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## RECORD OF PROCEEDINGS

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### Minutes of the Regular Meeting Of the Board of Directors Two Rivers Metropolitan District October 10, 2023

A Regular Meeting of the Board of Directors of the Two Rivers Metropolitan District, Eagle County, Colorado, was held on October 10, 2023 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
- Thomas Behrens

Also in attendance:

- Ken Marchetti, Marchetti & Weaver, LLC
- Magdalena Gembal, Marchetti & Weaver, LLC, Recording Secretary for the meeting
- Tony Zancanella, Zancanella & Associates
- Craig Plizga, Community Operations Manager

#### **Call To Order**

The Regular Meeting of the Board of Directors of Two Rivers Metropolitan District was called to order by Director Pearson on October 10, 2023 at 2:00 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**”).

#### **Changes to the Agenda**

None

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### Public Input

Mr. Plizga brought to the board's attention that he has been asked by some residents if the lakes contain Northern Milfoil and if there are any signs of possible transfer to the river. A sample will be collected by CPW next spring and signs will be displayed in the community to alert residents to clean equipment after usage in the lakes to mitigate chances of spreading.

### District Operations

#### Manager

#### Report

Operations Manager, Craig Plizga, presented his Operations report to the Board.

He reported on the following:

- Sprinkler blowout is in progress.
- Fresh Mountains Lawns has replaced all the mulch along Buffalo Blvd, as is looking to sign a two-year contract, instead of its customary one-year contract.
- Double M Asphalt has crack sealed most of the community, anything pending will be completed next year.
- The community pool has been closed since the second week of September. All winterization needed has been completed.
- Summer activities went well, and attendance was positive. Continued cultural activities are also being reported as successful and new discussions with the Gypsum library are being held.
- Trash week ended up being much more than expected with overflowing dumpsters and inadequate coordination with Vail Honeywagon. The service was highly appreciated by the residents and better coordination will be necessary next year.
- Covenant enforcement for yards has been slower and less impactful than first projected. There will be a stronger focus next summer.

Questions from the Board were asked regarding short term rentals and complaints derived as it is not permitted, Mr. Plizga reported that there were no complaints and no active STR. Follow up was asked for the repayment of the fire hydrant replacement destroyed by an owner, as well as the unauthorized dock placed by 190 Brook Trout Dr.

### Snow Removal

#### Bid

A bid from Rocky Mountain Custom Landscapes was provided, and by motion duly made by Director Pearson and seconded by Director McEvoy, it was unanimously

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**RESOLVED** to approve Rocky Mountain Custom Landscapes bid for Snow Removal as presented.

#### **Village Center**

##### **Update**

Director Pearson reported that the right of way has been vacated, but due to a clerical error, correction and reacquisition of signatures with Vail Valley LLC are necessary. The intention is still to break ground next year with 48 townhomes and preliminary pre-approval is pending from Eagle County to get another review, so far there has been good feedback, but it's subject to change based on the County's review of that plan.

#### **Engagement Letter For 2023 Audit**

An engagement letter for the 2023 audit services by McMahan Associates, LLC was presented. By motion duly made by Director Pearson and seconded by Director McEvoy, it was unanimously

**RESOLVED** to approve the engagement letter for the 2023 audit by McMahan Associates, LLC as presented.

#### **Water/Sewer Report**

Mr. Zancanella verbally presented two bids from Glasco and Trojan for UV replacement and made his recommendations based on the companies and what each bid encompasses, recommending Trojan for the unit's durability, contract specification and customer service. The bid from Trojan comes to \$79,608, and by motion duly made by Director Pearson and seconded by Director Acosta, it was unanimously

**RESOLVED** to approve the bid from Trojan for the UV replacement as presented by Mr. Zancanella.

Moreover, discussions were held regarding the headworks project and the funding needed to be completed. Mr. Zancanella asked the board if they would like to apply for the grant or a partial payment of \$50,000 (subsequently updated to \$55,000 by Tony Zancanella). The board decided on the partial payment and by motion duly made by Director Pearson and seconded by Director Acosta, it was unanimously

**RESOLVED** to approve applying for a grant for the headworks project as presented by Mr. Zancanella.

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**Minutes**        The Board reviewed the July 11, 2023 Regular Meeting minutes. By motion duly made and seconded, it was unanimously

**RESOLVED** to approve the July 11, 2023 Regular Meeting minutes as presented.

**Financial Statements**    Mr. Marchetti presented the September 2023 preliminary financial statements. He stated that the balance sheets are consistent with previous months, and the cash position is positive, although there are some major expenditures coming up related to the wastewater system. He mentioned that discussions need to be held for the developer infrastructure to know what the obligation for the repayment is now that the assessed value has increased. Some of the capital expenditures in the utility fund for this year were moved to 2024 budget, but they will need to be moved back to 2023 based on the discussion with Mr. Zancanella about UV replacement and the headworks project payment.

**RESOLVED** to accept the September 2023 preliminary financial statements as presented.

**2024 Budget Discussion**    Mr. Marchetti pointed out that a draft budget has been prepared, but more information is needed regarding the developer repayments. Most operational expenditures have been increased by 3% for inflation in both the General and Utility funds. Formal adoption will be done at the next board meeting awaiting the results from Proposition HH. Additionally, discussions were held about biosolids hauling and tap fees, and new numbers will be provided for the next board meeting. Other discussions regarding the seasonal covenant enforcement position were held. For the infrastructure fund, Mr. Marchetti suggested reducing the monthly fees to mitigate the impact of the upcoming property tax increase. Lastly, for the recreational fund the numbers are consisted with previous years, including the park lease but noted that 2024's budget includes exercise of the option to purchase the community park.

**Sales Tax Report**        Mr. Marchetti stated that the sales taxes year to date are coming in about on budget, and funds are restricted to be used for roads and safety.

**Accounts Payable**        The Board reviewed the July, August and September 2023 accounts payable lists and by motion duly made and seconded it was unanimously.

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**RESOLVED** to ratify the July 2023, and to approve August and September 2023 accounts payable lists as presented.

**Accounts  
Receivable  
Report**

Mr. Marchetti noted that payment plans will have to be reviewed with Mrs. Gembal to ensure payments have been made in the past months or determine if they are in default.

**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 10<sup>th</sup> day of October, 2023.

Respectfully submitted,

Magdalena Gembal  
Recording Secretary for the Meeting