
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors Two Rivers Metropolitan District December 14, 2021

A Regular Meeting of the Board of Directors of the Two Rivers Metropolitan District, Eagle County, Colorado, was held on December 14, 2021 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:

- Tony Zancanella, Zancanella & Associates, Inc.
- Ken Marchetti, Marchetti & Weaver, LLC
- Craig Plizga, Community Operations Manager
- Kendra Nicholson, Marchetti & Weaver, LLC
- Meghan Hayes, Marchetti & Weaver, LLC, Recording Secretary for the meeting

Call To Order

The Regular Meeting of the Board of Directors of Two Rivers Metropolitan District was called to order by Director Pearson on December 14, 2021 at 2:02 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 employ Directors McEvoy and Zbrzeznj.

Additionally, Director 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**”).

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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.

Additionally, the Board has entered into a Lease Agreement with Right to Purchase with North Lot under which the District has leased a community park, parking, landscaping and an irrigation system which North Lot constructed on the property at 35 Bass Loop, Dotsero, CO 81637.

All Directors present stated that the participation of at least two of them in the meeting along with Director Acosta 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 Colorado Secretary of State in accordance with statutory requirements disclosing 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.

Changes to the

Agenda There were no additions to the agenda.

Public Input There was no public input.

Legal There was no legal input at this time.

District Operations

Manager

Report

Operations Manager, Craig Plizga, presented his Operations report to the Board. He reported on the following:

- Gym memberships continue to be strong but Community Center rentals are still down
- Several local non-profits are using the Community for programming
- Street crack sealing was completed
- Concrete Pans: only the most damaged were replaced. Craig will be reaching out to other contractors to finish the work in 2022
- Pool Shade posts were installed. The shade is in back-order

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Mr. Plizga also reported that he has cleaned out several of the spaces on the 2nd floor of the Community Center. He will work with Ms. Hayes on marketing these spaces to potential renters for office space.

Village Center

Parcel

Update Director Pearson informed the Board that there was no update since the last meeting.

Audit

Engagement

Letter McMahan and Associates audited the District's 2020 financial statements and have submitted an Engagement Letter to audit the District's 2021 financial statements. Their proposed fee is increasing from \$11,900 to \$12,300. This increase is related to inflation. After discussion and by motion duly made and seconded, it was unanimously

RESOLVED to approve McMahan and Associates to complete the District's 2021 audit as outlined in the engagement letter.

Legal

Engagement

Letter

Currently Two Rivers Metro District is represented by Kathryn Winn of Collins Cockrel & Cole ("CCC"). CCC is dissolving and will not be providing legal services after December 31, 2021. After discussion and by motion duly made and seconded it was unanimously

RESOLVED to engage Collins, Cole, Flynn, Winn & Ulmer effective January 1, 2022.

2022 Contract

Renewals

Ms. Hayes reviewed the following 2022 contract renewals that were included in the board packet:

1. Fresh MTN Lawns Irrigation/Lawn Care Agreement
2. Werderitch Construction Snow Plowing Agreement

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

RESOLVED to approve the above contract renewals for 2022.

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Entrance

Tree

Agreement Ms. Hayes presented the Fresh Mtn Lawns Entrance Tree agreement. She noted that not only was the proposed price the most competitive but having someone who is familiar with the Community was a large factor in the decision. Director Pearson inquired about a warranty and Mr. Plizga noted that there is a 1-year warranty on the trees that will go into effect once the District has made formal acceptance of the project. After discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Fresh Mtn Lawns Entrance Tree Project Agreement.

Water/Sewer

Operations

Report

Tony Zancanella reported that a leak was detected on the main air supply line in the selector tank. The leak is considered an emergency due to the location of the leak on the main air supply line and the inability to isolate the problem while still maintaining the Wastewater Treat Plants operations. Without air, the plant will not operate and if not repaired this problem could potentially cause the air system to fail. Zancanella & Associates is working diligently with contractors to determine the best plan of action and the steps needed to make the repairs and still maintain operations of the plant while repairs are being completed.

Minutes

The Board reviewed the October 12, 2021 Regular Meeting minutes. By motion duly made and seconded, it was unanimously

RESOLVED to approve the October 12, 2021 Regular Meeting minutes as presented.

Financial

Statements

By motion duly made and seconded it was unanimously

RESOLVED to accept the District's Preliminary November 2021 financial statements as presented.

Accounts

Payable

The Board reviewed the October & December accounts payable lists and by motion duly made and seconded it was unanimously

RESOLVED to ratify the October & December accounts payable lists as presented.

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**Tap Fee
Schedule** There are no new tap fees.

**Accounts
Receivable
Report** Ms. Hayes reported that several accounts were subject to the water being turned off. In that process, many homeowners paid their accounts in full, some elected for payment plans and only 3 homes were turned off for non-payment.

**Sales Tax
Update** Mr. Marchetti reported that Sales Taxes have continued to come in more favorably than previously anticipated and that the pandemic has not had as significant an adverse impact as originally thought.

**2022 Proposed
Calendar** A copy of the 2022 proposed meeting calendar was included in the board packet. After discussion and by motion duly made and seconded, it was unanimously

RESOLVED to approve the proposed calendar as presented.

Adjournment There being no further business to come before the Board at this time, 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 December, 2021.

Respectfully submitted,

Meghan Hayes
Meghan Hayes
Recording Secretary for the Meeting