

Upper Eagle Regional Water Authority

Board of Directors Meeting

November 17, 2022

MINUTES

1 A regular meeting of the Board of Directors of the Upper Eagle Regional Water Authority (Authority) was
2 held November 17, 2022, at 8:30 a.m., in the Walter Kirch Room of the Eagle River Water & Sanitation
3 District (District), 846 Forest Road, Vail, Eagle County, Colorado, in accordance with the applicable statutes
4 of the state of Colorado.

ATTENDANCE

The following Directors were present and acting:

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8 Geoff Dreyer, Arrowhead Metropolitan District
9 George Gregory, Berry Creek Metropolitan District
10 Kevin Hillgren, Beaver Creek Metropolitan District
11 Sarah Smith Hymes, Town of Avon
12 Kim Bell Williams, EagleVail Metropolitan District
13 Mick Woodworth, Edwards Metropolitan District
14

Also in attendance were:

15	<u>District Staff</u>	29	Jeffrey Schneider
16	Linn Brooks	30	Brian Thompson
17	Daniel Caffery	31	Justin Way
18	Jim Cannava	32	Kelsey Wren
19	Jason Cowles	33	Brad Zachman
20	Tim Friday	34	
21	Jesse Hooker	35	<u>Consultants</u>
22	Diane Johnson	36	Jim Collins, Collins Cole Flynn Winn & Ulmer PLLC
23	Carter Keller	37	Kristin Moseley, Somach Simmons & Dunn
24	Niko Nemcanin	38	
25	David Norris	39	<u>Public</u>
26	Chuck Owen	40	Mike Towler, Beaver Creek Metropolitan District Alternate
27	Siri Roman	41	Mike Trueblood, Edwards Metropolitan District Alternate
28			

DISCLOSURES OF POTENTIAL CONFLICTS OF INTEREST

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44 The board noted it had received more than 72 hours prior to the meeting certain disclosures of Potential Conflicts of Interest
45 Statements for the following Directors indicating the following conflicts:

46 Director Gregory disclosed that he serves on the board of the Eagle River Water & Sanitation District; also that he occasionally
47 undertakes small development and construction activities within the Authority and District service areas. Director Bell Williams
48 disclosed that she is the Eagle County Housing Director. Director Woodworth disclosed that he is employed by the Eagle River Fire
49 Protection District, which operates within the Authority's service area.
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CALL TO ORDER

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52 Having determined that quorum was established, Chair Gregory called the meeting to order at 8:30 a.m.

PUBLIC COMMENT

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54 Public comment was called for and there was none.

PUBLIC HEARING CONCERNING FY 2023 BUDGET

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56 Chair Gregory opened the public hearing. Mr. Norris introduced a memorandum and the Proposed 2023
57 Budget, copies of which are attached hereto as **Exhibits A** and **B**, respectively, and incorporated herein
58 by this reference. The board noted discussion on the proposed budget at its Oct. 27 meeting. Public input
59 was called for and there was none. Chair Gregory closed the public hearing. Mr. Norris presented the
60 Resolution to Adopt 2023 Budget, Resolution to Appropriate Sums of Money, and Certification of the

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1 Budget, copies of which are attached hereto as **Exhibits C, D, and E**, respectively, and incorporated
2 herein by this reference. Upon motions duly made and seconded, it was unanimously

3 **RESOLVED** that the Resolution to Adopt the 2023 Budget and the Resolution to Appropriate
4 Sums of Money be and hereby are approved as presented.

5 The board further directed the Chair to sign the Certification of Budget as presented.

6 **PUBLIC HEARING CONCERNING INCREASING CERTAIN WATER SERVICE RATES & FEES**

7 Chair Gregory opened the public hearing. Mr. Norris presented a memorandum, a copy of which is
8 attached hereto as **Exhibit F** and incorporated herein by this reference. The board noted discussion on
9 the proposed rates and fees at its Oct. 27 meeting. In response to a question, Mr. Cannava said outdoor
10 usage rates for separately metered accounts are either based on an equivalent number of SFEs or on
11 square foot area, calculating needed water for the irrigable area. Public input was called for and there
12 was none. Chair Gregory closed the public hearing. Mr. Norris presented the Resolution Increasing
13 Certain Water Service Rates and Fees with exhibits, a copy of which is attached hereto as **Exhibit G** and
14 incorporated by this reference. Upon motion duly made and seconded, it was unanimously

15 **RESOLVED** that the Resolution Increasing Certain Water Service Rates & Fees be and hereby is
16 approved as presented.

17 **ACTION ITEMS**

18 **Consideration of Minutes** – The minutes of the October 27, 2022, regular meeting were considered.
19 Upon motion duly made and seconded, it was unanimously

20 **RESOLVED** that the minutes of the October 27, 2022, regular meeting be accepted and hereby
21 are approved as presented.

22 **Consideration of 2023 Operations Agreement with Eagle River Water & Sanitation District** –
23 Mr. Norris presented a memorandum and the proposed agreement with exhibits, a copy of which is
24 attached hereto as **Exhibits H and I**, respectively, and incorporated herein by this reference. In
25 response to a question, he said the rates listed in the Fee Schedule for District Equipment and
26 Personnel are based on internal methodology. Upon motion duly made and seconded, it was
27 unanimously

28 **RESOLVED** that the 2023 Operations Agreement with Eagle River Water & Sanitation District
29 be approved as presented.

30 **Consideration of Amended Water Dedication Policy** – Ms. Moseley presented a memorandum and
31 a Resolution with exhibit, copies of which are attached hereto as **Exhibit J and K**, respectively, and
32 incorporated herein by this reference. The board noted discussion on the water dedication policy and
33 the proposed increase in the cash payment in-lieu of dedicating water rights at its Oct. 27 meeting. Ms.
34 Moseley said the updated cash-in-lieu rate on the 25 acre feet pledged to the Authority by the District
35 would increase the total payment by about \$600,000. Upon motion duly made, it was unanimously

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1 **RESOLVED** that the Resolution on Water Dedication Policy be approved and adopted as
2 presented.

3 **INFORMATION REPORTS**

4 Directors reviewed the development report, board committees, and October meeting summary, copies of which
5 are attached hereto as **Exhibits L, M, and N**, respectively, and incorporated herein by this reference. The board
6 noted there was no contract log for November.

7 **STRATEGY ITEMS**

8 **Board Member Input** – Secretary Gregory asked for general input and there was none.

9 **GENERAL MANAGER REPORT**

10 Ms. Brooks had no items to discuss.

11 **BUSINESS ADMINISTRATION REPORT**

12 Mr. Norris had no further items to discuss.

13 **OPERATIONS REPORT**

14 Ms. Roman presented the report, a copy of which is attached hereto as **Exhibit O** and incorporated herein
15 by this reference. She had no further items to discuss.

16 **Remote Terminal Units (RTU) System Upgrades** – Mr. Schneider presented a PowerPoint, a
17 copy of which is attached hereto as **Exhibit P** with statutory redactions and incorporated herein
18 by this reference. Mr. Caffery, Mr. Keller, and Mr. Way provided updates on the RTU project. Mr.
19 Way said additional upgrades in 2023 will increase redundancy and independence. In response
20 to a question, he said surveillance is limited to infrastructure property. In response to another
21 question, Mr. Keller said Authority expenses over the 10-year long project account for \$6.2 million
22 of the \$9.1 million total budget due to the number and complexity of sites in the Authority's
23 service area.

24 **ENGINEERING AND WATER RESOURCES REPORT**

25 Mr. Cowles presented the report, a copy of which is attached hereto as **Exhibit Q** and incorporated
26 herein by this reference. He reported on his participation in the Colorado River Water Conservation
27 District's lower basin tour.

28 **COMMUNICATIONS AND PUBLIC AFFAIRS REPORT**

29 Ms. Johnson presented the report, a copy of which is attached hereto as **Exhibit R** and incorporated
30 herein by this reference. She said the 2007 Interim Guidelines for Lakes Powell and Mead remain in
31 effect through 2025, which sets the 2026 operating plan. She also said the Department of the Interior is
32 seeking to modify operations for 2023 and 2024 to conserve storage. In response to a question, Ms.
33 Moseley said federal mandates will not impact the Authority's water rights seniority though could impact
34 releases from federal reservoirs. Directors discussed the Authority's role in advocating for permanent
35 local water use reductions and Ms. Johnson reinforced that such actions are needed due to changing
36 hydrology and diminishing supplies in the Eagle River basin regardless of the Authority's limited impact to

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1 the overall Colorado River Basin. She said the Governor's budget proposal for FY 2023-24 may have
2 multifaceted impacts on water, including the creation of a dedicated Upper Colorado River Commissioner
3 separate from the Colorado Water Conservation Board Director. She also noted an article in Exhibit R
4 that highlights continued marketing strategies which erode consumer trust in public drinking water.

5 **GENERAL COUNSEL REPORT**

6 The board noted Mr. Collins's privileged written report. He had no items for open session.

7 **WATER COUNSEL REPORT**

8 Ms. Moseley had no items for open session.

9 **EXECUTIVE SESSION**

10 Ms. Moseley requested the board move into Executive Session to receive legal advice of counsel and
11 discuss matters in negotiation related to bulk water service. Upon motion duly made and seconded, it was
12 unanimously

13 **RESOLVED** to enter into Executive Session at 9:52 a.m. to discuss matters related to
14 bulk water service pursuant to §24-6-402(4)(b) and (e), C.R.S, with no electronic record
15 created as Ms. Moseley opined the contents of the discussion would contain privileged
16 attorney-client communications*

17 The open session resumed at 10:06 a.m. During the executive session, the board did not take any formal
18 action or discuss any matters not enumerated in §24-6-402(4), C.R.S.

19

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1 **ADJOURNMENT**

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

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

7 **FURTHER RESOLVED**, that the meeting be adjourned at 10:06 a.m.

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9 Respectfully submitted,

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12 _____
13 Secretary to the Meeting

14 **MINUTES APPROVED, FORMAL CALL, AND**
15 **NOTICE OF MEETING WAIVED**

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17
18 _____
19 **Arrowhead Metropolitan District**

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22 _____
23 **Town of Avon**

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26 _____
27 **Beaver Creek Metropolitan District**

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30 _____
31 **Berry Creek Metropolitan District**

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34 _____
35 **EagleVail Metropolitan District**

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39 **Edwards Metropolitan District**

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

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48 _____
49 **Kristin Moseley, Water Counsel**