
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Boards of Directors of Cornerstone Metropolitan District Nos. 1 & 2 October 24, 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, October 24, 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:

- Ryan Bartashius, Cornerstone Metropolitan District
- Bob Aisner, Cornerstone Acquisition Group
- Heather Hartung, White Bear Ankele Tanaka & Waldron
- Eric Weaver, 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 October 24, 2022 at 10:00 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 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

RECORD OF PROCEEDINGS

CORNERSTONE METROPOLITAN DISTRICT NOS. 1 & 2 October 24, 2022 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 Comment There was no public comment.

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

RESOLVED to approve the agenda as presented.

Minutes The minutes of the September 26, 2022 regular meeting were reviewed, upon a motion duly made and seconded it was unanimously

RESOLVED to approve the minutes of the September 26, 2022 regular meeting.

**Water and Sewer
Operations**

Mr. Bartashius gave an update on water and sewer operations. Operations have been fairly standard. A new meter was installed at Cabin 6 but water is not on yet. Winter preparations are underway. Pond 4 water depth is at approximately 21 feet. The driveway has been built for the project at comfort station five.

Ms. Hartung reported that the Wright Water Engineering proposal has been received and finalized for the Chloramine Booster project. Technical information is still needed from the engineers to complete the Project Manual and move forward with the Invitation to Bid. Ms. Hartung will follow up with Wright Water Engineering.

Director Wallin reported that the final draft of the Traffic Study is pending. The District responded to Bob Thomas with a revised Letter of Intent but no response has been received at this time from Mr. Thomas. It was noted the initial Road Easement Agreement is still in place.

Legal Ms. Hartung reviewed the Resolution to Opt Out of the FAML I Program. A notice has been published that a hearing is taking place during this meeting to vote on participation. The Public Hearing was opened, no

RECORD OF PROCEEDINGS

CORNERSTONE METROPOLITAN DISTRICT NOS. 1 & 2 October 24, 2022 Meeting Minutes

public comment was received, and the Public Hearing was closed. Upon a motion duly made and seconded, it was unanimously

RESOLVED to approve the Resolution to Opt Out of the FAMLI Program. Notice will be provided to the District's employee.

Ms. Hartung reviewed the Resolution Calling the May 2023 Election. It is likely the election will be cancelled. Erin McCauley will be the Designated Election Official for the election and will be sending the Call for Nominations. Upon a motion duly made and seconded it was unanimously

RESOLVED to approve the Resolution Calling the May 2023 Election.

The 2023 Annual Administrative Resolution was presented by Ms. Hartung and it was noted that meeting dates in 2023 will be January 23, March 27, May 22, July 31, September 25, and October 23, by Zoom. Upon a motion duly made and seconded, it was unanimously

RESOLVED to approve the 2023 Annual Administrative Resolution.

Ms. Hartung reviewed the Resolution Providing the Defense and Indemnification of Directors and Employees of the District. Upon a motion duly made and seconded, it was unanimously

RESOLVED to approve the Resolution Providing the Defense and Indemnification of Directors and Employees of the District.

The transfer of open space parcel 9c to Cornerstone Owners Association was discussed. Ms. Hartung stated an appraisal is recommended to determine the value of the parcel. The District Board was in agreement the property value is \$0 and ownership is to be granted to Cornerstone Owners Association. Director Wallin was appointed to finalize documentation to transfer the parcel, the documents will be included on the agenda and ratified at the next meeting.

RECORD OF PROCEEDINGS

CORNERSTONE METROPOLITAN DISTRICT NOS. 1 & 2 October 24, 2022 Meeting Minutes

Mr. Aisner exited the meeting at this time.

The Proposal for the Wright Water Engineering Chloramine Project was reviewed and upon a motion duly made and seconded it was unanimously

RESOLVED to ratify the Wright Water Engineering Chloramine Booster Project Proposal previously approved by the Board.

The 45-Day Notice of Intent to Clarify the Mill Levy Adjustment were published. The 45-day periods expire on November 27th and 28th dependent on the publication dates for each County newspaper.

Mr. Bartashius exited the meeting at this time.

Financials & 2023 Budget Hearing

Mr. Weaver provided a review of the September 30, 2022 financials and the proposed 2023 budget for Districts 1 and 2. Property taxes receivable if not collected by year end will go to tax lien sale. It was noted 2023 is not a revaluation year. There was a legislative change in the assessment rates; the residential rate was adjusted from 7.15% to 6.95%. The proposed budget keeps the total mill levy at 110.00 mills for 2023 with slightly more of the total going to debt service due to the assessment rate change. Mr. Weaver provided a review of water rates for 2023, which will be subject to the final Tri-County rates to be determined in November. No 2022 budget amendment is required for either District. This meeting was published as a budget hearing and no comments were received. Mr. Weaver opened the public hearing for comment. Upon hearing no comment, the public hearing was closed.

The Boards then considered the September 30, 2022 financial statements and 2023 budget and upon motion duly made and seconded unanimously

RESOLVED, to approve the September 30, 2022 financials and Resolutions of Cornerstone Metropolitan District Nos. 1 and 2, to Adopt the 2023 Budget as amended, to Set Mill Levies, and to Appropriate Sums of Money, subject to final rate changes from Tri-County Water and changes in final assessed valuation.

RECORD OF PROCEEDINGS

CORNERSTONE METROPOLITAN DISTRICT NOS. 1 & 2 October 24, 2022 Meeting Minutes

Mr. Weaver presented the fee schedule for 2023. A thirty-day notice of intent to increase fees was posted on the Districts' website on August 15, 2022. Upon a motion duly made and seconded it was unanimously

RESOLVED, to approve the 2023 Fee Schedule as presented, subject to the final Tri-County Water rates.

Accounts Payable

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

RESOLVED to approve the Accounts Payable and Accounts Receivable reports.

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



Eric Weaver
Secretary to the Meeting