
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Boards of Directors of Cornerstone Metropolitan District Nos. 1 & 2 July 31, 2023

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 31, 2023. 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
- Brian Wallin - District No. 1 and No. 2
- Wendy Lawler Sisler - District No. 1 and No. 2
- Jason Stroehlein – District No. 1 (Joined at 10:50am)

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
- Hayes Lenhart, Wright Water Engineers
- 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 31, 2023 at 10:07 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 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 regarding 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

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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.

Agenda

The agenda was discussed and amended to include discussion regarding power added at Dave Wood entrance and John Kuijvenhoven matters. Upon a motion duly made and seconded it was unanimously

RESOLVED to approve the agenda as amended.

Public Comment

There was no public comment.

Minutes

The minutes of the May 22, 2023 regular meeting were reviewed, upon a motion duly made and seconded it was unanimously

RESOLVED to approve the minutes of the May 22, 2023 regular meeting.

2022 Service Plan

The 2022 Joint Annual Report on the Service Plan was enclosed in the packet for review. The annual report service plan was previously filed, and this was acknowledged by the board.

Water and Sewer Operations

Mr. Bartashius gave an update on water and sewer operations. Pumping for the golf course to Pond 4 began in early July. A VFD will be replaced the first week of August at station 1. Fences may be needed around the tank to prevent damage from sheep which are expected to be on the property through August. Mr. Bartashius will contact England Fence for an estimate and options.

Mr. Bartashius updated the Board on the status of the Chloramine Booster System project. One bid was received for \$989,768 which is much higher than anticipated. Five contractors joined the pre-bid meeting, Velocity was the only contractor to submit a bid. The Board discussed the bid and did not award it. The Colorado Department of Health and Environment (CDPHE) deadline for completion of the project will need to be extended. Hayes Lenhart reviewed the bid that was received and agreed it was high.

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Mr. Lenhart will contact all contractors that attended the pre-bid meeting for information as to why bids weren't submitted and will also look into value engineering.

Other Operations

Director Stroehlein informed the Board of Ken Eldred adding electric to his property and the option for the District to share in the cost in order for power to be supplied to the back gate, which would allow for security and improved access to Dave Wood Road. Conduit has already been installed, further costs would include trenching and wire. The District cost is estimated at approximately \$32,000. Upon motion duly removed and seconded, it was unanimously

RESOLVED to approve cost sharing for electricity to the gate, not to exceed \$36,000.

Director Wallin reviewed an email received from John Kuijvenhoven regarding restrictions on his easement. The Board reviewed components proposed by Mr. Kuijvenhoven. No action was taken at this time.

Director Ache noted that vehicle speed on Cornerstone Trail has increased, as well as volume, and suggested action by the Board may be needed to impose speed limit rules. No action was taken at this time.

Director Stroehlein discussed increased snow plowing and equipment needs, and will obtain proposals for both contracting out services, as well as cost for new equipment. This will be reviewed at a future meeting.

Legal

There are no updates on the Road Easement Agreement at this time.

Requirements for the District Annual Meeting were reviewed. The date for the town hall/annual meeting is set for October 23rd at 9:30am.

Discussed requirement of notifying residents of the Metropolitan District Homeowners' Rights Task Force and confirmed such notification was posted on the District's website.

Financials

Mr. Weaver reported that Chadwick, Steinkirchner and Davis, the audit firm used by the Districts for audits over the past several years, will not be providing this service any longer. A Request for Proposal was sent out to several audit firms for the 2023 audits.

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The June 30, 2023 financial statement was reviewed. The 2024 budget will be discussed at the September meeting and is expected to be adopted at the October meeting.

The Accounts Payable and Accounts Receivable reports were reviewed. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the June 30, 2023 financials, Accounts Payable and Accounts Receivable.

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