A joint special meeting of the Boards of Directors of the Upper Eagle Regional Water Authority (Authority) and Eagle River Water and Sanitation District (District) was held August 27, 2015, at 11:30 a.m., in the District’s Walter Kirch Room, 846 Forest Road, Vail, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

ATTENDANCE

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

- Tom Allender, EagleVail Metropolitan District
- Geoff Dreyer, Arrowhead Metropolitan District
- George Gregory, Berry Creek Metropolitan District
- Todd Goulding, Town of Avon
- Jim Power, Beaver Creek Metropolitan District
- Mick Woodworth, Edwards Metropolitan District

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

- Tom Allender
- Debbie Buckley
- Kim Langmaid
- Steve Friedman
- Frederick P. Sackbauer IV
- Bill Simmons
- Paul Testwuide

Also in attendance were:

ERWSD Staff
- Linn Brooks
- Carol Dickman
- Todd Fessenden
- Leslie Isom
- Diane Johnson
- Melissa Mills McLoota
- Siri Roman
- Brian Tracy
- James Wilkins

Consultants
- Jim Collins, Collins Cockrel & Cole
- Mark Mitsik, Leonard Rice Engineers
- Glenn Porzak, Porzak Browning & Bushing LLP
- Bob Weaver, Leonard Rice Engineers

DISCLOSURES OF POTENTIAL CONFLICTS OF INTEREST

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

For the Authority:

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

For the District:

Director Allender disclosed that he is the Director of Resort Planning for Vail Associates, Inc., which has significant land ownership and business interests within the District and Authority. He also serves on the Boards of the Upper Eagle Regional Water Authority, Eagle Park Reservoir Company, and the Clinton Ditch and Reservoir Company. Director Friedman serves on the Boards of the Beaver Creek Metropolitan District and the Vail Valley Foundation. Director Langmaid disclosed that she founded and is employed by Walking Mountains Science Center, which receives funding from parties with which the District does business, including the US Forest Service, Vail Resorts, Towns of Vail and Avon, Vail Recreation District, Eagle County, and Holy Cross.
CALL TO ORDER
Chairman Sackbauer of the Eagle River Water and Sanitation District called the meeting to order at 11:40 a.m.
Chairman Gregory of the Upper Eagle Regional Water Authority concurred.

INTRODUCTIONS
Mr. Weaver introduced his associate Mr. Mitisek, from Leonard Rice Engineers.

SPECIAL DISTRICT ASSOCIATION RESOLUTION – Chairman Sackbauer announced that the District was named District of the Year by the Colorado Special District Association (SDA). He acknowledged the role the District’s employees played in this achievement and read the Resolution of the Board of Directors of the Eagle River Water & Sanitation District Honoring Its Outstanding Employees, a copy of which is attached hereto as Exhibit A and incorporated herein by this reference. The Award will be presented to the District on September 25, at the SDA Conference, in Keystone.

WATERS OF THE US
Mr. Weaver gave a presentation on the final ruling regarding the Waters of the US (WOTUS), a copy of which is attached hereto as Exhibit B and incorporated herein by this reference. He explained the ways in which the Authority and District will be affected, including increased permitting requirements such as more frequent and more complex 404 Permits. Messrs. Weaver and Porzak anticipate significant challenges on the ruling. Currently there are seven lawsuits pending and litigation has been filed in 25 states. The Board also received a Memorandum from Mr. Weaver titled Final Rule Defining “Waters of the United States” protected under the Clean Water Act, an email from Kristin Moseley regarding what other agencies are doing regarding the WOTUS final rule issued by the EPA and the Army Corps of Engineers, and an email form the Colorado Water congress with an article regarding the WOTUS final rule, copies of which are attached hereto as Exhibits C, D, and E respectively and incorporated herein by this reference.

WATER RIGHTS HYDROLOGY MODEL
Mr. Weaver and Mr. Mitisek gave a presentation on the progress and status update of the Water Rights Hydrology Model which Leonard Rice Engineers has been preparing for the District and Authority. A copy of the presentation is attached hereto as Exhibit F and incorporated herein by this reference. They explained the purpose of the model is to represent and simulate the Eagle River Basin stream flows and water supply systems, represent a variety of processes such as: precipitation and stream flows (Hydrologic Cycle); water diversions, storage, return flows; water rights allocations; and water supply systems operations. The Model will answer questions regarding the effect of alternate operations, effects of feasibility of new or modified structures and the resiliency of the current system to extreme climate events.
Mr. Weaver explained that the Model's objectives are to determine water availability at specific locations, determine the impacts of water diversions and depletions on stream flows, simulate “what if” scenarios under varying operational strategies, water rights changes, future water demands, and changing water quality and quantity. The Model will serve as a powerful tool for water supply planning and management. The Model is based on the StateMod Model using historical water demand and supplies data from 1975-2013 in Gore Creek and the Eagle River. For example, preliminary modeling shows Gore Creek instream flows shortages for sections of Gore Creek and the Eagle River during the 2002 drought. It also models the simulated available Historic Consumptive Use (HCU) Credits serves the HCU utilization, as well as Upper Eagle River stream flows and depletions over certain normal and drought years. Mr. Weaver concluded the presentation by reviewing the next steps for the Model, which include incorporating feedback from the District and Authority, continued model development and future simulation and scenarios.

The District and Authority Board members thanked Mr. Weaver and Mr. Mitisek for the two presentations.
ADJOURNMENT

There being no further business to come before the Boards, the meeting adjourned at 1:10 p.m.

Respectfully submitted,

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Secretary to the Meeting

EAGLE RIVER WATER & SANITATION DISTRICT

________________________________________
Tom Allender, Director

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Debbie Buckley, Secretary

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Stephen Friedman, Treasurer

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Kim Langmaid, Director

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Frederick P. Sackbauer IV, Chairman/President

________________________________________
Bill Simmons, Director

________________________________________
Paul Testwuide, Director
Eagle River Water and Sanitation District
Upper Eagle Regional Water Authority

UPPER EAGLE REGIONAL WATER AUTHORITY

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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