

Upper Eagle Regional Water Authority

Board of Directors Meeting

August 22, 2024

MINUTES

1 A regular meeting of the Board of Directors of the Upper Eagle Regional Water Authority (Authority) was
2 held August 22, 2024, at 8:30 a.m., in the Walter Kirch Room of the Eagle River Water & Sanitation District
3 (District), 846 Forest Road, Vail, Eagle County, Colorado, in accordance with the applicable statutes of the
4 state of Colorado.

ATTENDANCE

The following Directors were present and acting:

8 Geoff Dreyer, Arrowhead Metropolitan District
9 George Gregory, Berry Creek Metropolitan District
10 Kevin Hillgren, Beaver Creek Metropolitan District
11 Joanna Kerwin, Edwards Metropolitan District
12 Tamra Underwood, Town of Avon
13 Kim Bell Williams, EagleVail Metropolitan District

Also in attendance were:

15 <u>District Staff</u>	25 Brian Thompson
16 Tom Borawski	26 Brad Zachman
17 Jason Cowles	27
18 Tim Friday	28 <u>Consultants</u>
19 Robyn Janssen	29 Kristin Moseley, Somach Simmons & Dunn
20 Diane Johnson	30 Kathryn Winn, Collins Cole Flynn Winn & Ulmer PLLC
21 David Norris	31
22 Chuck Owen	32 <u>Public</u>
23 Siri Roman	33 Eric Heil, Town of Avon Alternate Director
24 Jeffrey Schneider	34 Mike Towler, Beaver Creek Alternate Director

DISCLOSURES OF POTENTIAL CONFLICTS OF INTEREST

36 The board noted it had received more than 72 hours prior to the meeting certain disclosures of potential conflicts of interest for the following
37 Directors indicating the following conflicts: Director Gregory disclosed that he occasionally undertakes minor development and construction
38 activities within the Authority's service area. Director Bell Williams disclosed that she is the Housing Director for Eagle County and works
39 with the Eagle County Housing and Development Authority Advisory Committee. Director Kerwin disclosed that she is a board member of
40 Mountain Recreation Metropolitan District, Mountain Recreation Foundation, Homestead Court Club Homeowners Association, Homestead
41 Owners Association, and Homestead Valley Association. Director Underwood disclosed that she was elected on Nov. 8, 2022, to a four-
42 year term on the Town Council of the Town of Avon, a member entity of the Authority.

CALL TO ORDER

44 Having determined there was a quorum, Chair Gregory called the meeting to order at 8:30 a.m.

PUBLIC COMMENT

46 Chair Gregory called for public comment and there was none.

BOARD MEMBER COMPLIANCE TRAINING

48 Mr. Borawski and Mr. Norris referenced Mr. Thompson's memorandum and presented a PowerPoint, copies
49 of which are attached hereto as **Exhibits A** and **B**, respectively, and incorporated herein by this reference.
50 Mr. Norris referenced discussion from the July 25 board meeting introducing compliance trainings that will be
51 regularly provided to the board. He reminded the board that the trainings align with standards and
52 recommendations set by the Special District Association, and 2024 trainings will be divided into four
53 components, including today's training on discrimination. Mr. Borawski then facilitated the training,
54 highlighting recommended strategies to prevent and address discrimination. Topics included forms of
55 discrimination and instances where discrimination could potentially occur, protocols for reporting incidents and
56 complaints of potential discrimination to the General Manager, and an overview of the District's

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1 nondiscriminatory hiring and procurement policies. Mr. Borawski also thanked board members for contributing
2 towards a positive and inclusive culture.

3 **ACTION ITEMS**

4 **Consideration of Minutes** – The minutes of the July 25, 2024, regular meeting were considered.

5 Upon motion duly made and seconded, it was unanimously

6 **RESOLVED** that the minutes of the July 25, 2024, regular meeting be accepted and hereby
7 are approved as presented.

8 **INFORMATION REPORTS**

9 Directors reviewed board committees, the draft July meeting summary, and contract log, copies of which are
10 attached hereto as **Exhibits C, D, and E**, respectively, and incorporated herein by this reference.

11 **BOARD MEMBER INPUT**

12 Director Kerwin asked about recently enacted legislation requiring backflow testing be performed by a
13 licensed plumber rather than the historical practice of certified backflow inspectors. Ms. Roman said industry
14 professionals were not informed of this change to the Plumbing Practice Act prior to the enactment of HB24-
15 1344 on Jun. 3, 2024. She also said public water systems, including the District, have expressed concerns
16 that this change would significantly impair backflow device testing due to a lack of licensed plumbers; as a
17 result, the State Plumbing Board is delaying enforcement until April 2025, by which time the legislature is
18 expected to revert this change to allow certified backflow inspectors to continue testing. Director Hillgren also
19 asked about the structure of the contract with Black & Veatch, program manager for the Bolts Lake
20 redevelopment project. Ms. Roman said staff would review this contract during the forthcoming joint board
21 meeting.

22 **GENERAL MANAGER REPORT**

23 Ms. Roman said she, Ms. Johnson, and Ms. Moseley recently attended the Colorado Water Congress
24 Summer Conference. She discussed her experience as a panelist at a workshop on water and energy
25 innovations, where she highlighted the District's sustainability initiatives, including participation in the Peak
26 Payback program, investment in Holy Cross Energy's PuRE program, and development of the greenhouse
27 gas inventory tool, as well as collaborations with Holy Cross Energy on emergency response.

28 **BUSINESS ADMINISTRATION REPORT**

29 Ms. Roman said Mr. Norris was presenting a financial overview to provide the board with historical context in
30 preparation for the 2025 budget and the development of a long-term financial plan. Mr. Norris then presented
31 a PowerPoint, a copy of which is attached hereto as **Exhibit F** and incorporated herein by this reference. He
32 discussed benchmarks for water affordability and challenges faced by the District and Authority to balance
33 affordability with managing debt and addressing aging infrastructure. He then reviewed the financial impacts
34 of the District's and Authority's historical bonding and deferred maintenance, as well as historical rates, which
35 included no increases from 2016-2019. As a result, he noted a significant increase in outstanding debt, as the
36 District and Authority have issued \$425 million in bonds over the past 33 years, including \$250 million in the

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1 past eight years, and a significant proportion of revenue is committed to debt servicing. He also discussed the
2 need to improve several key metrics to maintain sufficient liquidity and financial health, including Days Cash
3 on Hand, Debt Service Coverage Ratio, and Debt-to-Capitalization Ratio. He noted that the S&P recently
4 increased the required Days Cash on Hand median for top-rated bonds to 546 days and recommended a
5 500-day ceiling as a starting point, which will need to be factored into financial planning. Finally, he provided
6 an overview of the 2025 budget strategy, highlighting planned rate increases to improve fund balances,
7 address infrastructure needs, and update financial ratios and standards, while continuing to prioritize
8 affordability.

9 **OPERATIONS REPORT**

10 Mr. Zachman presented the report, a copy of which is attached hereto as **Exhibit G** and incorporated herein
11 by this reference. He had no further items to discuss.

12 **ENGINEERING AND WATER RESOURCES REPORT**

13 Mr. Cowles presented the report, a copy of which is attached hereto as **Exhibit H** and incorporated herein by
14 this reference. He provided updates on water dedications to projects at Freedom Park and Colorado Mountain
15 College in Edwards. He said all Berry Creek water rights are committed to existing entitlements, and Eagle
16 County has indicated it will allocate water conveyed in the Eagle Park Reservoir Stock Agreement for
17 affordable housing to meet these dedications. He also said the Authority's Unallocated In-Basin Supply has
18 been updated to reflect these dedications, as presented in Exhibit H.

19 **Greenhouse Gas Emissions Inventory** – Mr. Friday presented a PowerPoint, a copy of which is
20 attached hereto as **Exhibit I** and incorporated herein by this reference. He said the 2023 Greenhouse
21 Gas (GHG) Emissions Inventory, which was introduced at the Apr. 4, 2024, board meeting, was
22 finalized in June. Key findings included a 15% reduction in GHG emissions and a 30% reduction in
23 natural gas usage since 2019, as well as an 80% reduction in GHG emissions compared to the period
24 before 2019, which is the recommended reduction target for 2050 by Eagle County's Climate Action
25 Plan. Directors congratulated staff for reaching this goal well ahead of Eagle County's timeline. Mr.
26 Friday further noted that 100% of the District's electricity usage is offset through its participation in
27 Holy Cross Energy's PuRE program. He also discussed ongoing sustainability efforts focused on
28 energy management, transportation, and waste diversion.

29 **COMMUNICATIONS AND PUBLIC AFFAIRS REPORT**

30 Ms. Johnson presented the report, a copy of which is attached hereto as **Exhibit J** and incorporated herein by
31 this reference. She had no further items to discuss.

32 **WATER COUNSEL REPORT**

33 Ms. Moseley did not have a written report or items to discuss.

34 **GENERAL COUNSEL REPORT**

35 Ms. Winn did not have a written report or items to discuss.
36

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1 **EXECUTIVE SESSION**

2 Ms. Moseley requested the board move into Executive Session to receive legal advice regarding Bolts Lake
3 and Battle North/Minturn Case Nos. 21CW3029 and 21CW3030, pursuant to §24-6-402(4)(b), C.R.S. Upon
4 motion duly made and seconded, it was unanimously

5 **RESOLVED** to enter into Executive Session at 10:04 a.m. to receive legal advice regarding
6 Bolts Lake and Battle North/Minturn Case Nos. 21CW3029 and 21CW3030, pursuant to §24-
7 6-402(4)(b), C.R.S., with no electronic record created as Ms. Moseley opined the contents of
8 the discussion would contain privileged attorney-client communications.*

9 **ADJOURNMENT**

10 There being no further business to come before the board at this meeting and upon motion duly moved and
11 seconded, it was unanimously

12 **RESOLVED**, that the signing of the minutes of this meeting shall be deemed to constitute full
13 and complete adoption, ratification, and approval of the business conducted and the
14 resolutions passed; and be it

15 **FURTHER RESOLVED**, that the meeting be adjourned at 10:10 a.m.

16 Respectfully submitted,

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Secretary to the Meeting

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22 **MINUTES APPROVED, FORMAL CALL, AND**
23 **NOTICE OF MEETING WAIVED**

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Arrowhead Metropolitan District

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Town of Avon

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Beaver Creek Metropolitan District

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Berry Creek Metropolitan District

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EagleVail Metropolitan District

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Edwards Metropolitan District

42 *The undersigned attorney for the applicable Executive Session affirms that the portion of the discussion in
43 Executive Session not recorded constituted privileged attorney-client communications.

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45 _____
46 **Kristin Moseley, Water Counsel**