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# RECORD OF PROCEEDINGS

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## Minutes of the Special Meeting Of the Board of Directors of Cornerstone Metropolitan District Nos. 1 & 2 January 25, 2021

A Special Meeting of the Board of Directors of the Cornerstone Metropolitan Districts Nos. 1 & 2 Montrose and Ouray Counties, Colorado, was held at 10:00 A.M. Monday, January 25, 2021. The meeting was held as a teleconference meeting in accordance with the applicable statutes of the State of Colorado, Public Health Order 20-23, and the state of emergency declared by the Governor of Colorado March 10, 2020.

### Attendance

The following Directors were present and acting via teleconference:

- Marijo Ache - District No. 1 and No. 2
- Warren Ache - District No. 1 and No. 2
- Jason Stroehlein – District No. 1

The following Director was absent and excused:

- Ross Hauck – District No. 2

Also present or in attendance via teleconference were:

- Heather Hartung, White Bear Ankele Tanaka & Waldron
- Ryan Bartashius, Cornerstone Metro District
- Eric Weaver, Marchetti & Weaver, LLC
- Erin McCauley, Marchetti & Weaver, LLC

### Call to Order

The Meeting of the Board of Directors of Cornerstone Metropolitan Districts Nos. 1 & 2 was called to order by Director Ache on January 25, 2021 at 10:04 A.M. noting a quorum was present for both districts.

### Combined Meetings

The Boards of Directors of the Districts Nos. 1 & 2 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

Ms. Hartung reported that disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Ms. Hartung inquired into whether members of the Board had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The Board noted, for the record, that

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these disclosures are restated at this time with the intent of fully complying with laws pertaining to potential conflicts. Additionally, the Board determined that the participation of the Directors present was necessary to obtain a quorum or otherwise enable the Board to act.

**Public Comment** There was no public comment.

**Agenda** The Agenda was discussed and Ms. Hartung requested the removal of the Legal agenda c., regarding Appointment of Board Members, and Mr. Weaver requested the addition of the topic of Road and Tap Fees under Accounts Receivable. Upon a motion duly made and seconded it was unanimously

**RESOLVED**, to approve the agenda as amended.

**Minutes** The minutes of the November 16, 2020 special meeting were reviewed. Upon a motion duly made and seconded it was unanimously

**RESOLVED**, to approve the minutes of the November 16, 2020 special meeting as amended.

**Amended Road  
Easement  
Agreement**

Ms. Hartung provided an update on the First Amendment to the Road Easement Agreement. A conversation was held with the land owner's attorney, the majority of the verbiage within the amendment is now acceptable, and she awaiting confirmation of any increase in liability insurance which may result in a possible request that the District pay more for the right of the easement to cover any increased insurance cost. Ms. Hartung will follow up on the subject.

**Director Vacancies** Ms. Hartung noted acknowledgement of the resignation of Board members Bill Fugazzi and Pam Fugazzi, effective December 2, 2020. Paperwork has not been provided by CAG to be able to appoint any new members to the Board.

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Discussion was held regarding election of officers, and as there is a vacancy in the position of President. Upon a motion duly made and seconded it was unanimously

**RESOLVED**, to elect Director Ache as Acting President until the Board position is filled otherwise.

Mr. Weaver noted that if individuals are appointed to the Board at the next meeting, they will not be able to act until the following meeting.

**Posting Locations** Ms. Hartung reviewed Resolutions 2021-01-01 and 2021-01-02 Designating both District's 24-Hour Posting Locations. Upon a motion duly made and seconded it was unanimously

**RESOLVED** to approve Resolutions 2021-01-01 and 2021-01-02 Designating the District's 24-Hour Posting Location.

**Operations** Mr. Bartashius provided an overview of the proposed chlorine injection system project. This project would take place over two stages which would include a design stage followed by the installation. This first stage is estimated at \$20k-\$30k for Wright Water Engineer's portion of the project. The proposed design would be sent to CDPHE for review, and if approved, installation could begin. A disinfectant by-product study with Colorado University would be performed as part of the project and would determine if an aeration system is needed. The entire process may take up to one year to complete. Mr. Weaver noted any expenses related to this project are not included in the 2021 budget and would have to come from the contingency line item.

Discussion was held regarding the water and sewer tap fees, road fees, and pro-rated water usage fees due from CAG for the four properties which building permits were issued for in November 2020. Director Stroehlein noted on behalf of Mr. Aisner, an opposition to the road fees, stating that it was thought that several road fee exemption certificates were in existence. Mr. Weaver confirmed these were given by Hunt as an incentive for owners to build, and those have all expired. In addition, Director Stroehlein stated Mr. Aisner feels that only one sewer tap fee should be charged as all of the properties being built would be maintained as a subline to the main sewer line. Mr. Weaver noted that the sewer tap fee is a per unit fee, or per residential lot, so this would not apply.

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### Financials

Mr. Weaver reviewed the preliminary December 31, 2020 financials noting that as forecasted, District No. 2 was significantly short on revenues as a result of abatements and unpaid taxes by CAG that did not sell at tax lien sale. This then resulted in a shortfall in funding being available to District No. 1 for operations. District No. 1 has accounts receivable of \$99k which primarily consists of the road and tap fees plus interest which are outstanding from CAG. Expenditures overall came in close to forecast and favorable to budget.

Mr. Weaver reviewed the 2021 Fee Schedule and noted that Tri-County did not increase the water rates as originally anticipated, so the District has the ability to reduce the rate charged to CAG for golf course irrigation. Upon a motion duly made and seconded it was unanimously

**RESOLVED** to approve a reduction in water rates charged for golf course irrigation to \$18.96 for up to 15M gallons and \$6.20 for over 15M gallons.

### Accounts Payable

Mr. Weaver presented the Accounts Payable report to the Board and upon a motion duly made and seconded it was unanimously

**RESOLVED**, to approve the accounts payable as presented.

### Next Meeting

The next meeting of the Board is scheduled for February 22, 2021, and is anticipated to be a telephonic meeting because of the conditions and restrictions related to the Covid-19 pandemic.

### Adjournment

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

**RESOLVED**, to adjourn the meeting.

Respectfully Submitted

*Erin McCauley*

Erin McCauley  
Secretary to the meeting