
RECORD OF PROCEEDINGS

Minutes of the Special (Zoom) Meeting of the Board of Directors of Two Rivers Metropolitan District June 9, 2020

A Special (Zoom) Meeting of the Board of Directors of Two Rivers Metropolitan District, Eagle County, Colorado was held on June 9, 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
- Esgar Acosta

The following Directors were absent and excused:

- Chad Cremonese

Also in attendance:

- Ben Langenfeld, Rincon Materials
- Mike Young, Rincon Materials
- 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 June 9, 2020, 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 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.

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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.

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.

Changes

To Agenda Discussion regarding the implementation of the Infrastructure/Recreation Fee was added to the business section.

Public Input There was no public input.

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Rincon Materials

Land Use

Application

Presentation Ben Langenfeld, Rincon Materials, presented to the Board the details of their proposed Sand and Gravel Operation project. Rincon Partners, LLC acquired 107 acres along the Union Pacific Railroad north of Interstate 70 in the Dotsero area and has submitted new plans to Eagle County to develop a sand and gravel operation to be known as Rincon Materials.

To mitigate potential impacts of the excavation site, of the 107 acres, excavation will take place on 40 percent of the property only. This leaves about 40 acres of Rincon property with no disturbance. Further, no more than 5 to 10 acres of mining ground will ever be disturbed at any one time: roughly nine acres of facilities area will be open and operating at any given time throughout the mine life. A new mining area will only be opened as reclamation is completed on finished mining areas.

Other important project components, reflecting numerous plan changes, include:

- Rincon Materials will not have an asphalt or concrete plant as part of its operation.
- An electric conveyor belt system will be used to bring material from the mining pits to the facilities area, eliminating significant visible truck traffic from the upper portions of the site. The conveyor is three feet tall and around four feet wide and will be kept hidden by berms, vegetation, or an enclosure.
- No new mining pits will be opened between Memorial Day and Labor Day. During the summer, only the already opened five-10-acre mining area and facilities area will be active.
- Berms of substantial size will be developed along the river side of the operation to hide mining activity from the river and neighbors.
- All traffic will access US 6 directly; none will traverse the Colorado River Road. Almost all of the traffic will head east.
- All mining activity will take place within pits hidden behind natural and built berms before reclamation to irrigated and rangeland fields.
- Hours of operation will be during the day time, Monday - Saturday, with no operations on Sunday or major holidays (Labor Day, July 4th, etc.)
- Irrigation during operations will maintain beneficial senior rights off of the Colorado River.
- Operations are separated from the river corridor by railroad tracks that see 5-10 trains a day.
- With an electric conveyor, most noise in the area will be from I-70 only.
- Operations are estimated to take approximately 10 years to complete.

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After discussion, the Board decided not to submit a referral letter to the County about this project but are supportive of their efforts and updated plan.

Election of Officers

The May 2020 Director Election was canceled and Directors Acosta and Pearson were both elected for 3-year terms. By motion duly made and seconded, it was unanimously

RESOLVED that all Board members remain in their current positions:

Mike Pearson as President/Chairman
Mark Zbrzezny, Secretary/Treasurer
Kathleen McEvoy, VP/Asst Secretary/Asst Treasurer
Esgar Acosta, Asst Secretary/Asst Treasurer
Chad Cremonese, Asst Secretary/Asst Treasurer

District Operations Manager Report

Operations Manager, Craig Plizga, presented the District Operations Manager Report. Mr. Plizga reported that the Pool re-tiling and re-plastering project has been completed. A new emergency only phone was installed outside the entrance to the locker rooms in accordance with the aquatic health code. Due to COVID restrictions on community pools, he is unsure if the pool will open this season. The County's public health order requires monitoring of all people entering the pool for signs of sickness and the District doesn't have the means to provide that level of monitoring. As restrictions ease, we will continue to work with the County to see if we can get the pool opened this season.

Eagle County approved the District's plan to re-open the gym so it has been opened. Mr. Plizga also discussed our community center rentals with the County. There were several recommendations that he feels we would be able to adhere to. After discussion the Board decided to start accepting party rental reservations effective immediately.

Mr. Plizga spoke about the parking issue throughout the community. He notified them that he is going to start putting parking violation letters on cars that are parked on District owned non-paved areas and easements. This violation will inform the owner that if the car is found there a second time, it will be towed.

He is working on cleaning up beach areas around the lake, particularly behind the community center, to increase the access for community members. Directors

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Pearson and Acosta suggested walking the area with Mr. Plizga and our contractor to finalize a plan to move forward.

A community clean-up has been scheduled for June 26th through July 6th. Ms. Hayes will work with Mr. Plizga on a flyer to notify the community and to engage as much participation as possible. He also spoke to some community issues such as 4-wheelers and pet nuisances in which he is working with the appropriate regulators to help get those issues resolved.

Parking Lot

Parcel G Ms. Hayes was directed to reach out to Ruth Borne to engage her services on beginning the land use variance process with the County.

Village Center

Parcel

Update Director Pearson reported that they are in the process of possibly re-working the partnerships on this project, so at this time there is no update. Director Pearson requested that a Utility Verification Letter be prepared from the Metro District. Tony Zancanella said that he would provide that for Mr. Pearson.

Infrastructure/

Recreation

Fee Update Ms. Hayes reported that the 45-Day Notice was going to be published on Thursday June 11th. Kathryn Winn will be filing it with the District Court, County Commissioners and the Department of Local Governments. The Fee will be implemented beginning July 1st. Ms. Hayes will be working on an education campaign to help the community understand that this fee has been offset by a corresponding reduction in property taxes.

Community Park

Construction

Update No report was given.

Water & Sewer

Operations

Update Tony Zancanella reported that GWUDI (Ground Water Under the Direct Influence of surface water) testing has begun on both wells which consists of testing

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conductivity and temperature data for the river as well as testing for microparticulates. The first round has come back as low risk and e-coli results have come back negative. Testing for the second quarter will proceed as planned.

Mr. Zancanella is still working on getting the plans submitted to CDPHE for the Headworks project. There is a 6-12-month delay in approvals on all projects being submitted so the timing of the budgeted expenditures on this project will have to be re-evaluated and most likely moved into the 2021 budget. Although this headworks project is important to sewer plant operations, there is no impact of shifting the timing of the construction out a year as the plant is still able to function at the community's current capacity.

Minutes The Board reviewed the draft minutes from the April 14, 2020 special meeting, included in the packet. Director McEvoy requested a change in the Conflicts of Interest section to properly name NAI as Mountain Commercial Advisors. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes with the requested update.

Financial Statements Mr. Marchetti reviewed the financial statements for the period ending May 31, 2020 included in the board packet. After discussion and by motion duly made and seconded, it was unanimously

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

2019 Preliminary

Audit Draft The Board reviewed the 2019 Preliminary audit draft. Ms. Hayes reported that she is currently working with the Auditor on the final presentation of the numbers in the audit report. After discussion and by motion duly made and seconded it was unanimously

RESOLVED to approve the 2019 preliminary Audit Report, subject to the final presentation of numbers being reviewed by Director Acosta.

Accounts Payable

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

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RESOLVED to ratify the April and May Accounts Payable lists.

**Tap Fee
Schedule**

Ms. Hayes reported that there have been eight tap fees paid in 2020. Mr. Pearson reported that he is not expecting to construct more houses in 2020 so the District should not expect any additional tap fees in 2020.

**Accounts
Receivable**

The Board reviewed the Accounts Receivable Aging Report. Ms. Hayes reported that there are quite a few more accounts that are delinquent but that does not come as a surprise due to the COVID crisis. She is planning to start focusing on collections again at the end of June.

**Sales Tax
Report**

The Board reviewed the Sales Tax report. Mr. Marchetti reported that March's sales tax amount actually came in much better than anticipated. Therefore, we are still keeping our forecast at \$120,000 for the year and will continue to monitor the sales tax reports every month.

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 9th day of June, 2020.

Respectfully submitted,

Recording Secretary for the Meeting