
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors Catamount Metropolitan District February 13, 2012

A Regular Meeting of the Board of Directors of the Catamount Metropolitan District, Routt County, Colorado, was held February 13, 2012 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
- Gary Ertl (via phone)
- Suzanne Turner
- Darlinda Baldinger
- Eric Wilson

Also in attendance were:

- Gates Gooding (via phone)
- Ryan Brosher, SRA International (via phone)
- Michael Burks
- Jim McRoberts
- Bruce Allbright
- Jane Coseter
- Bob King
- Brad Price, Catamount Club

Staff Personnel:

- Eric Weaver, Robertson & Marchetti, P.C.
- Joel Anderson, District Manager
- Kevin Collier, District Staff

Call to Order

The Regular Meeting of the Board of Directors of Catamount Metropolitan District was called to order by Chairman Holloway on February 13, 2012 at 3:00 p.m. noting a quorum was present.

Agenda Changes

The Board reviewed the agenda and added Susan Holland Grant Application Proposal as part of the Dam & Hydro Project Update section of the agenda.

Minutes

The Board reviewed the Regular Meeting minutes of the October 10, 2011 meeting and the Special Meeting minutes of the November 22, 2011 and January 26, 2012 meetings. Upon motion duly made and seconded it was unanimously

RECORD OF PROCEEDINGS

CATAMOUNT METROPOLITAN DISTRICT February 13, 2012 Meeting Minutes

RESOLVED to approve the Meeting minutes of October 10, 2011, November 22, 2011 and January 26, 2012 as stated.

Dam and Hydro Project Update

Ryan Brosher with SRA International gave a status updated on the progress through the Governors Energy Office (GEO) for both the FERC streamline program and Renewable Energy Development team. The District has made great progress and is very near the final step of the process which is to submit a final FERC permit application. Once submitted, the application will go through a 3-5 month review process.

Multiple scenarios were presented for the financial analysis with the conclusion that the best alternative would be to form a for-profit LLC so that the entity could sell investor tax credits to investors which could fund as much as 30% of the project costs. The non-profit scenario was also reviewed but determined infeasible. Also, depending on the size of the project, a loan from either the Colorado Water Conservation Board (CWCB) or the Colorado Water Resources and Power Development Authority (CWRPDA) could provide funds at a 2% for up to 20 or even 30 years.

Using the above structure, multiple scenarios with varying capacity factors (average capacity compared to maximum capacity) and power purchase prices (price per kilowatt hour paid by the power company to purchase power produced by the system) were reviewed to show multiple instances where the project could be feasible.

The FERC permit would require that the project be completed within 3 years and could be extended if the project is progressing. However, the tax credit, unless extended by legislation, would require that the project be completed by the end of 2013.

To provide partial funding for the hydro project, the District can apply for a grant from the USDA. The maximum available would be the lesser of 25% of construction costs or \$750,000 and the deadline for submittal is March 31, 2012. Susan Holland with Emerald Mountain Engineering has applied for these grants in the past and has obtained funding on 24 of 25 applications. Her fee for completing the grant application would be \$1,500. If the FERC permit and the USDA grant are approved the CWCB loan will likely also be approved.

RECORD OF PROCEEDINGS

CATAMOUNT METROPOLITAN DISTRICT February 13, 2012 Meeting Minutes

Currently the District has spent a net amount of approximately \$10,500, after receiving grant reimbursements.

The next steps for the project would be to submit the final FERC permit, form an LLC to be the constructor and owner of the project to take advantage of the for-profit model, apply for the USDA grant, apply for the CWCB loan, begin negotiations of a PPA, and approach major suppliers and users of energy to obtain letters of support.

After lengthy discussion and upon motion duly made and seconded it was unanimously

RESOLVED to proceed with application for FERC permit, and;

FURTHER RESOLVED with Director Baldinger abstaining to form an LLC called Catamount Renewable Energy Partners, and;

FURTHER RESOLVED with Director Baldinger abstaining to apply for the USDA grant, and;

FURTHER RESOLVED with Director Baldinger abstaining to hire Susan Holland with Emerald Mountain Energy for a fee of \$1,500 to prepare the application for the USDA grant, and;

FURTHER RESOLVED with Director Baldinger abstaining to apply for a CWCB and/or CWRPDA loan depending on estimated project size and cost.

The Board also agreed to begin contacting Yampa Valley Electrical Coop, Steamboat Ski Area, Routt County, and others to request letters of support.

Entrance Gates

Several owners would like to have gates installed at entrances to help keep bikers and trespassers off of the private Catamount roads. CROA had given permission to Medora to seek approval from Routt County for a gate at the entrance to Harrison Trail but representatives from the County do not feel that County approval is required because the gates will lie on District property. Several owners have expressed interest in paying for a gate at the entrance to Harrison Trail at the Lake if the Metro District will own and operate the system after construction. The Club supports the idea as long as they are provided access for the everyday Club use and events at Heritage Cabin. Mr. Weaver stated that he would like to have Matt

RECORD OF PROCEEDINGS

CATAMOUNT METROPOLITAN DISTRICT February 13, 2012 Meeting Minutes

Dalton confirm that the gates will not create any issues with the existing Service Plan or bonds outstanding. Bids have been received and the cost currently has a range of \$13K to \$30K. It was also discussed whether additional gates could be installed at other locations, especially at the golf course. This question has already been asked of the County and we are awaiting a formal response. Mr. Allbright and Mr. King will contact the other owners who would be inside of the Harrison Trail gate to inform them of the project and gather their input.

Upon motion duly made and seconded it was unanimously

RESOLVED that assuming there are no issues with approval, the District will take over ownership and maintenance of the gates as long as the initial purchase and installation costs are borne by the homeowners.

Director Wilson left the meeting.

Inundation Mapping

The new dam inspector is requiring that the emergency plan be updated with the State, which will require an updated inundation map to show what areas would be flooded if the dam were to break. Two proposals were received that range in cost from 23K to 27K. However, the URS proposal is broken into two tasks and task one will satisfy the requirements of the state with a cost of \$11K. Task two would only be required if the FERC permit is approved and this can be produced at a later date if and when needed.

Upon motion duly made and seconded it was unanimously

RESOLVED accept the URS task 1 proposal for \$11,000.

Stop Log Repair

District staff reviewed photos showing the repairs that were recently made to the stop logs at the dam at a cost of roughly \$6,000.

GPS of the District

Per the proposals that Mr. Anderson received the first \$4,500 would be to convert the CAD drawings to GIS. It was recommended that this be investigated further to understand the full benefits of the system.

RECORD OF PROCEEDINGS

CATAMOUNT METROPOLITAN DISTRICT February 13, 2012 Meeting Minutes

Yampa Valley Land Trust Agreement

Mr. Dalton sent out a letter stating that the District is not required to and will not maintain the road on the land trust property. No response has been received.

Hay Lease Parcel 1

Mr. Anderson expressed that he would like to see a multi-year lease with Matt Kovach to allow him to manage the property for a longer-term approach rather than year by year. Upon motion duly made and seconded it was unanimously

RESOLVED move forward with negotiations.

2012 Road Overlays

Mr. Anderson reviewed a schedule with two proposals of roads to be repaved, which are primarily at the Lake since the majority of the roads at the Ranch have now been repaved. Mr. Anderson recommended option one to which the Board agreed. Mr. Anderson will advertise for proposals which will be reviewed at the May Board meeting for approval.

Parcel 12 Crawl Space

A small amount of mold has been found in the crawlspace of the ranch manager home which will require removal and the installation of a vapor barrier and exhaust fan. Mr. Anderson has received one bid which he feels is high and is seeking alternative bids. The Board encouraged Mr. Anderson to get the job done but at the best price possible.

Birding Trail

Limited visitors are requesting access to view sharptail grouse west of the lake on District property. Since the District is trying to limit public access, it was determined to deny the request.

2012 Posting Locations

The Board reviewed the 2012 Posting Resolution which calls for the 24 hour posting location to be the Golf Clubhouse and 72 hour posting locations of the Golf Clubhouse and the light posts at the entrances to the Ranch and the Lake. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the 2012 Posting Resolution as presented.

RECORD OF PROCEEDINGS

CATAMOUNT METROPOLITAN DISTRICT February 13, 2012 Meeting Minutes

Resolution Calling District Election

Upon review and by motion duly made and seconded it was unanimously

RESOLVED to approve the resolution calling for the 2012 district election.

2012 Water & Sewer Fees

Mr. Weaver reviewed the water rate schedule and after multiple years of increases suggested that the rates remain the same as they were in 2011. Sewer fees will continue to be based on costs and will be proportionately allocated based on prior year water usage. Upon review and by motion duly made and seconded it was unanimously

RESOLVED to approve the 2012 Water & Sewer rates as presented.

December 31, 2011 Financial Report

Mr. Weaver reviewed the financial report for the period ending December 31, 2011 noting that the District finished the year ahead of forecasted results and the excess balance was transferred to the capital replacement fund. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the December 31, 2011 financials as presented.

Accounts Payable

The accounts payable listing for September, October, November and December 2011 was reviewed by the Board. Upon motion duly made and seconded it was unanimously

RESOLVED to ratify the payables listing for September, October, November and December 2011 as presented.

Accounts Receivable

The Board reviewed the accounts receivable listing as of January 30, 2012. It was noted that several accounts are at least 90 days past due and further action may be required if not paid. Upon motion duly made and seconded it was unanimously

RECORD OF PROCEEDINGS

CATAMOUNT METROPOLITAN DISTRICT February 13, 2012 Meeting Minutes

RESOLVED to approve the accounts receivable listing as of January 30, 2012.

Adjournment

With business concluded, and upon motion duly made and seconded it was unanimously

RESOLVED to adjourn the Regular Meeting of Catamount Metropolitan District Board of Directors this 13th day of February, 2012.

Respectfully submitted,



Eric Weaver
Secretary for the meeting