
RECORD OF PROCEEDINGS

Minutes of the Special Meeting Of the Board of Directors of Cornerstone Metropolitan District Nos. 1 & 2 November 16, 2020

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, November 16, 2020. 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
- Bill Fugazzi - District No. 1 and No. 2
- Pam Fugazzi - 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:

- Bob Aisner, CAG member and resident
- Heather Hartung, White Bear Ankele Tanaka & Waldron
- 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 Fugazzi on November 16, 2020 at 10:03 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

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regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The Board 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 Board determined that the participation of the Directors present was necessary to obtain a quorum or otherwise enable the Board to act.

Agenda The Agenda was discussed and upon a motion duly made and seconded it was unanimously

RESOLVED, to approve the agenda as presented.

Minutes The minutes of the November 2, 2020 special meeting were reviewed. Director Ache noted one minor change. Upon a motion duly made and seconded it was unanimously

RESOLVED, to approve the minutes of the November 2, 2020 special meeting as amended.

Public Comment Mr. Aisner inquired about the potential upcoming Board vacancies, discussion was held that there were no such vacancies. The process of how individuals fill vacant seats was generally discussed.

Mr. Aisner addressed the delinquent water bills for the golf course and non-golf course properties, asking for clarification on differences in rates. Mr. Weaver described the fee structure and noted that the variance in rates is driven by whether the water is required to be potable or non-potable.

Mr. Weaver brought it to the attention of the Board that approximately \$125,000 worth of property taxes went to tax lien sale for properties which are owned by CAG or the Owners Association (which CAG is responsible for paying). The largest parcel at roughly \$90,000 in taxes, did not sell, therefore unless an investor purchases the lien those dollars will be held by the county and the cash to the Metro District would not be received until a later date. This impacts both the 2020 financials and the 2021 budget. Mr. Aisner is unaware of anyone who may buy this and hopes to sell four to five lots for cabins and use the proceeds towards these tax liens.

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Mr. Aisner exited the meeting at this time.

Legal

Ms. Hartung provided an update on the First Amendment to the Road Easement Agreement. Insurance matters and Exhibit B are the outstanding items under review.

Discussion was held regarding the final installment payment for delinquent CAG water bills which is due on December 1st and waiving interest and late fees. The Board would like to collect fees for payment plan processing but will consider waiving interest and fees otherwise. Upon a motion duly made and seconded it was unanimously

RESOLVED to waive late fees and interest and charge the a collection fee of \$1,000 to cover the payment plan processing. The waiver shall take effect upon receipt of the final installment payment on December 1st.

Operations

Director Fugazzi updated the Board on operations. A pump has failed and Ryan was instructed to proceed with repairs. Road repairs and infrared patching have been successful and the Board is pleased with the repair work.

Financials & Continuation of 2020 Budget Amendment Hearings and 2021 Budget Hearings

Mr. Weaver reviewed the 2020 financials including the impact of the tax liens which did not sell at tax lien sale. Also, due to increased water pumping by CAG, related expenses have been driven up. These two items are resulting in an amendment to the 2020 budget. The 2021 preliminary budget was distributed with the Board packet and made available to the public. Mr. Weaver provided a review of the Proposed 2021 Budget for Districts 1 & 2. Discussion was held regarding volunteer fire and sewer expenses and modifications to the budget were requested by the Board. Mr. Weaver re-opened the public hearing on the 2021 Budget and 2020 Budget Amendment and receiving no comments the hearing was closed.

Upon motion duly made and seconded it was unanimously

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RESOLVED, to approve the Cornerstone Metropolitan District No. 1 Resolution To Amend The 2020 Budget.

The Boards then considered the 2021 budget and upon motion duly made and seconded unanimously

RESOLVED, to approve Resolutions of Cornerstone Metropolitan District Nos. 1 and 2 To Adopt 2021 Budget as amended, Set Mill Levies and Appropriate Sums Of Money.

Mr. Weaver then presented the fee schedule for 2021. Upon a motion duly made and seconded it was unanimously

RESOLVED, to approve the 2021 Fee Schedule as presented.

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 December 21, 2020, 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