
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors Two Rivers Metropolitan District January 9, 2024

A Regular Meeting of the Board of Directors of the Two Rivers Metropolitan District, Eagle County, Colorado, was held on January 9, 2024 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
- Tom Behrens

The following director was absent:

- Esgar Acosta

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
- Andrew Wheeler, DA Davidson
- Kyle Thomas, DA Davidson

Call To Order

The Regular Meeting of the Board of Directors of Two Rivers Metropolitan District was called to order by Director Pearson on January 9, 2024 at 2:04 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**").

RECORD OF PROCEEDINGS

Two Rivers Metropolitan District January 9, 2024 Meeting Minutes

Changes to the Agenda

None.

Public Input

None.

Amendment of Prior Reimbursement Agreements

In response to Kathryn Winn's request (District's legal counsel), conveyed by Mr. Marchetti, a written agreement between the District and the developer documenting settlement of the outstanding obligations to the developer for a discounted amount will need to be completed. Director Pearson reported the developer is expecting the agreement and Ms. Winn is in the process of preparing the agreement which will be completed in conjunction with the bond/loan transaction.

45 Day Service

Plan Notice Mr. Marchetti reported that the 45-day notice has been published for public comment. The notice serves as the amendment to the District's service plan.

Bond Issuance

Update Kyle Thomas and Andrew Wheeler, representing DA Davidson, the underwriter for the bond issuance, provided an update on the bond issuance. They reported ongoing communication with several commercial banks and mentioned that term sheet proposals are expected shortly. It is anticipated that four to five proposals will be submitted. DA Davidson has communicated to commercial banks the bond characteristics, specifying approximately a \$2 million loan secured by up to 20 mills, with a preference for a 20 or 30 year amortization term, a minimum 10-year fixed rate, with an option to refinance. Once the term sheets are received, DA Davidson will distribute a summary for the Board to decide on the best option for the District.

Conversations between the Board, Mr. Marchetti and representatives from DA Davidson covered discussions on the years of amortization, the number of mills required for bond repayment, and the effects of debt service mill levies on taxpayers, as well as the District's anticipated requirements for additional funds for capital projects such as the Sewer Treatment Plant Headworks project.

RECORD OF PROCEEDINGS

Two Rivers Metropolitan District January 9, 2024 Meeting Minutes

District Operations

Manager

Report

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

He reported on the following:

- Currently, there is a sorting process for tables and chairs, with plans to move the more worn ones upstairs for summer art classes and keep others downstairs for parties.
- Estimates are awaited for adding sinks to the upstairs offices. A resident is interested in renting an office for a hair studio.
- Additionally, bids from Rocky Mountain Landscape and Montes Electric are awaited for irrigation line reconnection and light installation along Buffalo.
- Covenant enforcement is focused on yard parking, with warnings to be issued by the 20th and fines by the end of February. Efforts are also directed towards resolving Air BNB and dock issues before summer.
- Landscape plans include installing barrier hedges at Buffalo Park, replacing entrance trees, and adding shade-providing trees south of the pool.
- Regular events like Mira's visits and the Food Bank occur frequently, while community center rentals are gradually increasing.
- An estimate for painting the locker rooms and the gym is also in progress.

Village Center

Update

Director Pearson reported that the appraisal for the condemnation process for easements across the parcels with a conservation easement was completed last week. The inspection and other necessary documentation are expected within the next two weeks. Following that, a proposal will be sent to the land trust that holds the conservation easement.

Additionally, he highlighted the County's request to retain easements in connection with the right of way being vacated. The County is seeking acknowledgment of continued ability to locate utilities through this area.

The timeline for Village Center construction aims to break ground in 2024 but there are still several procedural steps to navigate. The overall process is progressing.

RECORD OF PROCEEDINGS

Two Rivers Metropolitan District January 9, 2024 Meeting Minutes

Resolution Correcting the Vacation of Lake Shore Dr Easement Adjacent To Lots 3 & 4

Upon Eagle County Legal Department's review of the vacation of Lake Shore Drive right of way easement, the County has requested an updated copy of the replat documents. By motion made by Director Zbrzeznj, and seconded by Director Behrens, it was unanimously

RESOLVED to provide the updated replat documents related to the vacation of Lake Shore Drive right of way easement adjacent To Lots 3 & 4 in accordance with the County's request.

Quit Claim Deed for Lake Shore Drive

As part of the resolution for correcting the vacation of Lake Shore Drive Easement adjacent to lots 3 and 4, a quit claim deed is also necessary. By motion made by Director Behrens, and seconded by Director Zbrzeznj, it was unanimously

RESOLVED to approve the quit claim deed for conveyance of Lake Shore Drive.

Resolution Designating Location to Post Notices/ 24-hour Notice

As a statutory requirement, during the first Board meeting of the year, a notice specifying the location of posting notice for meetings must be approved. This notice informs the public of both the location of online notices and where physical notices will be posted in case the online posting cannot be made due to technical issues. By motion made by Director McEvoy, and seconded by Director Pearson, it was unanimously

RESOLVED to approve the resolution designating the posting location to post notice of District meetings.

Water/Sewer Report

Mr. Zancanella reported that the Huber unit has been shipped to the United States. Operational challenges have arisen concerning the bar screen and grip chambers system, along with issues with the valves connected to the digesters. However, maintenance and repairs have been underway to prevent any sticking as part of

RECORD OF PROCEEDINGS

Two Rivers Metropolitan District January 9, 2024 Meeting Minutes

the controller. Furthermore, repairs are required for specific curbsides to access isolation valves. This is essential for facilitating the shutdown of water to residential homes, particularly in cases of delinquent balances.

Accounts Receivable Report

Mrs. Gembal addressed Mr. Zancanella's inquiries about significant balances not being on the shut-off list. She explained that efforts are focused on addressing the largest accounts first as well as implementing payment plans. She clarified that the report, based on mid-December figures, does not account for payments made since the beginning of the year.

Minutes

The Board reviewed the November 28, 2023 Regular Meeting and December 19, 2023 Special Meeting minutes. By motion made by Director Pearson, seconded by Director Behrens, it was unanimously

RESOLVED to approve the November 28, 2023 Regular Meeting and December 19, 2023 Special Meeting minutes as presented.

Financial Statements

Mr. Marchetti provided comments on the preliminary December financial statements, noting that it represents the preliminary fiscal year-end financial statements. A final version will be prepared in conjunction with the audit. The overall assessment indicates budget variances were generally favorable variances. No significant issues were identified in any of the funds requiring additional attention. In response to Director Pearson's inquiry about ongoing concerns, Mr. Marchetti highlighted that the year-end comparison with the forecast, along with the budget analysis for each fund individually, revealed close or lower-than-forecast figures. This resulted in higher ending fund balances, partly attributed to delays experienced with construction projects.

Accounts Payable

The Board reviewed the December 2023 and January 2024 accounts payable lists and by motion duly made by Director Pearson and seconded by Director Zbrzezni, it was unanimously

RESOLVED to ratify the December 2023, and to approve January 2024 accounts payable lists including the new additions submitted to the Board by email.

RECORD OF PROCEEDINGS

Two Rivers Metropolitan District January 9, 2024 Meeting Minutes

Sales Tax Report

The figures for November and December have been estimated using last year's data, with final numbers to be updated as they become available. Despite a negative variance against the budget resulting from lower figures in August and September, Mr. Marchetti maintains an overall positive outlook, considering the numbers to be still favorable and satisfactory.

Adjournment

There being no further business to come before the Board at this time, by motion duly made by Director Pearson and seconded by Director McEvoy was unanimously.

RESOLVED to adjourn the Regular Meeting of the Two Rivers Metropolitan District Board of Directors this 9th day of January, 2024.

Respectfully submitted,

Magdalena Gembal
Recording Secretary for the Meeting