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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 November 12, 2019

A Regular Meeting of the Board of Directors of Two Rivers Metropolitan District, Eagle County, Colorado was held on November 12, 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
- Esgar Acosta
- Mark Zbrzeznj
- Chad Cremonese (By Telephone)

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 Regular Meeting of the Board of Directors of Two Rivers Metropolitan District was called to order by Director Pearson on November 12, 2019, at 2:05 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.

### **District Operations**

#### **Manager**

#### **Report**

Operations Manager, Craig Plizga, presented the District Operations Manager Report. Mr. Plizga reported that the Community Center is booked throughout the holiday season and he has seen a steady increase in gym memberships. Mr. Plizga has received several estimates to replace the Community Center Flooring. The Board directed him to continue exploring other options and Director Acosta will reach out to a company he has worked with in the past for another estimate. Mr. Plizga has also received estimates for the pool resurfacing project. He was waiting to hear back from Timberline Pools. The Board directed him to move forward with using Timberline Pools as long as the estimate was comparable to the estimates he has already received.

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

### **2019 Audit**

#### **Engagement**

McMahan and Associates audited the District's financial statements in 2018. McMahan submitted an Engagement Letter to audit the District's 2019 financial statements for \$7,500, a \$500 increase from 2018. After discussion and by motion duly made and seconded, it was unanimously

**RESOLVED** to approve McMahan and Associates to complete the District's 2019 audit as outlined in the engagement letter.

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## **45 Day Notice Infrastructure Fee & Covenant**

**Enforcement** Mr. Marchetti presented a 45- Day Notice to the board. This serves as a notice to the community that the District intends to establish a fee for the purpose of funding the costs to provide and maintain certain infrastructure. It also serves 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. After discussion and by motion duly made and seconded, it was unanimously

**RESOLVED** to approve and authorize publishing of the 45-Public Notice after requesting input from the HOA board.

## **Water & Sewer Operations Update**

At the October meeting, Mr. Zancanella notified the Board that starting in 2020, the state law requires back flow preventors to be inspected and certified annually. Mr. Zancanella notified the Board, after research, it was determined that the District is only responsible to inspect and certify common areas, such as the Community Center and fields, and that homeowners are responsible to comply on their own if they have a backflow preventor. Mr. Zancanella also reported that bio solid hauling for the year was finishing up and should be coming in right on budget. Mr. Zancanella also reported the fire hydrants were scheduled to be flushed.

**Minutes** The Board reviewed the draft minutes from October 1, 2019 regular meeting, included in the packet, and upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the minutes as presented with one change to note that Director Zbrzeznj was not present.

## **Financial Statements**

Mr. Marchetti reviewed the financial statements for the period ending October 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

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

### **2020 Budget Hearing**

The October 1, 2019 meeting was published as the public budget hearing and the budget hearing was continued to the November meeting. Mr. Marchetti reviewed the District's 2020 preliminary budget numbers. The Board requested that the amount budgeted for Community Center repairs be increased to \$25,000 and contingencies of \$10,000 be added to the General and Infrastructure funds. Mr. Marchetti noted that the Debt Service mill levy will be eliminated in 2020 and replaced with an infrastructure fee of \$35/month/household starting in July 2020.

**RESOLVED** to approve the resolution, a copy of which is incorporated herein by this reference, to adopt the 2020 budget, subject to the changes reflected above and minor adjustments which may result from the final certification of assessed values;

**FURTHER RESOLVED** to approve the resolution to certify 20 mills for operations;

**FURTHER RESOLVED** to approve the resolution to appropriate funds for spending in 2020; and

**FURTHER RESOLVED** to approve implementation of a \$35/month infrastructure usage fee to begin in July 2020.

### **Accounts Payable**

The Board reviewed the October Accounts Payable list included in the packet and, by motion duly made and seconded, it was unanimously

**RESOLVED** to ratify the October Accounts Payable list.

### **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.

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## **Future Meetings**

Ms. Hayes, Marchetti & Weaver, submitted a proposed 2020 meeting calendar. After discussion and by motion duly made and seconded, it was unanimously

**RESOLVED** to approve the 2020 meeting calendar with meetings being held the 2<sup>nd</sup> Tuesday of February, April, June, August, October and December.

## **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 12<sup>th</sup> day of November, 2019.

Respectfully submitted,

*Meghan Hayes*

Recording Secretary for the Meeting