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# RECORD OF PROCEEDINGS

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## Minutes of the Regular Meeting Of the Board of Directors Catamount Metropolitan District February 9, 2015

A Regular Meeting of the Board of Directors of the Catamount Metropolitan District, Routt County, Colorado, was held February 9, 2015 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
- Donna Kerr

The following Director was absent and excused:

- Eric Wilson

Also in attendance were:

- Bob Weiss, Windwalker Ranch
- Nancie McCormish
- Mary Edwards
- Kevin Morse, Clean Energy Collective
- Bruce Allbright, Property Owner
- Leslie Allbright, Property Owner
- Chris Roche, Property Owner
- Brad Price, Catamount Ranch & Club

Staff personnel:

- Eric Weaver, Marchetti & Weaver, LLC (via phone)
- Rick Gonzales, Marchetti & Weaver, LLC (via phone)
- Joel Anderson, District Manager
- Kevin Collier, Assistant District Manager

### Call to Order

The Regular Meeting of the Board of Directors of Catamount Metropolitan District was called to order by Director Holloway on February 9, 2015 at 3:00 p.m. noting a quorum was present.

### Minutes

The Board reviewed the Special Meeting minutes of the October 13, 2014 meeting. Upon motion duly made and seconded it was unanimously

**RESOLVED** to approve the October 13, 2014 minutes as presented.

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**Operations Matters** **Metro Ranch Parcel Lease with Larry Richmond:** Mr. Anderson described the geographic area of Metro District owned land which has been leased to Mr. Richmond since 1998. Mr. Richmond's use of the property under the lease agreement has evolved over the years from a cattle operation into more of a horse boarding operation. Mr. Richmond requested renewal for 2015 to continue horse boarding operations and subleasing land that was used to grow hay last year for cattle grazing during the summer season. Several owners have expressed concern that they have been forced out of boarding their horses at the site and feel that the Metro District should look at ways to use the property to the benefit of the owners.

Options discussed included using the land for a study for a school thesis for a Colorado State University student, including horse boarding, horse boarding for Catamount residents and possibly general public, an equestrian center, and selling the land.

After receiving input from district residents, Brad Price, and board members, the group proposed the creation of a subcommittee to reach out to the Catamount community so that all district residents can have an opportunity for input. The subcommittee would also consider and evaluate options and make a recommendation to the board. Subcommittee members selected were Brad Price, Joel Anderson, Leslie Allbright, and Chris Roche. The committee will draft a letter for Joel to send to club and district members explaining the situation and soliciting additional subcommittee members.

In the meantime, Mr. Richmond will be given notice that the lease will not be renewed for 2015 and that he will need to vacate the property no later than June 30. The board directed Mr. Anderson to return Mr. Richmond's check for the 2015 lease payment as there will be no lease agreement.

**Reserve Study:** Mr. Anderson reported that Reserve Study is not complete but the contractor has committed to complete the study by the May meeting without additional charges to the District.

Mr. Anderson specifically referenced road improvements in the Reserve Study and elaborated on specific projects for 2015.

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Mr. Weaver commented on the costs projected in the study and informed the board that the study is a good basis for long term financial planning and sufficiency of reserves.

**Automated Meter Readings:** Mr. Anderson presented the Board with two options in a proposal from National Meter and Automation Inc. One has a higher up front cost but that cost pays for itself in about 2 years. The board discussed both options including the advantages of the automated reading system versus the existing manual reading system, security of the new system, safety of the new system, and the value for homeowners.

Mr. Weaver reminded the board that the 2015 budget contemplates the district recouping \$8,000 of a \$12,000 investment from water customers which would not be the case under the current proposal with very little being recouped from the water users.

Upon motion duly made and seconded the board unanimously

**RESOLVED**, to accept Option 2 of the proposal from National Meter and Automation Inc.

**Solar Array:** Mr. Anderson introduced Mr. Morris from Clean Energy Collective (“CEC”). Mr. Morris presented a proposal prepared to show the investment needed in the CEC solar garden sufficient to offset 100% and 50% of electricity cost for the district’s water system.

Mr. Weaver reported that this is one of the few instances he has seen where a district can reap the advantage of available tax credits through lower up-front pricing from CEC. Annual electrical expenditures are budgeted at approximately \$9,000 per year for the water system. The capital investment would come from reserves which could be replenished over time from savings in annual expenditures for electricity. Mr. Morris informed the board that Yampa Valley Electric Association (“YVEA”) will allow solar users to offset up to 120% of electric use but will not pay users for excess electricity save.

The board was cautious of making the presented magnitude of investment without member input and wants to look at a smaller scale investment. The board instructed Mr. Anderson to work with CEC to analyze other smaller investment opportunities to cover electricity cost for individual district owned buildings and report to the board at a future meeting.

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**Dam Update:** Director Holloway reminded the Board that before proceeding with the stop-log replacement or hydroelectric projects an update to the 1973 hydrology study is required and is underway with the completion deadline in 3 weeks. Once the study is completed, it will be forwarded to the district's engineer, McGlaughlin Water Engineers, who have been working on the design of stop-log replacement, so that they can make recommendations on which of the three stop log designs to pursue. Windwalker Ranch has verbally committed to fund one-half of the cost of design option 3 as they would likely benefit from the water temperatures and dissolved oxygen levels produced by the flows out of the dam.

While the FERC permit is still active until August 13, 2015, all projects involving the dam are under the jurisdiction of FERC. If the permit expires then jurisdiction reverts back to the state.

The FERC permit is still subject to appeal by Yampa Realty Holdings. There was then an extended discussion regarding the legalities of the hydroelectric project resulting from concerns of Windwalker Ranch not being certain of what the hydroelectric project entails. Mr. Weiss explained that it is the unknowns related to the project that are motivating legal action by Windwalker Ranch. The Board then expressed their willingness and desire to meet with the owners so that all parties can work together toward a mutually beneficial dam project. The Board asked Mr. Weiss to advise his clients that the Board would like to meet with them.

Mr. Weiss and Director Turner left meeting at this time.

The Board discussed relinquishing FERC permit, completing the stop-log improvement and re-applying for another FERC permit should the hydroelectric project proceed at some future date. However, no action was taken.

### Legal

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

### Financial & Administrative Matters

**2015 Board Meeting Dates:** Mr. Weaver presented the proposed regular meeting schedule for 2015. The board noted that the October 2015 meeting should be on October 9th. The change is noted and will be made. The Board also discussed the need to meet again before the next Regular

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Board meeting and agreed to hold a special meeting at 3:00 PM on Monday, March 9, 2015. Upon motion duly made and seconded the board unanimously

**RESOLVED** to approve the regular meeting dates with October date correction and a special meeting date of March 9, 2015.

Mr. Weaver then presented the resolution identifying posting locations for board meetings. Upon motion duly made and seconded the board unanimously

**RESOLVED** to approve the resolution identifying the Golf Clubhouse and as the posting location for 24 hour meeting notices and the County Clerk and Recorder Office, The Golf Clubhouse, the light post entering the ranch, and the light post entering the lake for 72 hour meeting notices.

**December 31, 2014 Preliminary Financial Statements:** Mr. Weaver presented the preliminary financial statements for the period ending December 31, 2014.

The financial statements reflect an ending favorable to budget and that more funds were put in reserves than budgeted.

Upon motion duly made and seconded the board unanimously

**RESOLVED** to accept the December 31, 2014 Preliminary Financial Statements.

Mr. Weaver then informed the board that the audit has started and invited the board to feel free to contact the auditors with any questions they may have.

**Accounts Receivable and Accounts Payable:** The board reviewed the accounts receivable and accounts payable reports in the board packet. Director Holloway commented that never before had the Board seen all accounts current. Upon motion duly made and seconded the board unanimously

**RESOLVED** to accept the accounts receivable and accounts payable reports.

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**Adjournment**

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

**RESOLVED** to adjourn the Regular Meeting of Catamount Metropolitan District Board of Directors this 9th day of February, 2015.

Respectfully submitted,



Eric Weaver  
Secretary for meeting