
RECORD OF PROCEEDINGS

Minutes of the Special Meeting Of the Boards of Directors of Cornerstone Metropolitan District Nos. 1 & 2 February 22, 2021

A Special Meeting of the Boards of Directors of the Cornerstone Metropolitan Districts Nos. 1 & 2 Montrose and Ouray Counties, Colorado, was held at 10:00 A.M. Monday, February 22, 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 Boards of Directors of Cornerstone Metropolitan Districts Nos. 1 & 2 was called to order by Director Ache on February 22, 2021 at 10:05 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 Boards at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the

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Boards. Ms. Hartung inquired into whether members of the Boards 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 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 There was no public comment.

Agenda The Agenda was discussed and Ms. Hartung requested the removal of the Legal agenda item 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 January 25, 2021 special meeting were reviewed. Upon a motion duly made and seconded it was unanimously

RESOLVED, to approve the minutes of the January 25, 2021 special meeting as amended.

Operations Mr. Bartashius provided an update on the Variable Frequency Drive (VFD) project and the recent discovery of the need for two converters related to this project at the cost of \$5k each. Mr. Bartashius will contact Water Technology Group to determine the most cost-effective way to move forward which will likely include returning two VFDs and purchasing the converters, with a minimal overall cost difference. Mr. Bartashius reported on the leak in the 10" line; the project is complete and total costs are estimated to come in at \$10k. The Sanitary Survey with Colorado Department of Public Health and Environment will be taking

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place on March 9, this applies to both the waste water and potable water systems. This survey occurs every three years. Mr. Bartashius noted the Programmable Logistics Controllers (PLC) have been installed.

Amended Road Easement Agreement

Ms. Hartung provided an update on the First Amendment to the Road Easement Agreement, there have been no developments, confirmation of liability insurance needed is still pending.

Director Vacancies Ms. Hartung is currently awaiting information from Tom Kennedy on the qualifications for the two potential candidates and no other developments have occurred since the last meeting.

Amended Independent Contractor Agreement

Ms. Hartung reviewed the First Amendment to the Independent Contractor Agreement with Wright Water Engineers, Inc, to include the 2021 Schedule of Fees. Upon a motion duly made and seconded it was unanimously

RESOLVED to approve the First Amendment to the Independent Contractor Agreement with Wright Water Engineers, Inc, to include the 2021 Schedule of Fees.

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

RESOLVED, to approve the accounts payable as presented.

Accounts Receivable

Mr. Weaver presented the Accounts Receivable report to the Board which consists of \$100,001.48 in delinquent 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.

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Discussion was held regarding the District's enforcement ability and the process of collections. It was agreed upon that the District's Collection Resolution should be followed as it would for any owner. Ms. McCauley will provide all related documentation to Ms. Hartung to review and proceed with the collection process.

Next Meeting The next meeting of the Boards is scheduled for March 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 Boards 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