



## Eagle River Water & Sanitation District

1           **RESOLVED** that the minutes of the April 27, 2017, regular meeting be accepted and hereby are  
2 approved as presented.

3 Treasurer Friedman abstained. He also clarified his intended comments regarding last month's integrated  
4 project delivery resolution for the Stillwater PUD. He noted if there is an expected cost savings or  
5 anticipated best value associated with this methodology, there should be a way to measure whether such  
6 savings and/or benefits are being realized.

7           **Public Hearing: 2016 Budget Amendment** – The Board opened a public hearing at 11:38 a.m. A board  
8 action request and resolution were discussed, copies of which are attached hereto as **Exhibits B** and **C**,  
9 respectively. Mr. Wilkins noted the amendment was requested at the suggestion of the auditors; 2016  
10 spending was higher than originally anticipated due to a rollover. Mr. Wilkins said staff is very accurate  
11 with budgeting for total project cost, but multiyear projects often experience timing variances, which can  
12 affect the annual budget. The public hearing was closed at 11:42 a.m. After discussion and upon motion  
13 duly made and seconded, it was unanimously

14           **RESOLVED** that the Resolution to Amend the 2016 Budget be and hereby is approved as  
15 presented.

16           **Public Hearing: 2017 Budget Amendment** – The Board opened a public hearing at 11:40 a.m. A board  
17 action request and resolution were discussed, copies of which are attached hereto as **Exhibits D** and **E**,  
18 respectively. Mr. Wilkins noted the amendment was needed due to the bond refunding, which will save  
19 ratepayers close to \$1.1 million over the life of the bonds. The public hearing was closed at 11:47 a.m.  
20 After discussion and upon motion duly made and seconded, it was unanimously

21           **RESOLVED** that the Resolution to Amend the 2017 Budget be and hereby is approved as  
22 presented.

23           **Resolution regarding 2017 Water Bond Debt Service Base Rate** – Mr. Wilkins presented a board  
24 action request and resolution regarding the bond refunding, copies of which are attached hereto as  
25 **Exhibits F** and **G**, respectively, and incorporated herein by this reference. He noted the board must adopt  
26 a new bond fee, which will go into effect Jan. 1, 2018; the new fee will result in a savings of \$0.15/SFE  
27 monthly. In response to a question, Mr. Wilkins clarified that the board has not historically changed fees  
28 midyear, but the adoption of a new fee is a procedural matter that is being done in conjunction with the  
29 bond issuance. After discussion and upon motion duly made and seconded, it was unanimously

30           **RESOLVED** that the Resolution regarding the 2017 Water Bond Debt Service Base Rate be and  
31 hereby is approved as presented.

32           **County Request for Parking on District Property** – Ms. Brooks discussed a memo regarding a request  
33 from Eagle County to allow public parking on District property west of the Edwards Wastewater Treatment  
34 Facility in support of the County's public transportation system. A copy of the memo is attached hereto as  
35 **Exhibit H** and incorporated herein by this reference. She said the District purchased the property from  
36 the County in 2013 and may need the parcel for future expansion, but is not currently utilizing it and has  
37 no known future use at this time. The Board directed Mr. Collins to draft a lease agreement stating that

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1 the County may use the lot for public parking while the District does not need it, but the lease would be  
2 revocable. Also, the County would be responsible for improvements and maintenance. After discussion  
3 and upon motion duly made and seconded, it was unanimously

4 **RESOLVED** that the request from Eagle County to park on District property west of the Edwards  
5 Wastewater Treatment Facility be and hereby is approved as presented, contingent upon  
6 execution of a lease agreement to be drafted by Mr. Collins.

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

### 9 **STRATEGY ITEMS**

10 **Board Member Input** – Director Armour said he attended Bennie’s Breakfast the prior day, an annual  
11 event at which employees are honored for longevity and other accomplishments. He expressed  
12 appreciation for the program and the excellent employee turnout. Chair Sackbauer said he also attended  
13 the breakfast and acknowledged the employees who received awards at the event.

14 **Community Climate Action Plan (CAP)** – Mr. Phelps presented information on the CAP; a  
15 related memo, resolution, and presentation are attached hereto as **Exhibits J, K, and L**,  
16 respectively, and incorporated herein by this reference. Discussion ensued regarding the six  
17 tenets of the CAP, specific goals for local emissions reductions, and current and future District  
18 efforts for efficiency and sustainability. Director Armour thanked staff for working on the plan and  
19 noted it is a guidance document. Treasurer Allender said the actions will represent savings over  
20 time due to reduced energy use. The Board agreed to amend the resolution defer to the  
21 Intergovernmental Panel on Climate Change’s position concerning the cause and consequences  
22 of climate change, as the Authority had done earlier in the day. After discussion and upon motion  
23 duly made and seconded, it was unanimously

24 **RESOLVED** that the Resolution to Adopt the Climate Action Plan for the Eagle County  
25 Community be and hereby is approved as amended.

26 The Board took a recess for lunch at 12:14 p.m. The meeting resumed at 12:45 p.m.

### 27 **GENERAL MANAGER REPORT**

28 Ms. Brooks noted she did not include a written report in packets. Monthly reports were acknowledged,  
29 copies of which are attached hereto as **Exhibit M** and incorporated herein by this reference.

30 **Tap Fee and Housing White Paper** – Ms. Brooks discussed the staff-produced white paper  
31 regarding local tap fees and the current housing issues, a copy of which is attached hereto as  
32 **Exhibit N** and incorporated herein by this reference. The main takeaways from the paper were  
33 that there is sound legal basis for the Authority and District’s growth pays for growth philosophy;  
34 the square-footage based fee structure is accepted industry-wide and is equitable to customers;  
35 and that the current local housing crisis is largely a factor of lack of supply to meet high demand,

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1 not due to water and wastewater tap fees. Ms. Brooks thanked Messrs. Cowles and Wilkins for  
2 their work on the paper.

### 3 **FINANCE REPORT**

4 Mr. Wilkins presented the quarterly financials and the monthly finance report, copies of which are  
5 attached hereto as **Exhibits O** and **P**, respectively, and incorporated herein by this reference.

### 6 **OPERATIONS REPORT**

7 The operations report was presented, a copy of which is attached hereto as **Exhibit Q** and incorporated  
8 herein by this reference. In response to a question, Ms. Brooks clarified that meter change-out rates were  
9 slower than expected due to staffing shortages. She also agreed that the onboarding manual compiled by  
10 the wastewater department was an excellent document.

11 **Eagle Mine Spill** – Secretary Gregory noted the recent spill at the Eagle Mine, of which staff was  
12 notified. Despite the report indicating the spill was contained on the Eagle Mine premises, the  
13 contaminated water will eventually reach the river through the ground.

### 14 **ENGINEERING REPORT**

15 Mr. Cowles noted he did not include a written report in packets.

16 **Lodge at Vail Storm Drains** – Mr. Cowles updated on the matter, by which the roof drains are  
17 connected to the sewer system, which likely happened during original construction in the 1960s.  
18 The Board was first apprised of the issues in March 2016, and since then, staff has worked with  
19 Lodge representatives to discuss both short and long-term remediation. The short-term solution  
20 was to plug the storm drains during the summer to prevent large rain events from overwhelming  
21 the collection system or the Vail Wastewater Treatment Facility. Mr. Cowles reported there was  
22 water damage in one unit due to deferred roof maintenance. The Lodge is jointly owned and  
23 operated by Vail Resorts and the Lodge Apartments and Condo Association (LACA), and there is  
24 disagreement over which entity should pay for the damage. Until the matter is settled in small  
25 claims court, LACA will not consent to installation of the temporary roof drain plugs. Discussion  
26 ensued regarding the Lodge's clear violation of the District's Rules and Regulations. Staff will  
27 draft a letter to both entities to set a deadline for implementation of the temporary solution and if  
28 the temporary solution is not implemented, the District may assess penalty use fines.

### 29 **COMMUNICATION AND PUBLIC AFFAIRS REPORT**

30 Ms. Schweig presented her report, a copy of which is attached hereto as **Exhibit R** and incorporated  
31 herein by this reference.

### 32 **GENERAL COUNSEL REPORT**

33 Mr. Collins noted all of his items would be discussed in Executive Session.  
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## WATER COUNSEL REPORT

**Homestake Reservoir Exchange Diligence** – Mr. Porzak presented the Ruling of the Referee for the Homestake Exchange Case, which was a joint diligence application by the District, Authority, and Cities of Aurora and Colorado Springs. A copy is attached hereto as **Exhibit S** and incorporated herein by this reference. He explained this is the exchange by which the District and Authority pay the Cities back for Homestake Reservoir water. Mr. Porzak said he is awaiting the judge's signature on the ruling which will make this the final Decree of the Water Court. However, the 20-day protest period has expired.

**St. Jude's Recreation Water Bill** – Mr. Porzak said the bill passed in both the House and Senate; Gov. Hickenlooper is expected to sign the bill today. The bill protects current District and Authority absolute and conditional recreational water rights; future conditional recreation rights were not covered under the final version of the bill. Mr. Porzak also noted that through work on this bill, strong relationships were forged with Sen. Sonnenberg and Rep. K.C. Becker.

Messrs. Schneider and Thompson left the meeting at 1:10 p.m.

## **EXECUTIVE SESSION**

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

**RESOLVED** to enter executive session at 1:11 p.m. to discuss attorney-client privileged issues concerning the Eagle River MOU matters, Minturn and Battle Mountain status report, Snowmaking Master Plan for Vail Mountain, and CRCA matters, pursuant to §24-6-402(4)(b) and (e) C.R.S. with no electronic record created as Mr. Porzak opined the contents of the discussion would contain privileged attorney-client communications.\*

At 1:43 p.m., prior to the discussion of CRCA matters, Mr. Collins, Mr. Norris, and all remaining staff left the room, with the exception of Ms. Brooks. The regular meeting resumed at 1:50 p.m.

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1 **ADJOURNMENT**

2 There being no further business to come before the Board, the meeting adjourned at 1:51 p.m.

3 Respectfully submitted,

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8 Secretary to the Meeting

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

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15 **Tom Allender, Treasurer**

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19 **Bob Armour, Director**

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23 **Steve Coyer, Director**

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27 **Stephen Friedman, Vice Chair**

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31 **George Gregory, Secretary**

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35 **Frederick P. Sackbauer IV, President/Chair**

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39 **Bill Simmons, Director**

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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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46 **James P. Collins, General Counsel**

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**Glenn Porzak, Water Counsel**