

---

# RECORD OF PROCEEDINGS

---

## **Minutes of the Joint Special Meeting Of the Boards of Directors Cornerstone Metropolitan District Nos. 1 & 2 May 9, 2014**

A Joint Special Meeting of the Boards of Directors of the Cornerstone Metropolitan District Nos. 1 & 2, Montrose and Ouray Counties, Colorado, was held May 9, 2014 at the Ache Residence, 700 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

The following Directors were present via phone and therefore not able to vote:

- David Coker – District No. 2

Also in attendance were:

- Eric Weaver, Robertson & Marchetti, PC
- George Rowley, White, Bear & Ankele (via phone)
- Kathy Lewensten, Robertson & Marchetti, PC (via phone)

### **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 May 9, 2014 at 11:00 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

---

# RECORD OF PROCEEDINGS

---

---

## CORNERSTONE METROPOLITAN DISTRICT NOS. 1 & 2 May 9, 2014 Meeting Minutes

---

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 December 16, 2013 and April 12, 2014 minutes.

**Oaths of Office**

The Oaths of Office were taken by Bill Fugazzi and Warren Ache for CMD Nos. 1 and 2. Pam Fugazzi and Marijo Ache took their oaths for CMD No. 2. David Coker had taken his oath for CMD No. 2 prior to today's meeting. The Directors were all elected in the May 6, 2014 election.

**Election of Officers**

The Board discussed the election of officers. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to elect the following officers:

Bill Fugazzi	Chairman/President CMD Nos. 1 & 2
Warren Ache	Vice Pres/Secretary/Treas CMD Nos. 1&2
Pam Fugazzi	Vice Pres/Asst Secretary/Treas, CMD No. 2
Marijo Ache	Vice Pres/Asst Secretary/Treas, CMD No. 2
David Coker	Vice Pres/Asst Secretary/Treas, CMD No. 2

Director Coker, who was attending by phone, responded he was in favor of the motion.

**Operations**

**Road Damage:** Director Bill Fugazzi reported road damage had occurred by the turf care center due to erosion during runoff. Repair work has begun using road base with the expectation an asphalt patch will be needed this summer. A sign was also damaged and the repair work has been scheduled.

**Legal**

**Road Easement Agreement:** Mr. Rowley gave a brief update on road matters related to the District access easement involved in a land swap

---

# RECORD OF PROCEEDINGS

---

---

## CORNERSTONE METROPOLITAN DISTRICT NOS. 1 & 2 May 9, 2014 Meeting Minutes

---

between a private party and the Forest service. A draft Road Easement Agreement is under review by Mr. Waldron who has been negotiating with the private party on behalf of the District. Currently the terms would require the District to pay \$600 to continue using the easement for a five year term. The fee will need to be renegotiated at the end of the term. Upon motion duly made and seconded, it was unanimously

**RESOLVED by CMD No. 1** to approve execution of the Roadway Easement Agreement subject to final review by Counsel.

**Relinquishment of Special Use Permit:** Mr. Rowley explained as a formality related to the Road Easement Agreement discussed above the District will need to relinquish the Special Use Permit. Upon motion duly made and seconded, it was unanimously

**RESOLVED by CMD No. 1** to authorize relinquishment of the Special Use Permit subject to finalization of the Roadway Easement Agreement.

### **2014 Annual Administrative Resolutions**

Mr. Weaver presented the Annual Administrative Matters Resolutions, which detail how the Districts will meet all of the statutory requirements for the State and other entities for the upcoming year. Upon a motion duly made and seconded it was unanimously

**RESOLVED** to approve the Annual Administrative Resolutions by both Districts as discussed.

Director Coker, who was attending by phone, responded he was in favor of the motion.

### **Posting Location Notices:**

Mr. Weaver explained this was a compliance matter which describes the Districts' 24 hour posting locations. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the posting notice resolutions which are attached to become part of the minutes

---

# RECORD OF PROCEEDINGS

---

---

## CORNERSTONE METROPOLITAN DISTRICT NOS. 1 & 2 May 9, 2014 Meeting Minutes

---

Director Coker, who was attending by phone, responded he was in favor of the motion.

### **Public Disclosure**

#### **§32-1-104.8,C.R.S.**

Mr. Rowley explained the legislature passed a new requirement related to additional Special District reporting. The District will be required to record basic information with the County so it is readily available during a title search for property. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to direct staff to comply with §32-1-104.8, C.R.S.

Director Coker, who was attending by phone, responded he was in favor of the motion.

### **White Bear and Ankele Engagement Letter**

Mr. Rowley reviewed the revised engagement letter with White Bear and Ankele with the Board. The letter did include revisions related to arbitration in the case of a dispute. Upon motion duly made and seconded it was unanimously

**RESOLVED** to approve the Engagement Letter with White Bear and Ankele, PC.

Director Coker, who was attending by phone, responded he was in favor of the motion.

Mr. Rowley left the meeting at noon.

### **Financial Statements**

Mr. Weaver presented the March 2014 preliminary financial statements. Director Coker raised several questions related to the increased mill levy, bond payments and other matters. He recommended a work session to discuss options and issues. The Board members all agreed a work session would be beneficial. The Board directed Mr. Weaver to delay invoicing the final portion of the 2014 operations fee until a work session can be held. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to accept the March 2014 preliminary financial statements.

---

# RECORD OF PROCEEDINGS

---

---

## CORNERSTONE METROPOLITAN DISTRICT NOS. 1 & 2 May 9, 2014 Meeting Minutes

---

**Work Session** After a brief discussion a work session was scheduled for Tuesday, June 3<sup>rd</sup> beginning at 11:30 a.m. continuing the morning of Wednesday, June 4<sup>th</sup> at the offices of Robertson & Marchetti, PC in Edwards Colorado.

**Accounts  
Receivable**

Mr. Weaver reviewed the report that was included in the packet.

**Shut Off of Water  
Service**

It was noted that in an effort to collect past due balances and to stop incurring additional costs of providing water to Flowers cabin and the Clubhouse, that the owners should be given proper notice and that if the past due balance is not cleared than the water service to the facilities should be turned off. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to authorize the shut off of water services to Flowers Cabin and the Clubhouse if the accounts are not brought current.

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

**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