

**Eagle River Water & Sanitation District**  
**Board of Directors Meeting**  
**April 27, 2017**  
**MINUTES**

A Regular Meeting of the Board of Directors of the Eagle River Water & Sanitation District (District) was held April 27, 2017, 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**

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

2           Tom Allender  
3           Bob Armour  
4           Steve Coyer, *via phone*  
5           George Gregory  
6           Bill Simmons  
7           Frederick P. Sackbauer IV, *via phone*

8           **The following Director was absent and excused:**

9           Steve Friedman

10          **Also in attendance were:**

11 <u>District Staff</u>	22	Brian Tracy
12          Tug Birk	23	James Wilkins
13          Linn Brooks	24	<u>Consultants</u>
14          Jason Cowles	25	Stacy Berlinger, Piper Jaffray
15          Carol Dickman	26	Jim Collins, Collins Cockrel & Cole
16          Maureen Egan	27	Heather Houston, Western Ecological Resource
17          Catherine Hayes	28	Leah Mayer, LKSM Design
18          Diane Johnson	29	Glenn Porzak, Porzak Browning & Bushong LLP
19          Elena Jones	30	Rick Pylman, Pylman Associates
20          John McCaulley		
21          Siri Roman		

31          **DISCLOSURES OF POTENTIAL CONFLICTS OF INTEREST**

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

34          Directors Allender and Gregory disclosed that they also serve on the Board of the Upper Eagle Regional Water Authority (Authority).  
35          Directors Allender also disclosed that he is a former employee of Vail Resorts, which tangentially deals with the Authority and  
36          District, as well as being employed part time by SE Group, which does planning and environmental work for Vail Resorts and other  
37          ski areas. Director Armour disclosed that he is employed by Vail Resorts and the Vail Recreation District. Director Friedman serves  
38          on the Boards of the Beaver Creek Metropolitan District and the Vail Valley Foundation. Director Gregory also serves on the board  
39          of the Berry Creek Metropolitan District and occasionally undertakes development and construction activities within the District and  
40          Authority service areas. Director Sackbauer is employed by Vail Resorts, Inc., which has significant land ownership and business  
41          interests within the District. Director Simmons disclosed that he is the General Manager of the Beaver Creek Metropolitan District,  
42          an alternate Authority Director, and serves on the board of the Edwards Metropolitan District.

43          **CALL TO ORDER**

44          Acting Chair Allender called the meeting to order at 11:30 a.m.

45          **ACTION ITEMS**

46                 **Consideration of Minutes** – The minutes of the regular meeting of March 23, 2017, were considered.

47                 Upon motion duly made and seconded, it was unanimously

48                         **RESOLVED** that the minutes of the March 23, 2017, regular meeting be accepted and hereby are  
49                         approved as presented.

50                 The minutes of the joint special meeting of March 23, 2017, were considered. Upon motion duly made  
51                 and seconded, it was unanimously

52                         **RESOLVED** that the minutes of the March 23, 2017, joint special meeting with the Upper Eagle  
53                         Regional Water Authority be accepted and hereby are approved as presented.

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1       **Vacation of Easement on Alpine Drive** – Mr. Birk presented a board action request and related  
2 information regarding a request for vacation of easement on Alpine Drive in Vail. Copies are attached  
3 hereto as **Exhibits A** and **B**, respectively, and incorporated herein by this reference. After discussion and  
4 upon motion duly made and seconded, it was unanimously

5               **RESOLVED** that the vacation of easement be and hereby is approved as presented.

6       A resolution authorizing the vacation of easement is attached hereto as **Exhibit C** and incorporated  
7 herein by this reference.

8       Mr. Birk left the meeting at 11:40 a.m.

9       **Resolution of the Board Amending the Resolution Adopted on Nov. 17, 2016, Authorizing the**  
10 **Issuance and Sale of Water Revenue Refunding Bonds, Series 2016, and Providing Other Details**  
11 **Concerning the Bonds and Water System** – Mr. Wilkins and Ms. Berlinger discussed the board action  
12 request and resolution related to the bond refunding, copies of which are attached hereto as **Exhibits D**  
13 and **E**, respectively, and incorporated herein by this reference. Ms. Berlinger noted rates have improved  
14 in the last month, facilitating the refunding, which will save ratepayers an estimated \$825,000 over the life  
15 of the bonds. After discussion and upon motion duly made and seconded, it was unanimously

16               **RESOLVED** that the resolution be and hereby is approved as presented.

17       Mr. Wilkins also discussed requested action at the May 25, 2017, meeting to amend the budget to reduce  
18 budget expenditures due to the reduction in debt service from the bond refunding that was just approved.

19       **Resolution to Purchase Real Property** – Mr. Wilkins discussed a board action request and resolution to  
20 purchase Red Sandstone Creek unit B7 from a Vail resident, copies of which are attached hereto as  
21 **Exhibits F** and **G**, respectively, and incorporated herein by this reference. After discussion and upon  
22 motion duly made and seconded, it was unanimously

23               **RESOLVED** that the resolution to purchase Red Sandstone Creek Unit B7 be and hereby is  
24 approved as presented.

25       **Consent Agenda** – The Board unanimously approved the Consent agenda, a copy of which is attached  
26 hereto as **Exhibit H** and incorporated herein by this reference.

### 27 STRATEGY ITEMS

28       **Stillwater PUD Update** – Mr. Wilkins introduced Mr. Pylman and Ms. Mayer, who updated the board on  
29 the Stillwater PUD; a copy of the update is attached hereto as **Exhibit I** and incorporated herein by this  
30 reference. Mr. Pylman discussed the site plan details for the development, which anticipates 21 units of  
31 various sizes and types. He noted Ms. Mayer can now begin working on architecture for the development.  
32 In response to a question, Mr. Pylman said there was no public access to the river in the plan. Discussion  
33 ensued regarding early procurement of a contractor; the construction method and other architectural  
34 items; and results of the traffic report, which require restriping but no additional lanes added.

35       **Resolution for Integrated Project Delivery (IPD) for the Stillwater PUD** – Mr. Wilkins presented a  
36 board action request and resolution regarding integrated project delivery for the Stillwater PUD, copies of  
37 which are attached hereto as **Exhibits J** and **K**, respectively, and incorporated herein by this reference.

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1 He explained the merits of IPD, including cost and time savings. Ms. Brooks stated for the record that  
2 Treasurer Friedman had emailed and commented on the delivery method, which he thought to be  
3 “irregular.” Discussion ensued regarding the merits of this alternate method for this particular project,  
4 especially as it relates to upfront planning and cost-saving potential. Upon motion duly made and  
5 seconded, it was unanimously

6 **RESOLVED** that the resolution for Integrated Project Delivery for the Stillwater PUD be and  
7 hereby is approved as presented.

8 Director Coyer left the meeting at 12:12 p.m.

9 **Resolution to Allocate Additional Funds for Stillwater PUD** – Mr. Wilkins noted that upon approval of  
10 the IPD resolution for the Stillwater PUD, funds would need to be expended on a different timeline than  
11 originally anticipated. He requested allocation of \$50,000 to engage a contractor earlier in the process,  
12 noting the benefits of contractor input in reducing costs and cost risk of the project. After discussion and  
13 upon motion duly made and seconded, it was unanimously

14 **RESOLVED** that the allocation of \$50,000 to engage a contractor earlier in the Stillwater PUD  
15 process be and hereby is approved.

16 **Committee Assignments** – Ms. Brooks explained the need for a board committee related to the  
17 Eagle River MOU, as relevant meetings are frequently held between board meetings and board  
18 member participation would be beneficial. Secretary Gregory offered to serve on the committee.  
19 Director Armour offered to serve on the Climate Action Plan ad hoc committee.

20 The Board took a short recess for lunch at 12:17 p.m., at which time Ms. Berlinger, Ms. Mayer, and Mr.  
21 Pylman left the meeting. The regular meeting resumed at 12:32 p.m.

22 **Cordillera Valley Club (CVC) Tank Revegetation Project** – Ms. Houston of Western Ecological  
23 Resource presented information regarding the successful and extensive vegetation restoration project at  
24 the CVC tank project site. The goal of the restoration was to leave the disturbed area with a more natural  
25 diversity of vegetation than is normally achieved after construction. The sloped site included numerous  
26 unique species, and part of the restoration occurred during the 2012 drought. Despite many additional  
27 challenges, the project is meeting all success criteria and is expected to do so until the official end of  
28 monitoring at the end of 2017. A copy of the presentation is attached hereto as **Exhibit L** and  
29 incorporated herein by this reference. Ms. Houston and Ms. Egan left the meeting at 12:54 p.m.

### 30 **GENERAL MANAGER REPORT**

31 Ms. Brooks presented her report, a copy of which is attached hereto as **Exhibit M** and incorporated  
32 herein by this reference. Monthly reports were acknowledged, copies of which are attached hereto as  
33 **Exhibit N** and incorporated herein by this reference.

34 **Electric Vehicles** – In response to a question, Ms. Brooks gave details on the two Nissan LEAF  
35 electric vehicles the District purchased through the local “Rev your Ride” program. The vehicles  
36 are purely electric and have a range of over 100 miles when fully charged; the cars will mainly be

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1 used for shorter trips within the District and Authority service area. The District also received a  
2 state grant to install a vehicle charging station at its Vail administrative office.

3 **CIS Infinity 10-Year Look Back** – Mr. McCaulley and Ms. Jones reviewed the investment in the  
4 Customer Service Information (CIS) Infinity software and its many benefits for customers and  
5 staff. The software's ability to integrate with other systems has improved the customer  
6 experience, created efficiencies, and saved time and money. Such benefits included online bill  
7 payment and e-billing for customers (\$18,000/year in savings); the ability to track historical data,  
8 customer communications, and other customer account-related information; and implementation  
9 of a successful uniformity program (~\$500,000/year in positive financial impact). A copy of the  
10 presentation is attached hereto as **Exhibit O** and incorporated herein by this reference.

11 Mr. McCaulley and Ms. Jones left the meeting at 1:00 p.m.

### 12 **FINANCE REPORT**

13 Mr. Wilkins presented the finance report, a copy of which is attached hereto as **Exhibit P** and  
14 incorporated herein by this reference. He noted District and Authority water sales were again below  
15 projections. In Vail, this can likely be attributed to the unavailability of rooms at two major hotels  
16 undergoing renovations. He said District wastewater base rate collections were above projections and  
17 expects increased collection of such fees as spring construction continues. In response to a question, Mr.  
18 Wilkins clarified that the District's wastewater fund is separate from the District's Vail water fund. He also  
19 noted inclusion of two new graphs that show a summary of revenues and expenditures.

### 20 **OPERATIONS REPORT**

21 The operations report was presented, a copy of which is attached hereto as **Exhibit Q** and incorporated  
22 herein by this reference.

23 **Eagle Park Reservoir Water Quality Report** – In response to a question, Mr. Tracy noted levels  
24 of arsenic in 2015 samples were high; the 2016 samples showed those levels return to normal.  
25 He said arsenic is a naturally occurring contaminant and levels in the reservoir will continue to be  
26 carefully monitored.

### 27 **ENGINEERING REPORT**

28 Mr. Cowles discussed the engineering report, a copy of which is attached hereto as **Exhibit R** and  
29 incorporated herein by this reference.

### 30 **COMMUNICATION AND PUBLIC AFFAIRS REPORT**

31 Ms. Johnson noted she did not include a written report in packets.

32 **Local and Regional Snowpack Update** – Ms. Johnson updated on area snowpack and  
33 specifically the Vail SNOTEL monitoring site, which peaked earlier than normal but achieved  
34 almost 90% of average snowpack for the site. The site conditions also changed in past years,  
35 with more sunlight and exposure than the site historically saw. In regional news, Ms. Johnson

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1 said Lake Powell will release 9 million acre feet of water to Lake Mead this year, staving off a  
2 shortage for the lower basin states for at least another year. In response to a question, Ms.  
3 Johnson clarified that the phenomenon of dust on snow increases the speed of snow melting and  
4 runoff.

### GENERAL COUNSEL REPORT

6 **Sewer Easement Exchange and Reconstruction** – Mr. Collins discussed an agreement  
7 between the District and Gore Creek Properties, LLC, to split one lot into two in Vail. This requires  
8 some realignment of existing utility easements and some sewer main realignment. Upon  
9 finalization, Ms. Brooks will execute the agreement on the District's behalf.

### WATER COUNSEL REPORT

11 **Support for Denver Water's Gross Reservoir/Moffat Project** – Mr. Porzak discussed a letter  
12 from the Eagle Park Reservoir Company sent to the Federal Energy Regulatory Commission in  
13 support of Denver Water's Gross Reservoir Expansion and Hydroelectric Project, and the Moffat  
14 Collection System Project. A copy of the letter is attached hereto as **Exhibit S** and incorporated  
15 herein by this reference. Mr. Porzak said Denver Water appreciated the support from EPRC.

16 **St. Jude's Recreation Water Bill** – Mr. Porzak updated on the bill, which passed the House and  
17 Senate, though the Senate requested changes, which now means the bill will go back to the  
18 House for final approval. The current iteration of the bill still protects and preserves existing  
19 absolute and conditional water rights decreed before the St. Jude's decision. Related information  
20 is attached hereto as **Exhibit T** and incorporated herein by this reference.

21 **Eagle Park Reservoir Acquisition** – Mr. Porzak reported that Eagle County no longer wishes to  
22 sell its Eagle Park Reservoir Company shares and wants to retain its water rights for future  
23 housing projects. He said further discussion would take place at the EPRC meeting later in the  
24 day.

25 Mr. Collins left the meeting at 1:40 p.m.

### **EXECUTIVE SESSION**

27 Mr. Porzak requested the Board enter Executive Session to receive legal advice regarding the Eagle River  
28 MOU matters and CRCA matters, pursuant to §24-6-402(4)(b) and (e) C.R.S. He asked that no electronic  
29 record be made, as the discussion would be entirely privileged attorney-client communications. Upon motion  
30 duly made and seconded, it was unanimously

31 **RESOLVED** to enter executive session at 1:47 p.m. to discuss attorney-client privileged  
32 issues concerning the Eagle River MOU matters and CRCA matters, pursuant to §24-6-  
33 402(4)(b) and (e) C.R.S. with no electronic record created as Mr. Porzak opined the contents  
34 of the discussion would contain privileged attorney-client communications.\*

35 At 2:20 p.m., prior to the discussion of CRCA matters, all remaining staff left the room, with the exception of  
36 Ms. Brooks and Ms. Johnson. The regular meeting resumed at 2:33 p.m.

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1 **ADJOURNMENT**

2 There being no further business to come before the Board, the meeting adjourned at 2:33 p.m.

3 Respectfully submitted,

4  
5  
6 \_\_\_\_\_  
7 Secretary to the Meeting

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

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13 \_\_\_\_\_  
14 **Tom Allender, Treasurer**

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17 \_\_\_\_\_  
18 **Bob Armour, Director**

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21 \_\_\_\_\_  
22 **Steve Coyer, Director**

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26 **Stephen Friedman, Vice Chair**

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29 \_\_\_\_\_  
30 **George Gregory, Secretary**

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33 \_\_\_\_\_  
34 **Frederick P. Sackbauer IV, President/Chair**

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37 \_\_\_\_\_  
38 **Bill Simmons, Director**

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40  
41 \*The undersigned attorney for the applicable Executive Session affirms that the portion of the discussion  
42 in Executive Session not recorded constituted privileged attorney-client communications.

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45 \_\_\_\_\_  
46 **Glenn Porzak, Water Counsel**  
47