

Upper Eagle Regional Water Authority
Board of Directors Meeting
August 18, 2016
MINUTES

1 A regular meeting of the Board of Directors of the Upper Eagle Regional Water Authority (Authority) was
2 held August 18, 2016, 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
4 statutes of the State of Colorado.

5 **ATTENDANCE**

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

7 Tom Allender, EagleVail Metropolitan District
8 Geoff Dreyer, Arrowhead Metropolitan District
9 Pam Elsner, Beaver Creek Metropolitan District
10 George Gregory, Berry Creek Metropolitan District
11 Sarah Smith Hymes, town of Avon
12 Mick Woodworth, Edwards Metropolitan District

13 **Also in attendance were:**

14 <u>District Staff</u>	22	James Wilkins
15 Linn Brooks	23	<u>Consultants</u>
16 Carol Dickman	24	Jim Collins, Collins Cockrel & Cole
17 Catherine Hayes	25	Glenn Porzak, Porzak Browning & Bushong LLP
18 Debbie Hoffman	26	<u>Public</u>
19 Diane Johnson	27	Eric Applegate, unaffiliated
20 Siri Roman	28	Michael Lindholm, Traer Creek LLC
21 Brian Tracy	29	Holly Loff, Eagle River Watershed Council

30 **DISCLOSURES OF POTENTIAL CONFLICTS OF INTEREST**

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

33 Directors Allender and Gregory and alternate Director Simmons disclosed that they serve on the Board of the Eagle River Water
34 and Sanitation District. Director Allender also disclosed that he is a former employee of Vail Resorts, which tangentially deals with
35 the Authority and District, as well as being employed part time by SE Group, which does planning and environmental work for Vail
36 Resorts and other ski areas. Director Elsner disclosed her membership with the Vilar Performing Arts Center Guild, which operates
37 within the Authority's service area. Director Gregory also disclosed that he occasionally undertakes small development and
38 construction activities within the Authority and District service areas. Alternate Director Simmons noted he serves on the Edwards
39 Metropolitan District board and is employed by Beaver Creek Metropolitan District, an Authority member. Director Woodworth
40 disclosed that he is employed by the Eagle River Fire Protection District, which operates within the Authority's service area.

41 **CALL TO ORDER**

42 Chair Gregory called the meeting to order at 8:30 a.m.

43 **INTRODUCTIONS**

44 Ms. Brooks introduced Holly Loff, executive director of the Eagle River Watershed Council (ERWC) and
45 guest Eric Applegate, who disclosed no affiliation.

46 **ACTION ITEMS**

47 **Consideration of Minutes** – The minutes of the regular meeting of July 28, 2016, were considered.

48 Upon motion duly made and seconded, it was unanimously

49 **RESOLVED** that the minutes of the July 28, 2016, regular meeting be accepted and hereby are
50 approved as presented.

51 The minutes of the special joint meeting of July 28, 2016, were considered. Upon motion duly made and
52 seconded, it was unanimously

53 **RESOLVED** that the minutes of the July 28, 2016, special joint meeting with the Eagle River
54 Water and Sanitation District be accepted and hereby are approved as presented.

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1 STRATEGY ITEMS

2 **Board Member Input** – Ms. Brooks noted the new standing agenda item was added to allow board
3 member input on topics they wished to bring to the attention of the Board.

4 **Eagle River Watershed Council Update** – Ms. Roman introduced Ms. Loff and noted the Authority and
5 District have provided annual funding to the ERWC for many years; 2017 funding will again be considered
6 during the upcoming budget process. Ms. Loff summarized the ERWC, which is a 501c(3) nonprofit
7 corporation focused on the health of Eagle County rivers and streams; many of its goals align with the
8 Authority and District's mission. She described ongoing and upcoming educational efforts and projects
9 spanning East Vail to Edwards; many of these projects are outside the scope of the Authority and
10 District's services but greatly benefit their customers by improving local stream health and quickly
11 identifying and acting upon emerging stream threats. Ms. Loff said the Authority's contributions support
12 the ERWC general fund and water quality monitoring/assessment partnership program. She said the
13 ERWC website was an excellent resource for viewing local water quality data, projects, available training,
14 and other items. The Board thanked Ms. Loff for her presentation. A related letter from Ms. Loff is
15 attached hereto as **Exhibit A** and incorporated herein by this reference.

16 GENERAL MANAGER REPORT

17 Ms. Brooks presented her report, a copy of which is attached hereto as **Exhibit B** and incorporated
18 herein by this reference. The monthly reports were also acknowledged, copies of which are attached
19 hereto as **Exhibit C** and incorporated herein by this reference.

20 **Traer Creek Tank Update** – Mr. Collins said all pleadings were submitted to the court; he is
21 awaiting the court ruling. The remainder of the discussion was reserved for Executive Session.

22 **Mountain Star Tank Update** – Ms. Hoffman discussed the tank, construction of which is
23 proceeding smoothly, on time, and on budget. She expects the tank to come online by November.

24 **EagleVail Tank Update** – In response to a question, Ms. Brooks discussed recent improvements
25 to piping and electrical elements at the EagleVail tank. Significant excavation took place in the
26 area, as a leak was eventually determined to be in a customer service line connection. Staff took
27 the opportunity to better map main lines in that area as well, and to make improvements that will
28 be needed prior to a future project in the area. Ms. Brooks noted that both EagleVail tanks would
29 eventually require replacement, and staff is exploring the timeline and associated work.

30 **FINANCE REPORT**

31 Mr. Wilkins presented the finance report, a copy of which is attached hereto as **Exhibit D** and
32 incorporated herein by this reference.

33 **Quarterly Financial Update** – Mr. Wilkins discussed the quarterly financials, a copy of which is
34 attached hereto as **Exhibit E** and incorporated herein by this reference. He noted actual
35 revenues were above those budgeted and said staff would consider weather predictions, among

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1 other items, for the 2017 budget. In response to a question, Mr. Wilkins addressed rollovers for
2 projects that aren't completed during the calendar year in which they are budgeted. Staff is
3 working on mapping project schedules to better account for annual spending for multi-year
4 projects.

5 **OPERATIONS REPORT**

6 Ms. Brooks presented the Operations Report, a copy of which is attached hereto as **Exhibit F** and
7 incorporated herein by this reference.

8 **COMMUNICATIONS AND PUBLIC AFFAIRS REPORT**

9 Ms. Johnson presented the Communications and Public Affairs Report, a copy of which is attached
10 hereto as **Exhibit G** and incorporated herein by this reference.

11 **Shoshone Hydroelectric Power Plant** – Ms. Johnson noted the Shoshone Hydroelectric Power
12 Plant was online and the Shoshone call was again effective on the river; the plant was offline
13 August 1 – 17, at which time the Shoshone call was not in effect.

14 **Ballot Measures Update** – Ms. Johnson discussed various ballot measures of interest to the
15 Authority and District. She specifically discussed Initiative 96, which would require broader
16 geographic signature gathering for amendments to the state constitution.

17 **Educational Opportunities** – Ms. Johnson discussed various local and statewide opportunities
18 for directors to learn more about water. Dates and details were available in her written report.

19 **GENERAL COUNSEL REPORT**

20 **Avon Drinking Water Facility Ground Lease** – Mr. Collins reported that the ADWF ground
21 lease was proceeding smoothly. The second reading before the Avon Town Council is scheduled
22 in September. The amended lease includes the land on which the ADWF currently encroaches.

23 **Traer Creek and Pressure Reducing Valve Project** – Ms. Hoffman updated on the status of the
24 pressure reducing valve (PRV) project, which will add a PRV to the Bachelor Gulch regional tank
25 to give the Authority some additional capacity for service in the Avon, EagleVail, and Traer Creek
26 areas. The Authority is currently limited as to the number of SFEs it can serve in that area due to
27 the Traer Creek tank failure. Mr. Collins said the PRV project will be combined with a previously
28 planned Authority booster pump station project for spring 2017, making this the most cost
29 effective option.

30 **WATER COUNSEL REPORT**

31 **Member Water Right Reports** – Mr. Porzak reported that updates to the Authority member water
32 right reports are underway and noted lower demand per SFE but more water being used
33 Authority-wide. He plans to present the reports to the Board in September.

34 At 9:04 a.m., Ms. Loff and Messrs. Applegate and Lindholm left the meeting.

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1 **EXECUTIVE SESSION**

2 Mr. Collins requested the Board enter into Executive Session to receive legal advice regarding Traer Creek
3 Tank matters and the Lake Creek Wells, pursuant to §24-6-402(4)(b) and (e) C.R.S. He asked that no
4 electronic record be made, as the discussion would be entirely privileged attorney-client communications.

5 Upon motion duly made and seconded, it was unanimously

6 **RESOLVED** to enter Executive Session at 9:05 a.m. to discuss attorney-client privileged
7 issues concerning the Traer Creek Tank matters and the Lake Creek Wells, pursuant to §24-
8 6-402(4)(b) and (e) C.R.S. with no electronic record created as Mr. Collins opined the
9 contents of the discussion would contain privileged attorney-client communications.*

10 Mr. Porzak requested the Board continue Executive Session to receive legal advice regarding the Lake Creek
11 Wells, Eagle River MOU and CRCA matters, pursuant to §24-6-402(4)(b) and (e) C.R.S. He asked that no
12 electronic record be made, as the discussion would be entirely privileged attorney-client communications.

13 Upon motion duly made and seconded, it was unanimously

14 **RESOLVED** to enter Executive Session at 9:25 a.m. to discuss attorney-client privileged
15 issues concerning the Lake Creek Wells, Eagle River MOU and CRCA matters, pursuant to
16 §24-6-402(4)(b) and (e) C.R.S. with no electronic record created as Mr. Porzak opined the
17 contents of the discussion would contain privileged attorney-client communications.*

18 The regular meeting resumed at 10:22 a.m.

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ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 10:23 a.m.

Respectfully submitted,

Secretary to the Meeting

MINUTES APPROVED, FORMAL CALL, AND NOTICE OF MEETING WAIVED

Arrowhead Metropolitan District

Town of Avon

Beaver Creek Metropolitan District

Berry Creek Metropolitan District

EagleVail Metropolitan District

Edwards Metropolitan District

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

James P. Collins, General Counsel

Glenn Porzak, Water Counsel