be offset by the elimination of the Debt Service Mill levy. The fee would be to cover various infrastructure improvements and

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maintenance throughout the community such as street repair, snow plowing and lake/beach repairs. By motion duly made and seconded, it was unanimously

**RESOLVED** to approve the \$35 per month Infrastructure Usage fee beginning July 2020.

**45 Day Notice  
Infrastructure  
Fee &  
Covenant**

**Enforcement** The Board decided discuss this along with the approval of the 2020 Budget at the November 12<sup>th</sup> meeting.

**Accounts  
Payable**

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

**RESOLVED** to ratify the August and September Accounts Payable lists.

**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 September 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 regular Meeting of the Two Rivers Metropolitan District Board of Directors this 1<sup>st</sup> day of October, 2019.

Respectfully submitted,

*Meghan Hayes*

Recording Secretary for the Meeting