
RECORD OF PROCEEDINGS

Minutes of the Special Meeting Of the Board of Directors Catamount Metropolitan District October 13, 2014

A Special Meeting of the Board of Directors of the Catamount Metropolitan District, Routt County, Colorado, was held October 13, 2014 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
- Darlinda Baldinger
- Suzanne Turner (via conference call)
- Donna Kerr

The following Directors were absent and excused:

- Eric Wilson

Also in attendance were:

- Colin Taylor, Windwalker Ranch
- Rick Restall, property owner
- Randy Sackett, CDC

Staff personnel:

- Eric Weaver, Marchetti & Weaver, LLC
- Kelly Young, Marchetti & Weaver, LLC
- Joel Anderson, District Manager
- Kevin Collier, Assistant District Manager

Call to Order

The Special Meeting of the Board of Directors of Catamount Metropolitan District was called to order by Director Holloway on October 13, 2014 at 3:10 p.m. noting a quorum was present.

Minutes

The Board reviewed the Regular Meeting minutes of the August 11, 2014 meeting. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the August 11, 2014 minutes, subject to minor modifications.

Operations Report

Mr. Anderson directed the Board to the report included in the Board materials.

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Hydro/FERC Update

Director Holloway reported trying to contact Shana Murray at FERC, but has not yet heard back from her regarding the District's request for a re-hearing.

Dam Inspection

Mr. Anderson reported that the dam inspection was done on October 8th by the FERC dam inspector and that our permit will be surrendered on August 13th, 2015 if the District does not proceed with the hydro project. An extension could be available if the District believes the project will be moving forward. If the permit is surrendered, the District will not be allowed to re-apply for a period of 2 years. The dam inspector explained to Mr. Anderson that any work done before the expiration of the permit, regardless of whether hydro is involved, will be reviewed under the jurisdiction of FERC since the District has a current permit. If the District allows the permit to expire, work done after the expiration will fall under the jurisdiction of the State. The FERC dam inspector also noted that monitoring wells are not required and the District's current survey of monuments is sufficient. In addition, he noted that an Emergency Action Plan (EAP) exercise must be completed every 5 years. Mr. Anderson would be able to coordinate with Stagecoach Reservoir to complete this. An independent engineering consultant is also required to inspect the dam once every 5 years for an approximate cost of \$50,000 if hydro progresses. The inspector reviewed the District's Public Safety Plan and noted that the current draft will be sufficient to comply, once completed. The security plan needs to be completed and left on-site. The dam inspector noted that a hydrology study will be necessary for any future work to the dam, including stop log replacements.

Mr. Taylor reported that Windwalker Ranch is willing to split the cost of the Conceptual Plan that includes multiple gates for mixing water for temperature and dissolved oxygen. He also spoke with the Yampa Valley Charitable Trust who would be willing to set up an account specifically for this project. He has also contacted outfitters, private owners along the river and the VP of Trout Unlimited to try and find additional support for the project.

Director Holloway reported that he spoke with Diane Johnson at Yampa Valley Electric Association (YVEA) who expressed disappointment that the District may not be able to move ahead with the hydro project.

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Stop Log Replacement Updates

The FERC and State dam inspectors informed Mr. Anderson that a hydrology study needs to be completed before any additional work on the dam, either as a hydro project or for stop log replacements is performed. The study will help determine the necessary elevation of any new stop logs. The District received pricing on a hydrology study from McLaughlin in 2012 for \$12,500. Mr. Anderson will ask McLaughlin to update their bid and will also ask for a second bid from URS.

Reserve Study

Mr. Sackett presented the reserve study in a preliminary format. CDC is still working on completing the study, including backup by line item for each estimate including a description, where the estimate came from and priority of the item. Mr. Sackett estimated that they will be finished with the study in approximately 1 month.

Legal

Director Holloway stated that he was not aware of any legal issues at this time

Financial & Budget

Director Holloway opened the public hearing for comment. Mr. Weaver gave a brief commentary on the financial statements as of September 30, 2014 and the 2015 proposed budget. Hearing no comment, Director Holloway closed the public hearing and upon motion duly made and seconded, it was unanimously

RESOLVED to adopt the 2015 budget; and

FURTHER RESOLVED to certify a net 35.000 mill property tax levy consisting of 30.000 mills for operations, 9.014 mills for debt service, and a temporary mill levy credit of 4.014 for collection in 2015, subject to minor adjustments which may result from the final certification of assessed values; and

FURTHER RESOLVED to appropriate the funds for expenditure as reflected in the 2015 budget subject to minor adjustments which may result from the final certification of assessed values; and

FURTHER RESOLVED to approve the September 30, 2014 financial statements, accounts receivable, and accounts payable listings, as presented.

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2015 Fees

Mr. Weaver reviewed the preliminary fee schedule noting that the operations fees would remain at \$1,500 per lot and that the water and sewer fees would increase slightly. After discussion by the Board and upon motion duly made and seconded it was unanimously

RESOLVED to adopt the 2015 fee schedule as presented; and

FURTHER RESOLVED to set the fee for non-residential property at the theoretical mill levy equivalent rate, calculated in a manner consistent with prior non-residential fees; and

FURTHER RESOLVED to adopt the fee resolution stating the manner of calculating the District's fees.

Audit Engagement Letter

Mr. Weaver reviewed the engagement letter with CSD for the 2014 audit. After a brief discussion, the Board decided to retain CSD for the 2014 audit, but would like to receive additional proposals for the 2015 audit. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the CSD engagement letter for the 2014 audit.

Accounting Engagement Letter

Mr. Weaver reviewed the new engagement letter with Marchetti & Weaver, LLC. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Marchetti & Weaver, LLC engagement letter.

Other Business

Director Baldinger reported that she received a call from a property owner regarding an increase in the price of horse boarding on the District's land leased to Larry Richmond. There was a brief discussion that the property should be an amenity to homeowners and should be priced accordingly. Director Holloway suggested the formation of a committee to discuss this further. Currently, Mr. Richmond's lease is year to year, expiring in December 2014.

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Director Holloway reported there is a group of owners at the Lake who are interested in obtaining agricultural status for their property. Director Holloway will contact the owners and let them know that if they are able to achieve consensus with all of the owners on either side of Harrison Trail, they may be able to receive approval from the County. The Board decided that this initiative should be performed by the homeowners, rather than the Board.

The Board noted that Director Kerr had not been assigned an office. Upon motion duly made and seconded, it was unanimously

RESOLVED to appoint Director Kerr as an Assistant Secretary/Treasurer of the District

Adjournment

Having no further business, and upon motion duly made and seconded it was unanimously

RESOLVED to adjourn the Special Meeting of Catamount Metropolitan District Board of Directors this 13th day of October, 2014.

Respectfully submitted,



Eric Weaver
Secretary for meeting