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# RECORD OF PROCEEDINGS

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## **Minutes of the Joint Special Meeting Of the Boards of Directors Cornerstone Metropolitan District Nos. 1 & 2 December 16, 2013**

A Joint Special Meeting of the Boards of Directors of the Cornerstone Metropolitan District Nos. 1 & 2, Montrose and Ouray Counties, Colorado, was held December 16, 2013 at the Fugazzi Residence, 896 Birdsong Lane, Montrose, Ouray County, Colorado, in accordance with the applicable statutes of the State of Colorado.

### **Attendance**

The following Directors were present and acting:

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

Also in attendance were:

- Eric Weaver, Robertson & Marchetti, PC (via phone)
- Clint Waldron, White, Bear & Ankele (via phone)
- Kathy Lewensten, Robertson & Marchetti, PC (via phone)
- Robert Star, Property Owner (via phone)
- Bill Grun, Property Owner (via phone)
- Tom Musselman, Property Owner (via phone)
- Susan Curtis, Property Owner (via phone)
- David Coker, Property Owner

### **Call to Order**

The Joint Meeting of the Boards of Directors of Cornerstone Metropolitan District Nos. 1 & 2 was called to order by Chairman Fugazzi on December 16, 2013 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,

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# RECORD OF PROCEEDINGS

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## CORNERSTONE METROPOLITAN DISTRICT NOS. 1 & 2 December 16, 2013 Meeting Minutes

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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 Input** No public comment was offered.

**Agenda** No changes were made to the agenda.

**Minutes** Upon motion duly made and seconded it was unanimously

**RESOLVED** to approve the November 25, 2013 minutes.

**Operations** **Land Exchange:** There was no new information to report.

**Pump Failure Vault #1:** It was reported there was a pump failure in vault #1. The pump will be pulled and sent to the manufacturer. The manufacturer will provide an estimated cost for repair. If it is not repairable a replacement pump would be approximately \$15,000.

### **Financial Statements**

Mr. Weaver presented the November 2013 preliminary financial statements including the 2014 preliminary budgets. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to accept the November 2013 preliminary financial statements.

### **2014 Budget**

Mr. Weaver reviewed information related to the 2014 budgets. As expected, the assessed valuation for CMD No. 2 decreased significantly. For the 2014 budget CMD No. 2's mill levy reflects 40 mills for debt service and 70 mills for the contractual obligation service mill levy. It was necessary to certify the mill levy at the November 25<sup>th</sup> meeting as the mill levy certifications had to be provided to the Counties by December 13<sup>th</sup>. The mill levy is reviewed annually during the budget process so if assessed valuations should increase in the future the mill levy can be adjusted down for the next budget year.

For CMD No. 1 operation expenses have been budgeted at minimal levels. The timing of receipt of the various property tax and fee revenues and existing reserves were discussed. An increase in CMD No. 1's general

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## CORNERSTONE METROPOLITAN DISTRICT NOS. 1 & 2 December 16, 2013 Meeting Minutes

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operations fee will be necessary to help cover operations costs. The Board stated the operations fee will be invoiced in two installments, 2/3<sup>rd</sup> due by January 15<sup>th</sup> and 1/3<sup>rd</sup> expected to be due in June. The 2014 proposed water and sewer rates and fees schedule was reviewed. Mr. Weaver pointed out the water fund struggles to cover operations expenses since no water is being used by the golf course. The rates will be increasing but even so the general fund will need to help cover the shortfall with a transfer. The rate and fee schedule is looked at annually as part of the budget process.

Mr. Weaver reopened the public hearings for the 2014 budgets. No public comment was offered and the hearings were closed.

Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the resolutions to adopt the 2014 budgets and of each District,

**FURTHER RESOLVED** to approve the resolutions to appropriate funds for spending in 2014 of each District.

Mr. Weaver will be presenting a review of District matters later today at the Owners Association Annual Meeting at 1:00 p.m. to help educate the owners regarding the increased mill levy, increased operations fee and water/sewer fee and use rate increases.

**2014 Fee Schedule** The Board opened the floor for public comment on the proposed 2014 fees, not comment was received. Upon motion duly made and seconded, it was unanimously

**RESOLVED** by Cornerstone Metropolitan Districts No. 1 and No. 2 to approve the 2014 Fee Schedule as presented.

### **Accounts Receivable**

**Lien and Foreclosure Status:** No new action has been taken.

**Overdue Water fees:** Mr. Weaver reported accounts O13L13 and Golf Cabin #5 were certified to Ouray County for collection

**Executive Session** No executive session was necessary.

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# RECORD OF PROCEEDINGS

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CORNERSTONE METROPOLITAN DISTRICT NOS. 1 & 2  
December 16, 2013 Meeting Minutes

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**Accounts Payable** Upon motion duly made and seconded, it was unanimously  
  
**RESOLVED** to approve and ratify the accounts payable listing as presented.

**Adjournment** Upon motion duly made and seconded, it was unanimously  
  
**RESOLVED** to adjourn the Joint Special meeting of Cornerstone Metropolitan District Nos. 1 & 2.

Respectfully Submitted  
*/s/ Kathy Lewensten*

Kathy Lewensten  
Secretary to the meeting