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# RECORD OF PROCEEDINGS

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## Minutes of the Regular Meeting Of the Boards of Directors of Cornerstone Metropolitan District Nos. 1 & 2 July 25, 2022

A Regular 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, July 25, 2022. The meeting was held as a teleconference.

**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
- Wendy Lawler Sisler - District No. 1 and No. 2
- Brian Wallin - District No. 1 and No. 2
- Jason Stroehlein – District No. 1

Also present or in attendance via teleconference were:

- Bob Aisner, Cornerstone Acquisition Group
- Ryan Bartashius, Cornerstone Metropolitan District
- Todd Haynes, Horsefly Wildland Fire Department
- Heather Hartung, White Bear Ankele Tanaka & Waldron
- 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 Wallin on July 25, 2022 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 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

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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. The item Consider Appointment of Officers is to be removed as officers were appointed at the May 23, 2022 meeting, and Ms. Hartung requested adding an executive session to the agenda to receive legal advice regarding the road use agreement, pursuant to C.R.S. §24-6-402(4)(b). Upon a motion duly made and seconded it was unanimously

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

**Minutes** The minutes of the May 23, 2022 regular meeting were reviewed, upon a motion duly made and seconded it was unanimously

**RESOLVED** to approve the minutes of the May 23, 2022 regular meeting.

**Operations** Mr. Todd Haynes with Horsefly Volunteer Fire Protection provided information regarding the short and long-term assistance to Cornerstone from the fire department and current usage of equipment. Mr. Haynes explained that volunteers are welcomed and training would be provided for any volunteers to obtain S-130/190 basic wildland firefighter skills.

**Water and Sewer  
Operations**

Mr. Bartashius stated the pumping system is functioning well and only routing maintenance and repairs have been needed.

The Colorado Department of Public Health and Environment (CDPHE) gave approval of the Chloramine booster project with a required completion date of June 30, 2023; the system is to be fully operational by that date. Lead time for equipment is expected to be eight to ten weeks. Mr. Russell Geis has been working on the design of the structure to house the equipment. It is expected that in mid-August the project details will be

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ready to put the project out to bid. Ms. Hartung will work with Mr. Bartashius and Director Stroehlein on a project manual and the invitation to bid.

Director Stroehlein noted the roads are developing potholes which need to be patched and believes this can be done in-house.

### **Legal**

Ms. Hartung reviewed the 2004 District Facilities Construction and Service Agreement and recommended the Districts obtain special counsel to review and determine if the Districts should proceed with the Agreement. The Agreement names District 1 as the Operating District and District 2 as the taxing District. If the Districts were not to proceed with this agreement it would result in the dissolution of District 1. The Boards did not take any action at this time.

Discussion was held regarding the Amendment to the Road Use Agreement and the related insurance matter. Ms. Hartung reviewed recent emails and communications from the land owner and representing attorney. Mr. Aisner provided input on the topic, including that Mr. Kennedy will be responding to the LOI provided by Mr. Thomas and that the District, due to governmental immunity, is not able to provide the insurance that Eldred is requesting. Alternatively, between Cornerstone Owners Association and Cornerstone Acquisition Group, the requested insurance will be provided.

The Draft Roadway Use Agreement was reviewed by Director Wallin and was sent to Mr. Kennedy for review. This is related to number of trips by John Kuijvenhoven and his contractors. The Boards decided not to proceed with the Roadway Use Agreement at this time.

### **Financials**

Mr. Weaver presented the June 30, 2022 financial statements, reviewing tax collection timing and upcoming tax payment. Expense items were discussed as well as estimates and expense needs to include in the 2023 budget. Mr. Stroehlein updated the Board on water usage estimates for the remainder of the season.

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## Accounts Payable

**Accounts Receivable** Mr. Weaver presented the Accounts Payable and Accounts Receivable reports, upon motion duly made and seconded it was unanimously

**RESOLVED** to approve the June 30, 2022 Financials, Accounts Payable and Accounts Receivable reports.

**Executive Session** Upon a motion duly made and seconded the Board voted unanimously to Enter into executive at 11:32am, session pursuant to C.R.S. §24-6-402(4)(b), Specific Legal Advice related to possible litigation matters regarding the Road Use Agreement with Rehoboth

Pursuant to C.R.S. §24-6-402(2)(d.5)(II)(b) no record will be kept of the portion of this executive session that, in the opinion of the Districts' attorney, constitutes privileged attorney-client communication pursuant to 24-6-402(4)(b).

The Board returned from executive session at 11:47am.

## 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  
Secretary to the Meeting

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**Joint Regular Meeting  
Of the Boards of Directors Cornerstone Metropolitan District Nos. 1 & 2  
July 25, 2022**

**Attorney Statement**

**REGARDING PRIVILEGED ATTORNEY-CLIENT COMMUNICATION**

Pursuant to §24-6-402(2)(d.5)(II)B), C.R.S., I attest that, in my capacity as general counsel to Cornerstone Metropolitan District No. 1 and Cornerstone Metropolitan District No, 2., I attended the executive session meeting convened on July 25, 2022, held pursuant to C.R.S. (§24-6-402(4)(b), conference with an attorney for the board of directors to receive legal advice related to possible litigation involving the road use agreement.

I further attest it is my opinion that all of the executive session discussion constituted a privileged attorney-client communication and, based on that opinion, no further record, written or electronic, was kept or required to be kept pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S.

Signature: \_\_\_\_\_  
Name and Title: \_\_\_\_\_  
Date: \_\_\_\_\_

As President of the Board of Directors of Cornerstone Metropolitan Districts Nos. 1 and 2, I attest that the portion of the executive session that was not recorded was confined to the topics authorized for discussion in executive session pursuant to §24-6-402(4), C.R.S.

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President