

Upper Eagle Regional Water Authority

Board of Directors Meeting

April 23, 2015

MINUTES

1 A regular meeting of the Board of Directors of the Upper Eagle Regional Water Authority (Authority) was
2 held April 23, 2015, 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
4 the State of Colorado.

5 ATTENDANCE

6 The following Directors were present, thereby constituting a quorum:

7 Tom Allender, EagleVail Metropolitan District
8 Todd Goulding, Town of Avon
9 Jim Power, Beaver Creek Metropolitan District
10 Mick Woodworth, Edwards Metropolitan District

11 The following Directors were absent and excused:

12 Geoff Dreyer, Arrowhead Metropolitan District
13 George Gregory, Berry Creek Metropolitan District

14 The following Alternate Directors were present and acting:

15 Dan Godec, Berry Creek Metropolitan District
16 Bob Rosen, Arrowhead Metropolitan District

17 Also in attendance were:

18 <u>ERWSD Staff</u>	28	Brian Tracy
19 <u>Linn Brooks</u>	29	James Wilkins
20 <u>Jason Cowles</u>	30	<u>Consultants</u>
21 <u>Carol Dickman</u>	31	Jim Collins, Collins Cockrel & Cole
22 <u>Angelo Fernandez</u>	32	Glenn Porzak, Porzak Browning & Bushong LLP
23 <u>Todd Fessenden</u>	33	<u>Public</u>
24 <u>Catherine Hayes</u>	34	Justin Hildreth, Town of Avon
25 <u>Leslie Isom</u>	35	Sarah Smith Hymes, Town of Avon
26 <u>Diane Johnson</u>	36	Bill Simmons, Beaver Creek Metropolitan District
27 <u>Steve Sego</u>		

37 DISCLOSURES OF POTENTIAL CONFLICTS OF INTEREST

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

40 Director Allender disclosed that he is the Director of Resort Planning for Vail Associates, Inc., which has significant land ownership
41 and business interests within the Authority. Also, he is appointed by Vail Associates, Inc. to serve as a Director of both the Eagle
42 Park Reservoir Company and the Clinton Ditch and Reservoir Company; he also serves on the Eagle River Water & Sanitation
43 District Board of Directors, which manages the Authority. Director Goulding disclosed that he serves on the Boards of the Eagle
44 County Health Service District and Vail Mountain Rescue, which have occasional dealings with the Authority. He also disclosed that
45 he is employed by Chaffee Construction Company, which has significant business interests within the Authority. Director Woodworth
46 disclosed that he is employed by the Eagle River Fire Protection District, which operates within the Authority's service area; he also
47 serves on the Edwards Metropolitan District Board.

48 CALL TO ORDER

49 Acting Chairman Power called the meeting to order at 8:30 a.m.

50 ACTION ITEMS

51 **Oath of Office** – Acting Chairman Power administered the Oath of Office to Alternate Director Rosen, a
52 copy of which is attached hereto as **Exhibit A** and incorporated herein by this reference.

53 **Consideration of Minutes** – The minutes of the Regular Meeting of March 26, 2015, were considered.

54 Upon motion duly made and seconded, it was unanimously

55 **RESOLVED** that the minutes of the March 26, 2015, Regular Meeting be accepted and hereby
56 are approved as presented.

Upper Eagle Regional Water Authority

1 **Water System Impact Fee Approval** – Mr. Collins noted the proposed water system impact fee
 2 increase, which was presented at the March 26 meeting, was approved by all Authority members
 3 except the Berry Creek Metropolitan District, which would have its meeting on Tuesday, April 28.
 4 After discussion and upon motion duly made and seconded, it was unanimously

5 **RESOLVED** that the water system impact fee be and hereby is approved as presented,
 6 contingent upon approval of the Berry Creek Metropolitan District. The increase is
 7 effective immediately.

8 The increase is in accordance with the following fee schedule:

Residential - Based on Square Feet			
Floor Area Tiers	Square Feet in Tier	Price Per ft²	Tier Total
Tier 1	0 - 2,500	\$ 3.62	\$ 9,041
Tier 2	2,501 - 3,500	\$ 4.46	\$ 4,460
Tier 3	3,501 - 5,000	\$ 5.44	\$ 8,167
Tier 4	5,001+	\$ 6.97	Overage

Commercial - Based on Meter Size						
¾" Meter (1.5 SFE)	1" Meter (2.6 SFE)	1½" Meter (5.8 SFE)	2" Meter (10.3 SFE)	3" Meter (23.0 SFE)	4" Meter (40.9 SFE)	6" Meter (92.1 SFE)
\$13,561	\$23,506	\$52,437	\$93,121	\$207,940	\$369,771	\$832,663

9 **REPORT BY WATER COUNSEL**

10 **Federal Water Rights Protection Act** – Mr. Porzak explained the Act, which was introduced in
 11 the House of Representatives. The bill would prevent the Forest Service from moving forward on
 12 its directives to take control of private water rights. The Authority and District have already gone
 13 on record in support of the bill. He presented four related documents, including text of the draft
 14 bill, a letter of support from the National Ski Areas Association (NSAA), draft talking points from
 15 the NSAA, and information on the House subcommittee hearing regarding federal water actions,
 16 copies of which are attached hereto as **Exhibits B, C, D, and E**, respectively, and incorporated
 17 herein by this reference.

18 **Ski Area Water Right Permit Clause Directives** – Mr. Porzak noted ongoing discussions
 19 between the Forest Service and NSAA regarding the permit clause directives. The Forest Service
 20 postponed release of revised directives until May or June, although if the Water Rights Protection
 21 Act passes, these directives would be undercut.

22 **State Legislation** – Mr. Porzak said none of the Authority and District bills of interest were
 23 passed during this session. He attributed this to the environmental objections to the proposed
 24 bills and pressure put on the Speaker of the House, who is from Boulder.

25 **Meeting with American Rivers Representatives** – Mr. Porzak discussed a meeting with American
 26 Rivers representatives regarding water rights legislation and their recent opinion article in the Denver

Upper Eagle Regional Water Authority

1 Post. This opened a dialogue to discuss the Authority and District's opposition to the purported water
2 rights takings, though American Rivers thinks the government should have some control. The two
3 sides agreed to better interact in the future regarding possible media statements.

4 **Colorado River Compact Water Bank** – Mr. Porzak discussed recent positive communications
5 with Colorado Water Conservation Board (CWCB) director James Eklund regarding the proposed
6 water bank. The River District is coordinating a meeting with Jim Lochhead of Denver Water, who
7 is also interested in this endeavor. Other parties may also be involved later.

8 **REPORT BY GENERAL COUNSEL**

9 **Traer Creek Update** – Mr. Collins said Ms. Brooks sent a tank acceptance letter to Traer Creek
10 after the Board approved acceptance at the March 26 meeting. Some punchlist items remain, but
11 the tank is online and functioning well in the water system. Staff confirmed that a policy is
12 forthcoming to ensure that the Authority and/or District would be in charge of similar, future
13 infrastructure projects.

14 **Mountain Star Update** – Mr. Collins noted the Mountain Star developer has foregone his sewer
15 cost recovery funds of \$105,000 and donated this money to tank engineering costs. Ms. Brooks
16 said she suggested to Avon town manager Virginia Egger that Avon could waive 1041 permit fees
17 for inclusion of the tank site into the town boundaries and any road or permitting fees.

18 **McCoy Springs Development** – Messrs. Collins and Porzak discussed the current agreement
19 regarding the development, which will expire in May. After discussion and upon motion duly made
20 and seconded, it was unanimously

21 **RESOLVED** that the board approves a new agreement with the developer that water
22 service will be provided to the McCoy Springs development if the developer complies with
23 the Authority's water dedication policy that is then in effect. If such an agreement is not
24 obtained, a letter should be sent by staff to the developer stating that if the development
25 moves forward, water service is contingent upon the developer's compliance with the
26 Authority's water dedication policy that is then in effect.

27 **Water System Impact Fee** – Mr. Collins said Jason Cowles had successfully presented and
28 received approval for the water system impact fee increase from all but one Authority member.
29 Berry Creek's approval is expected on April 28.

30 **Authority Agreement Update** – Mr. Collins noted the Agreement was approved by the town of
31 Avon and Beaver Creek Metro District. He will send the Agreement to the remaining four
32 Authority members for approval. After discussion and upon motion duly made and seconded, it
33 was unanimously

34 **RESOLVED** that the Authority Agreement, with the final wording as agreed to by the
35 town of Avon and Beaver Creek be and hereby is approved as presented, pending approval of
36 the other four Authority members.

Upper Eagle Regional Water Authority

1 **State Legislature Authority Bill** – Mr. Collins said the state legislature was likely to approve a
2 bill regarding authorities. It would not change anything in the Authority’s legislative authorization
3 but would affect other types of authorities.

4 **REPORT BY GENERAL MANAGER**

5 **Authority Policies for Unallocated Water** – Ms. Brooks said a policy for unallocated water was
6 a frequent topic during Authority Agreement discussions. A subcommittee was formed to start
7 these discussions with the town of Avon, including Directors Allender and Goulding and alternate
8 directors Hymes and Simmons.

9 **REPORT BY DIRECTOR OF OPERATIONS**

10 Mr. Fessenden presented the Operations Report, a copy of which is attached hereto as **Exhibit F** and
11 incorporated herein by this reference.

12 **Camp Hale Restoration Letter of Support** – Mr. Fessenden discussed a joint Authority and
13 District letter of support for the Camp Hale Restoration Project, a copy of which is attached hereto
14 as **Exhibit G** and incorporated herein by this reference. After discussion and upon motion duly
15 made and seconded, it was unanimously

16 **RESOLVED** that the letter of support for the Camp Hale Restoration Project be and
17 hereby is approved as presented.

18 **Mountain Star Project Update** – Mr. Fessenden updated the Board on the planned pump station
19 projects, design for which is moving forward. One project may be completed by year’s end. He
20 also noted an RFQ was being drafted to ultimately determine a design for a quality, cost effective
21 tank. In response to a question, Ms. Brooks noted the tank site was at the north end of the
22 Mountain Star development and behind any view corridors.

23 **Urban Runoff Group (URG)/Stormwater Update** – Mr. Fessenden noted the URG’s coordination
24 with the Environmental Protection Agency to do sampling in Gore Creek and at stormwater outfalls to
25 test for contaminants of emerging concern, especially during “first flush” events. District lab staff is
26 heading the effort due to their proximity to the agreed upon sampling sites.

27 **Eagle Park Reservoir Company Quarterly Report** – Mr. Fessenden discussed the EPRC
28 quarterly report. He noted the reservoir would likely fill, but the East Fork Pump Station was being
29 prepared if needed. Staff will likely exercise the station even if the reservoir will fill on its own.

30 **Beaver Creek Village Hall Line Break** – Mr. Fessenden discussed a line break underneath the
31 Village Hall parking structure in Beaver Creek. Staff will pull soil samples to determine if corrosion
32 was a factor in the leak. Mr. Fessenden said the leak went undetected for a few weeks due to the
33 groundwater pumps under the parking structure, but staff noticed the increased demand in the
34 area, which led to further investigation.

35 **Eagle River MOU Projects Update** – Mr. Fessenden said potential projects were still being
36 investigated and some in-depth studies may increase the price of the initial project phase.

Upper Eagle Regional Water Authority

1 Possible projects include an Eagle Park Reservoir enlargement, Whitney Creek Reservoir, Bolts
2 Lake, future Wolcott Reservoir, and a number of smaller reservoirs up Red Sandstone Creek. He
3 said the EPRC Board of Directors was meeting later in the day and would be asked to approve a
4 “not to exceed” figure regarding the initial project phase.

5 **Weather Outlook** – Mr. Porzak noted the Lake Powell and Lake Mead graphs included in Mr.
6 Fessenden’s report and observed that the Colorado River basin snow accumulation was only
7 slightly above 2002 levels. He expects the levels of both lakes to drop this year.

8 **REPORT BY DIRECTOR OF ORGANIZATIONAL DEVELOPMENT**

9 Mr. Fernandez presented his report, a copy of which is attached hereto as **Exhibit H** and incorporated
10 herein by this reference.

11 **Bennie’s Breakfast Invitation** – Mr. Fernandez reminded Directors to RSVP for the annual
12 Bennie’s Breakfast, which will be held on Wednesday, May 20 at Antlers at Vail. He noted the
13 event recognizes employees for longevity and achievement.

14 **Water Demand Management** – Mr. Fernandez discussed pilot projects planned for 2015,
15 including an automated metering infrastructure (AMI) project in Mountain Star. AMI-compliant
16 meters are already installed in Mountain Star homes; an antenna will be installed in Wildridge in
17 May and software testing will begin in August. Mr. Fernandez also said staff would work with
18 representatives from multiple account types to start water budget modeling to help demonstrate
19 that a quality landscape can be achieved with reduced irrigation usage.

20 **Development Approval Process** – Mr. Fernandez said the Authority and District’s development
21 approval process was run through the Lean process, which resulted in a new application form,
22 more effective scheduling system, and a less time-intensive process overall.

23 **Ward Parcel Approval Letter** – Mr. Fernandez discussed the approval letter to Eagle County for
24 the Ward Parcel 1041 permit, a copy of which is attached hereto as **Exhibit I** and incorporated
25 herein by this reference. A more robust letter was sent as a result of the development approval
26 process efficiencies, and it outlined the Authority’s expectations for water quality and water use
27 for new development, in addition to other information.

28 **Eagle River Village (ERV) Mobile Home Park Water Service** – Ms. Brooks discussed ongoing
29 issues with the ERV’s well water system and the cost to connect to the Authority’s water system.
30 She noted the residents currently buy bottled water because the well water there is not drinkable;
31 however, there are no compliance violations there per Colorado Department of Public Health and
32 Environment regulations. The situation is reaching priority status for the County Commissioners
33 and there may be a combination of state and private funding to assist with costs for connection.

34 **Avon Permit Approval Process** – Director Goulding requested using the development approval
35 process in future water rights approvals with Avon. Ms. Brooks said this is preferable, but some
36 of Avon’s ordinances regarding landscaping may conflict with Authority water budgeting goals.

Upper Eagle Regional Water Authority

1 **REPORT BY DIRECTOR OF FINANCE**

2 **District's Wastewater Bond Issue** – Mr. Wilkins said staff is determining the timing of the District's
3 bond issue and performing a rate sensitivity analysis. Bond issuance may be in early 2016.

4 **REPORT BY COMMUNICATIONS AND PUBLIC AFFAIRS MANAGER**

5 Ms. Johnson presented her report, a copy of which is attached hereto as **Exhibit J** and incorporated
6 herein by this reference.

7 **Denver Chamber Metro Leadership Foundation** – Ms. Johnson discussed the foundation's
8 "Colorado Experience" program held April 16-17. About 110 Denver metro business leaders
9 participated to learn about transportation, housing, and water infrastructure along I-70 and in
10 Summit County and Vail. Diane and Linn Brooks addressed the group in Keystone; a snowstorm
11 prevented the delegation from traveling to Avon for planned tours of District and Authority facilities.

12 **Colorado Water Plan Update** – Ms. Johnson said the public comment period for the Plan's first
13 draft closes May 1; the District and Authority previously submitted comments. The Northwest
14 Colorado Council of Governments' Water Quality/Quantity Committee is submitting additional
15 comments and suggesting that information about District and Authority conservation planning be
16 included in Chapter 6. The Colorado Basin Roundtable finished revising its Basin Implementation
17 Plan (BIP) and submitted it by the April 17 deadline. The CWCB will review all final BIPs at its May
18 20 – 21 board meeting.

19 **Public Trust Initiative** – Ms. Brooks said the language for the most recent public trust initiative
20 was approved by the state title board, and proponents are now collecting signatures for the
21 initiative to go on the ballot. Ms. Brooks noted the Colorado Water Congress was compiling
22 educational information for water providers to share with constituents.

23 **State of the River Public Meeting** – Ms. Johnson said the annual Eagle River Valley meeting
24 will be held from 5:15 to 8 p.m. May 21 at Colorado Mountain College in Edwards. Topics will
25 include the Colorado Water Plan, priority projects for the Colorado Basin Roundtable, and those
26 for the Eagle River region.

27 **AUTHORITY U: SPRING RUNOFF OPERATIONS** – Mr. Tracy discussed his memo regarding operations
28 during spring runoff, a copy of which is attached hereto as **Exhibit K** and incorporated herein by this
29 reference. He discussed changes in operations during spring runoff due to high streamflows, more
30 organics, and turbidity, which pose seasonal treatment challenges for surface water. He reviewed
31 strategies to optimize drinking water quality during spring, when there is low demand on the public water
32 system, including using more groundwater, reducing water age, and routine water quality sampling in the
33 system.

Upper Eagle Regional Water Authority

1 **ADJOURNMENT**

2 There being no further business to come before the Board, the meeting adjourned at 10:28 a.m.

3 Respectfully submitted,

4
5 _____
6 Secretary to the Meeting

7
8 **MINUTES APPROVED, FORMAL CALL, AND**
9 **NOTICE OF MEETING WAIVED**

10
11
12 _____
13 **Arrowhead Metropolitan District**

14
15
16 _____
17 **Town of Avon**

18
19
20 _____
21 **Beaver Creek Metropolitan District**

22
23
24 _____
25 **Berry Creek Metropolitan District**

26
27
28 _____
29 **EagleVail Metropolitan District**

30
31
32 _____
33 **Edwards Metropolitan District**

34
35
36
37