DIRECTORS PRESENT: Kathy Connell, Steve Frasier, Bob Kuusinen and Jim Randall (via Telephone)
DIRECTORS ABSENT: Dan Berkey
STAFF PRESENT: Frank Alfone, General Manager
Nancy Wilson, Office Manager
Tom Sharp, Counsel

I. ESTABLISHMENT OF QUORUM AND CALL TO ORDER:
Ms. Connell stated that a quorum was present and called the meeting to order at 8:00 A.M.

II. APPROVAL OF AGENDA FOR MEETING:
Ms. Connell asked if there were any changes in the agenda. There were none.

MOTION: To approve the agenda.
APPROVED: Vote 4-0

III. APPROVAL OF SUBMITTED MINUTES OF PREVIOUS MEETINGS:
A. Ms. Connell asked if there were any editions or corrections to the minutes of the January 8, 2016 regular board meeting. There were none.

MOTION: To approve the minutes from the January 8, 2016 regular board meeting.
APPROVED: Vote 4-0

B. Ms. Connell asked if there were any editions or corrections to the minutes of the February 16, 2016 special board meeting. There were none

MOTION: To approve the minutes from the February 16, 2016 special board meeting.
APPROVED: Vote 4-0

IV. PUBLIC COMMENT:
There was no public comment.

V. TREASURER’S REPORT:
A. Budget Comparison – December 31, 2015
Mr. Alfone noted that the District’s operating revenues were below budget 50.8k. Sewer income ended the year ahead of budget 9.5k. As of 12/31/15, Water and Wastewater PIF revenue was ahead of budget by 139.1 k. A majority of the PIF revenue figure is attributable to 95k accounted for in 2015 for three customers that have deferred PIF income due to the District. Operating costs were below budget 146.7k thus the District was ahead of budget in total revenues over total costs by 237.9k, excluding Capital Expenditures.
Mr. Alfone noted that in 2015, CIP expenses equaled 869k, approximately 1.03 Million less than budget. This was mainly due to the fact that the Yampa Meadows Parcel was not paid for in 2015.

Mr. Alfone noted that operating costs were 18.3k below budget in January. The District collected 11.9k in PIF Fees.

Ms. Connell asked if there were any questions with regard to the December 31, 2015 Budget Comparison or the January 31, 2016 Budget Comparison. The Board accepted the Budget Comparisons as presented.

VI. COMMITTEE REPORTS:
A. Report of Auditor
Ms. Connell invited Chris Catterson, District Auditor, to report on the 2015 Audit and 2015 Financial Statement. Mr. Catterson reported that the financial statements are fairly stated, in all material respects in accordance with generally accepted accounting principles (GAAP). He added that, in reviewing the 2015 financial records and accounts, there was no evidence of fraud. Two adjustments were made; for PIF fees and to the depreciation schedule.

MOTION: To approve the audited 2015 Financial Statements.
APPROVED: Vote 4-0

B. Investment Committee – Review of Portfolio
Mr. Alfone provided an overview of the various Investment Portfolio accounts. Ms. Connell asked if there were any questions with regard to the District’s investment portfolio. There were none. The Board accepted the Investment Portfolio report.

C. Succession Committee
Mr. Alfone noted Succession Planning in the Operations Department is on-going. Nate Johnson will be leading the Safety Committee, has enrolled in leadership and management classes and continues to meet regularly with the Jeff Peterson and the GM.

VII. REPORT OF THE GENERAL MANAGER:
Mr. Alfone reported the following:
A. Executive Summary Overview
Mr. Alfone asked for any questions regarding the Executive Summary. There were no questions regarding the written summary.

B. Cancel 2016 Election
Resolution cancelling 2016 Election and Declaration Deeming Candidates Elected

WHEREAS, THE Board of Directors is authorized to cancel the election and declare candidates elected at the close of business on the sixty-third day before the election to be conducted on May 3, 2016, and

WHEREAS, the Board of Directors has duly certified that there were not more candidates for director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates,

Now THERFORE, pursuant to 1-5-208(1.5), C.R.S., the Board of Directors HEREBY cancels the regular election to be conducted on the 3rd day of May, 2016 by formal resolution, and

THE BOARD DECLARES THE FOLLOWING CANDIDATES ELECTED FOR THE FOLLOWING TERMS OF OFFICE:

Robert A. Kuusinen 36864 Tree Haus Drive Four-year Term Steamboat Springs, CO 80487

Stephen T. Frasier 1865 Hunters Court Four-year Term Steamboat Springs, CO 80487

APPROVED AND ADOPTED this 11th day of March, 2016.

C. Status of 2015 District Goals / Proposed 2016 District Goals
Mr. Alfone provided an update about the GM’s 2015 Goals identifying the status of each. The proposed GM’s 2016 Goals were reviewed. Mr. Frasier asked about the Amcobi program. This program monitors customer’s water consumption and alerts the District’s Customer Service Manager of high water use rates by customers on a daily basis. Customers must register for the program to be eligible for this service. Overall, the program has been successful.

Mr. Randall inquired about the status of the Agreements with the City of Steamboat Springs. Mr. Sharp and Mr. Alfone met in February and reviewed each Agreement. Mr. Sharp is reviewing all Agreements and will work with the GM to develop a strategy to present to the Board prior to meeting with City representatives. The target date to present the strategy to the Board is at the next Board meeting: May 20th. Mr. Frasier requested clarification about the Filter Bay Lease. The Lease expires in June, 2017. The language requires the City to provide written notice to the District of their intent not to renew the lease 2 years prior (June, 2015) to the expiration date. No such notice was received and the GM and Counsel will propose an extension of the lease when meeting with City officials.

Mr. Frasier requested an update regarding the Ground Water under the Direct Influence of Surface Water (GWUDI) final determination from CDPHE at the District’s Infiltration Galleries. We spoke to the CDPHE representative this week and they informed us that the final determination could be received by the end of next week – March 18th. Mr. Kuusinen asked if additional filtration would be required. This is most likely the case and will also include greater disinfection requirements.

The Board accepted the 2016 General Manager’s Goals as presented.

VIII. REPORT OF GENERAL COUNSEL:
No report at this meeting.

IX. OTHER BUSINESS:

A. Special Connectors Wastewater Treatment and Disposal Terms and Conditions
In 2005, Steamboat Springs City Council passed an Ordinance approving these Terms and Conditions. The District did not agree with all sections of the document resulting in an unsigned Agreement with the City and District regarding wastewater treatment and collection services. Mr. Alfone distributed a 2005 letter from then Board member Tim Borden detailing the Board’s position about the Terms and Conditions. Counsel Sharp and the GM will be discussing this document with City officials in the near future. Prior to this discussion, Mr. Alfone asked the Board their thoughts regarding the idea of the District relinquishing wastewater collection provided to customers and its associated infrastructure to the City to operate and manage. The Board agreed that at this time, this idea is not in the best interest of its customers, but deferred taking an official position pending further discussion at the May Board meeting and receiving an opinion from Mr. Sharp.

B. STARS Development Update
Mr. Alfone informed the Board that an amended application from STARS with a scaled-down development plan will be submitted to the County Planning Department in the near future. Highlights of the new plan include a reduced on-site wastewater treatment facility (less than 2000 gpd), a reduction in beds at the new Lodge and less impacts to existing wetlands on the parcel.

X. NEW BUSINESS:

A. Steamboat Springs School District (SSSD) – More Property
The School District Board has created a Steering Committee to study SSSD-wide facility needs after the failure of the recent vote to raise taxes to fund existing building’s improvements and construct new school facilities. The SSSD-owned Whistler Park parcel abuts land owned by the District. Past discussions by the Board indicated a desire to discuss a possible purchase of a portion of District-owned land by SSSD to help facilitate future construction of an elementary school at the current Whistler Park location. Mr. Alfone will attend future Steering Committee meetings and keep the Board informed of developments related to the Whistler Park site.
B. Water Drop – 2016 Quarter 1 District Newsletter

The Board suggested adding an article identifying who the Board members are, the years they have served, profession and other community involvement. Board member spotlights will be added to future newsletters. Additional details about the Shop & Hop acquisition will be included in this newsletter.

XI. ADJOURN:

There being no further business, the meeting was adjourned at 9:15 A.M.

Respectfully submitted,

Franklin J. Alfone, Secretary/General Manager