
RECORD OF PROCEEDINGS

**Minutes of the Regular Meeting
Of the Board of Directors
Catamount Metropolitan District
November 11, 2013**

A Regular Meeting of the Board of Directors of the Catamount Metropolitan District, Routt County, Colorado, was held November 11, 2013 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:

- Gary Ertl (via conference call)
- Suzanne Turner (via conference call)
- Darlinda Baldinger
- John Holloway
- Eric Wilson (via conference call)

Also in attendance were:

- Libby de Juan, owner at Catamount
- David Baldinger, owner at Catamount
- Thomas L Henninger, owner at Catamount and representative of Windwalker Ranch
- Suzanne Murphy, owner at Catamount
- Donna Kerr, owner at Catamount
- Lindsay George, Applegate Group
- Mike Applegate, Applegate Group
- Gary Boring, Molte Construction
- Brad Florentin, AMEC
- Bob Weiss, Windwalker Ranch Attorney (via conference call)
- Gates Gooding, hydro-electric consultant (via conference call)
- Karen & Bob Wolter, owner at Catamount (via conference call)

Staff Personnel:

- Eric Weaver, Robertson & Marchetti, P.C.
- Joel Anderson, District Manager
- Kevin Collier, District Employee
- Beth Ruark Bucks (via conference call)

Call to Order

The Regular Meeting of the Board of Directors of Catamount Metropolitan District was called to order by Director Holloway on November 11, 2013 at 3:00 p.m. noting a quorum was present.

Minutes

The Board reviewed the Regular Meeting minutes of the October 7, 2013 meeting. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the October 7, 2013 minutes, subject to minor modification.

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Dam Repair Update

Mr. Anderson reported that the surface concrete work repairing minor erosion has been completed. The upper 2/3 Ogee crest and the top are now completed. All inspections during the repairs showed no signs of concern. The total cost for this was \$22,000, which is slightly more than the 20,000 budget.

FERC Update

The district applied for and was granted an exemption earlier this year, however both the District and Windwalker Ranch have requested rehearings, both of which were granted but the date for the rehearing has not yet been set.

Hydro Presentation

Mr. Gary Boring of Moltz Constructors (interested contractor for the project), Ms. Lindsay George and Mr. Mike Applegate of Applegate Group (interested engineers for the project) gave a presentation on the hydro project including sketches for the layout including a potential option of having a powerhouse inside of the spillway wall to minimize disturbance and excavation. Generator costs, options and comparisons, were discussed as well as other pertinent information.

There was discussion of the power purchase agreement with Yampa Valley Electric possibly coming in with an offer of 7-8 cents per kilowatt hour. Mr. Holloway said that he had hoped to have a firm PPA offer in place by today, but that Yampa Valley Electric is still in negotiation and the initial proposal was for less per kilowatt hour than was expected.

Brad Florentin of AMEC joined the presentation (interested owners representative for the project). He provided an overview of the services he could provide to the District during the construction of the facility and noted that he has been assisting the District for the past two years and put together the FERC permit and feasibility study.

The immediate need is to decide whether to spend \$15,000 to confirm the major components of the project and to prepare a fatal flaw analysis to ensure that it makes sense to proceed with the project and to review the potential of constructing the powerhouse closer to the toe of the dam. The second step is the expenditure of \$50,000 which takes it to the next step of generator selection. The third step would require a down payment or \$300,000-\$400,000 on a generator in as early as mid-January. Construction would tentatively begin in the fall of 2014.

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It was also stated that the tax credits for investors on this project will expire December 31, 2013 and may or may not be reinstated in 2014. In order to lock in the potential tax credit for investors, there would need to be a binding contract in place for 5-10% of the construction costs by December 31, 2013. The deposit for the transmission line contract would satisfy this requirement.

Representatives of the neighboring Windwalker Ranch expressed their support of the project but explained that they have requested a FERC rehearing to address their concerns as to the health of the fishery and the noise and vibration levels of the system.

Director Holloway asked the Board for their thoughts on if and how to proceed with the Hydro Project. Director Ertl said that he is in favor of the concept, with concerns about the expenditures and wonders if the necessary \$65,000 upcoming expenditure could be wrapped into the financing. Director Wilson expressed that he is also open to the concept, but concerned that the viability of the project is closely tied into the upcoming YVEA PPA. Director Turner said that the presentation was well done and that she likes the idea of the powerhouse being in the spillway. She expressed reservations as to whether the Metro District can legally undertake this type of project. She also said that she did not think financing of such a project should be done through the Metro District. In addition, she expressed concern about potential Federal government regulations. Director Baldinger said she thinks this is a good idea, but only if there is no potential of lawsuits by neighbors to the District. She also expressed concerns that this project is on the edge of the scope of the District's reach according to governing documents. She also would like to know the specific role that CREP would have as well as the Metro District, in particular regarding funding such a project. She expressed reservations about spending any further funds from the Metro District to move forward. Director Holloway is supportive of the project and the use of an additional \$15,000 to proceed to the next step.

After lengthy discussion it was determined that the District should not spend the additional \$15,000 required to reach the next milestone. Upon motion duly made and seconded it was unanimously

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RESOLVED to request CREP to authorize usage of their funds to confirm the major components of the project and to prepare a fatal flaw analysis.

Director Wilson left the meeting.

Bonds

Mr. Weaver explained that the District currently has two bond issuances in place, a 2006 issuance at an interest rate of 5.25% and a 2009 issuance at an interest rate of 5.00%. Vectra Bank has offered for the District to reset the interest rate on both of these bonds to 4.25% and leave the remaining terms of the bonds in place, resulting in a positive net present value savings to the District. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the resolutions to rest the interest rate on the 2006 and 2009 Bonds to 4.25% and to allow the Board members to execute all related documents.

2014 Fees

Mr. Weaver explained that owners were notified by mail and via the website that the Board would be considering the 2014 fees at today's meeting. 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 2014 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.

Continued 2014 Budget Hearing

Mr. Weaver gave an overview of the budget and noted that the public hearing had been continued from the October meeting to allow additional public comment on the budget. The hearing was re-opened and hearing no comment was closed. Upon motion duly made and seconded it was unanimously

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RESOLVED to adopt the 2014 budget; and

FURTHER RESOLVED to certify a net 35.000 mill property tax levy consisting of 30.000 mills for operations, 9.022 mills for debt service, and a temporary mill levy credit of 4.022 for collection in 2014, 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 2014 budget subject to minor adjustments which may result from the final certification of assessed values.

Legal There were no legal matters for discussion.

Accounts Payable The Board reviewed the accounts payable listing as of September 30, 2013. Upon motion duly made and seconded it was unanimously

RESOLVED to ratify the payables listing for September 2013.

Accounts Receivable The Board reviewed the accounts receivable listing as of October 30, 2013. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the accounts receivable listing as of October 30, 2013.

Calendar The next meeting is scheduled for February 10, 2014.

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 11th day of November 2013.

Respectfully submitted,



Eric Weaver
Secretary for meeting