
RECORD OF PROCEEDINGS

Minutes of the Joint Special Meeting Of the Boards of Directors of Cornerstone Metropolitan District Nos. 1 & 2 March 26, 2018

A Joint Special Meeting of the Boards of Directors of the Cornerstone Metropolitan District Nos. 1 & 2, Montrose and Ouray Counties, Colorado, was held at 10:00 a.m. Monday, March 26, 2018 at 929 Courthouse Peak Lane, Montrose, Montrose County, Colorado, in accordance with the applicable statutes of the State of Colorado.

Attendance

The following Directors were present and acting:

- Marijo Ache - District No. 1 and No. 2
- Warren Ache - District No. 1 and No. 2
- David Coker – District No. 1 and No. 2
- Bill Fugazzi - District No. 1 and No. 2
- Pam Fugazzi - District No. 1 and No. 2

Also in attendance were:

- Clint Waldron, White Bear Tanaka & Waldron (via phone)
- Heather Hartung, White Bear Tanka & Waldron (via phone)
- Eric Weaver, Marchetti & Weaver, LLC (via phone)
- Rick Gonzales, Marchetti & Weaver, LLC (via phone)

Call to Order

The Joint Special Meeting of the Boards of Directors of Cornerstone Metropolitan District Nos. 1 & 2 was called to order by Director Fugazzi on March 26, 2018 at 10:00 a.m. noting a quorum was present.

Combined Meetings

The Boards of Directors of the Districts have determined to hold joint meetings of the Districts and to prepare joint minutes of action taken by the Districts in such meetings. Unless otherwise noted herein, all official action reflected in these minutes shall be deemed to be the action of both Districts. Where necessary, action taken by an individual District will be so reflected in these minutes.

Disclosure Matters

The Directors reviewed the agenda for the meeting, following which each Director confirmed the contents of any written disclosure previously made stating the fact and summary nature of any matters as required under Colorado law to permit official action to be taken at the meeting. Each director also confirmed that nothing appeared on the agenda for which disclosure certificates had not been filed. The Boards noted, for the record, that these disclosures are restated at this time with the intent of fully complying with laws pertaining to potential conflicts. Additionally, the Boards determined that the participation of the Directors present was necessary to obtain a quorum or otherwise enable the Boards to act.

Public Comment

No public comment was offered.

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Legal Matters

Upon motion duly made and seconded it was unanimously

RESOLVED, to enter into executive session pursuant to C.R.S. §24-6-402(4)(b), Conferences with an attorney for the board of directors for the purposes of receiving legal advice on specific legal questions related to possible foreclosure actions.

The Board then returned from executive session.

Upon motion duly made and seconded it was unanimously

RESOLVED, to approve the form of Agreement For Deed In Lieu Of Foreclosure presented by legal counsel subject to comments from the Board and/or legal counsel.

Ms. Hartung then informed the Board that if owners currently in the foreclosure process do not agree to a deed in lieu of foreclosure that the next step is to proceed with the foreclosure process.

Ms. Hartung left the meeting at this time.

Minutes

Upon motion duly made and seconded it was unanimously

RESOLVED, to approve the minutes for the meeting held February 16, 2018 as presented.

Operations

Jason Stroehlein, Golf Course Superintendent for Cornerstone Owners Association and Dan and Ryan Bartashius from DB Waterworks, LLC joined the meeting via phone at this time.

Government Springs Road Water Line Leak: Dan and Ryan Bartashius reported that the suspected leak was not found by digging 4 test holes so the system was reactivated and is running. No water seepage has been detected but a pressure loss in the line between pump stations 3 and 4 indicates a leak may still exist.

Water Pump / Tank Communication: Dan and Ryan Bartashius reported that there are two issues related to pumping water to the tank. 1) computer communication issues with the water pumps and 2) for reasons yet

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unknown pump station 7, the last pump before the tank is being shut off by the computer software and must be manually re-started so that the tank can be filled to a level necessary to support distribution to residential users while water is pumped for golf course irrigation. In addition to the shutoff issue there appears to be a leak in valve seals at station 7 that allows water to drain back from the tank. The cost to replace valve seals is \$1,000 per seal and 3 have already been replaced.

Distribution Line Leaks: Dan and Ryan Bartashius reported that there are also leaks in the distribution system from the tank to end users resulting in a drop in the level of water in the storage tank. One of the leaks has been repaired to reduce the loss but leaks remain and will be repaired as discovered. The distribution line leaks are suspected to be caused by freezing of meter cans that occurred because of the lack of snow that provides insulation to prevent freezing.

All of these issues are being addressed by DB Waterworks, with assistance from an outside contractor for the computer software and communication issues, with two primary objectives: 1) to fix leaks in the distribution line so water levels in the tank can be stabilized which will permit 2) water pumping 24/7 to meet the demand for golf course irrigation. The outside contractor has been instructed not to exceed \$4,800 to remedy the software problem. The contractor will also begin billing the District directly, instead of billing DB Waterworks. The Board also authorized DB Waterworks to engage an additional contractor to assist with the leak issues.

Dan and Ryan Bartashius and Jason Stroehlein left the meeting at this time.

Pond 4 Monitoring Report: the Board acknowledged receipt of the report and no action was taken.

Financial

Mr. Weaver then presented the Accounts Payable Report. Upon motion duly made and seconded it was unanimously

RESOLVED, to ratify the payments made pursuant to the Accounts Payable Report.

Next Meeting Date The next meeting is scheduled for 10:00 a.m. April 23, 2018 and will be held at 700 Birdsong Lane, Montrose, CO., the Ache residence.

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Adjournment

There being no further business to come before the Boards and upon motion duly made and seconded it was unanimously

RESOLVED, to adjourn the meeting.

Respectfully Submitted

Rick Gonzales
Secretary to the meeting