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# RECORD OF PROCEEDINGS

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## Minutes of the Regular Meeting Of the Board of Directors Catamount Metropolitan District October 8, 2018

A Regular Meeting of the Board of Directors of the Catamount Metropolitan District, Routt County, Colorado, was held October 8, 2018 at 3:00 p.m., at the Catamount Metro Ranch Shop, 34035 East Highway 40, Steamboat Springs, Routt County, Colorado, in accordance with the applicable statutes of the State of Colorado.

**Attendance**            The following Directors were present and acting:

- John Holloway
- Donna Kerr
- Eric Wilson
- Suzanne Turner (By Telephone)

The following Directors was absent and excused:

- Darlinda Baldinger

Also in attendance were public and staff personnel:

- Brad Iversen, Lake Lot 14
- Diane Peterson & Son, Lake Lot 28
- Rick Restall, Lake Lot 30
- Eric Weaver, Marchetti & Weaver, LLC (By Telephone)
- Joel Anderson, District Manager
- Kevin Collier, District Assistant Manager
- Cheri Curtis, Marchetti & Weaver, LLC

**Call to Order**            The Regular Meeting of the Board of Directors of Catamount Metropolitan District was called to order by Director Holloway on October 8, 2018 at 3:00 p.m. noting a quorum was present.

**Changes to the Agenda**        There were no changes.

**Public Input**    There was no public input.

**Minutes**            The Board reviewed the minutes of the August 13, 2018 Regular Meeting. Upon motion duly made and seconded it was

**RESOLVED** to approve the August 13, 2018 Regular Meeting minutes as presented.

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### 2019 Meeting

**Calendar** The proposed 2019 meeting calendar was presented. Mr. Anderson will not be available for the February 11, 2019 regular meeting and suggested moving the meeting to the February 18, 2019. After discussion, it was agreed to leave the February meeting on February 11, 2019. The Board approved the meeting calendar as revised.

### 2018 Audit

**Engagement** The 2018 audit engagement letter from Crady Puca was presented with the proposal remaining consistent with the 2017 proposal. By motion duly made and seconded it was unanimously

**RESOLVED** to approve the 2018 audit engagement letter as presented.

### Operation Matters

**Cattle Grazing** – Cattle grazing was allowed in 2018 on Parcels 1 & 2 which are on the farthest west end of the property. Upon request from Ms. Peterson, Mr. Anderson provided the names of the individuals who provide haying operations in 2018. Ms. Peterson questioned the bidding process for haying operations. Mr. Anderson explained the District is working with contractors that are known to be reliable and will provide the service expected by the District. Ms. Peterson questioned the government bidding requirements. Mr. Weaver explained there is no legal requirement to change the contracting process for this scope of work since this is revenue received, not spending by the District. Ms. Peterson questioned spraying and planting. Mr. Anderson explained the process and noted the pasture has changed from just alfalfa to a grass/alfalfa mix. Concerns were brought up with over grazing by the cattle, lack of water, electric fences, access to the Metro District open space and the sharp-tail grouse protected by the Wildlife Agreement, all of which support not continuing with cattle grazing in future years.

Ms. Peterson stated she was in attendance to lobby for continuing with grazing operations. Mr. Anderson explained the amount of work required for the grazing operations did not offset the benefits. It was questioned whether the water hole that was dug, was done without proper water rights.

Ms. Grace stated Ms. Peterson represents her interest as well. They both want to be able to continue to ride on the property, with keeping the ranch operations and cattle on the property. Ms. Peterson believes the haying operations provide a benefit to the property owners by keeping the weeds and grass maintained, which helps to keep the wildfire risk low. The cattle are beneficial for fertilizing and working the property.

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Ms. Peterson suggested holding fundraisers to fund the operations and encourage riders on the property. The Board would support fundraisers as long as the events are sponsored by property owners. The Board thanked Ms. Peterson for her input but stated the Board will not reconsider cattle grazing at this time.

**Yampa River Call & Drought** – There was a call on the Yampa River that forced the District to use their augmentation plan. Water was released from Catamount Lake due to the call. The District worked with its engineers from Bishop-Brogden Associates to evaluate the water usage over the last three years, put together projected releases from the Lake for augmentation purposes and concluded that the District has sufficient water in case of continued, longer calls on the Yampa River. The Club and PUD water usage is down. Some homeowners are using upwards of 250% of their allotted use. There are still twenty-five lots remaining to be built on, however, not all lots will be built out. Property owners will need to reduce their water usage to assure the District does not exceed the allotted water rights. The Board reviewed usage by individual properties at both the Ranch and the Lake. Mr. Anderson reminded the Board that property owners can download the water usage app to monitor their water usage regularly.

The Board will continue discussions on the rate structure at future meetings to discourage excessive usage. Through the water rights, there is approximately 1,000 gallons allotted per lot, per day during the irrigation season.

Director Kerr questioned the augmentation plan and Mr. Anderson clarified that even though lots users may be exceeding their allotted usage, the Club & PUD are using less than anticipated in the augmentation plan so the total allotted usage is not being exceeded. The District's water plant could not provide enough water if all property owners exceed usage by double the amount projected in the plan.

The Board discussed measures to curtail water usage by the large users. It was noted increasing tier rates may not be enough discourage excessive usage. The Board will need to consider other measures to discourage excessive water usage during the summer months.

The Board agreed to look at the high users at the February meeting and identify a means to encourage property owners to reduce their usage during the summer.

**Lake Excavation** – The Board reviewed the proposal and determined it is not feasible to dredge the Lake at the suggested amounts indicated in the memo, noting the District never intended to go into the lake dredging business. The original intent of the Board was to remove material while it was wet and it was

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determined that is not possible. Either option presented would require 404 permitting. Placement of the spoilage would be another issue. Mr. Anderson suggested increasing the budget for frazil channel excavating as the Lake will be approximately five-feet lower by Thanksgiving and the frazil Channel will be exposed and can be inspected. With that information, the Board can discuss options for the Lake excavation at the February 11, 2019 meeting.

Dredge America might be able to present a better option that would be more cost effective. Daniel Niemela from Bishop-Brogden Associates who put the lake excavation memo together recommended AECOMM do a more in-depth study for approximately \$5,000 - \$10,000 to establish a more feasible plan. The Board decided to not proceed with a study but agreed to talk to Dredge America, Inc and Ed McArthur for a recommendation and to concentrate more on the area of the silt deposit and areas closer to the frazil channel road.

**Well 1B** – Well #1B was recently drilled to supplemental Well #1R and is producing between thirty to fifty gallons per minute. By drilling a supplemental well, additional permits were not required. The District is waiting on the pump test.

The \$7,500 proposal from Civil Design Consultants was presented for water quality analysis for well #1B. By motion duly made and seconded it was unanimously

**RESOLVED** to approve contract with Civil Design Consultants for analysis of well #1B water quality.

**Fencing Proposals** – There was no response from the fencing contractor contacted to replace the fence. Mr. Anderson budgeted replacing 2,500 feet or more annually for approximately \$50,000 each year. Mr. Holloway presented a concept to require property owners to maintain fences, since some fences are on private property. Ms. Peterson stated the fences are speed bumps for animals. The fences give the appearance of ranching operations, however, Catamount is a development, not a ranch. Mr. Anderson stated the fencing is beneficial during snow storms. The Board agreed to remove the fencing on the District's properties when they become beyond basic repair and to keep the fence below Parcel 12 on the entrance along CR18. Property owners will have the option to maintain the fences themselves or ask the District to remove the fencing on their property. The new fencing near the Club entrance will not be removed.

**Other Matters** – The \$60,000 engineering proposal for the Catamount Ranch water tank rehabilitation was presented. \$200,000 is budgeted for improvements

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to meet state guidelines, necessary improvements for the temporary tank and the actual tank improvements in 2019. By motion duly made and seconded it was unanimously

**RESOLVED** to approve the engineering proposal for \$60,000.

### **Financial Matters**

**August 31, 2018 Financial Statement** – Mr. Weaver reviewed the balance sheet and noted the CSBT CD was transferred to ColoTrust. The preliminary assessed values for the District increased, showing a minor increase in property taxes by assessing 35 mills. Director Kerr would like to see the mill levy go down below 35 mills stating Catamount is one of the highest mill levies in the area. Mr. Weaver explained properties that claim agricultural status reduce the overall property tax collections, which keeps the mill levy higher.

The water and sewer expenses are budgeted to be reduced in 2019. Sewer rates will also decrease for 2019. The Board reviewed the reserve expenditures with adjustments. The Lake excavation forecast is \$15,000 for 2018 and budgeted at \$15,000 in 2019. The fencing, signage and lighting will be reduced to \$10,000 in 2019.

**2019 Budget Hearing** – The public hearing on the 2019 budget was opened for comment. Hearing no public comment, the public session was closed. By motion duly made and seconded it as unanimously

**RESOLVED** to approve the August 31, 2018 financial statements, as presented, and;

**FURTHER RESOLVED** to adopt the 2019 budget; to set the debt service mill levy at 8.831 mills, the operating mill levy at 30.000 mills, and a temporary mill levy credit of 3.831 mills for a total net mill levy of 35.000 mills; and to appropriate funds for spending in 2019, all as documented in the formal budget resolution but subject to minor adjustment for any further adjustments to the assessed values.

**2019 Rate Increase Hearing** – The proposed 2019 water/sewer rate schedule was reviewed. Director Kerr questioned the average water usage that was provided by Mr. Anderson. The Board agreed to increase the tier three rate to \$25.00 per 1,000 gallons based on the discussion earlier in the meeting.

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The public hearing was opened for comment on the 2019 rate schedule. Hearing no public comment, the public hearing was closed. By motion duly made and seconded it was unanimously

**RESOLVED** to approve the 2019 water/sewer rate schedule as revised to increase of the tier three rate to \$25.00 per 1,000 gallons.

**Accounts Payables and Receivable** – The accounts payable and accounts receivable lists through October 8, 2018 were reviewed. By motion duly made and seconded it was unanimously

**RESOLVED** to approve the accounts payable and receivable lists as presented.

### **Other Business**

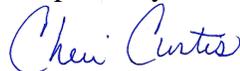
Ms. Peterson noted a boat has been stored on the District property all summer. She also questioned the enclosure. Staff will address the enclosure issue and find the boat owner. Ms. Peterson requested a Horse & Skier (Trail) Crossing signs on County Road 18. Mr. Anderson agreed to check with Routt County Road & Bridge on the possibility of installing a sign.

### **Adjournment**

By motion duly made and seconded it was unanimously

**RESOLVED** to adjourn the Regular Meeting of the Catamount Metropolitan District Board of Directors this 8th day of October, 2018.

Respectfully submitted,



Cheri Curtis  
Secretary for meeting