

Upper Eagle Regional Water Authority

Board of Directors Meeting

June 22, 2017

MINUTES

1 A regular meeting of the Board of Directors of the Upper Eagle Regional Water Authority (Authority) was
2 held June 22, 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 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 **The following Director was absent and excused:**

13 Mick Woodworth, Edwards Metropolitan District

14 **The following Alternate Director was present and acting:**

15 Kara Heide, Edwards Metropolitan District

16 **Also in attendance were:**

17 District Staff

18 Linn Brooks 26 Amy Schweig
19 Jason Cowles 27 Pam Wegener

20 Carol Dickman 28 James Wilkins

21 Consultants

22 Catherine Hayes 29 Glenn Porzak, Porzak Browning & Bushong LLP

23 Debbie Hoffman 30 Kathryn Winn, Collins Cockrel & Cole

24 John McCaulley 31 Public

25 Glen Phelps 32 Mike Reisinger, Berry Creek Metropolitan District

26 Jeff Schneider 33

34 **DISCLOSURES OF POTENTIAL CONFLICTS OF INTEREST**

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

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

45 **CALL TO ORDER**

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

47 **INTRODUCTIONS**

48 Mr. McCaulley introduced Customer Service intern Ms. Wegener, who is assisting with water demand
49 management for the summer.

50 **STRATEGY**

51 **Integrated Project Delivery Overview** – Mr. Schneider discussed recent board resolutions by
52 which staff requested approval for use of integrated project delivery (IPD) methods rather than a
53 traditional design-bid-build (DBB) methodology. The engineering department wished to give the
54 board additional information regarding IPD; a related memo is attached hereto as **Exhibit A** and
55 incorporated herein by this reference. Mr. Schneider gave an overview of construction law;

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1 various methods of project delivery; and a matrix by which each delivery method can be rated in
2 response to the different aspects of a project. A sample matrix is attached hereto as **Exhibit B**
3 and incorporated herein by this reference. Ms. Hoffman discussed possible benefits of IPD,
4 including reducing risk, increasing transparency and collaboration, and potential cost savings.
5 She referenced the 2015 Mountain Star tank project, which successfully utilized IPD and came in
6 on time and under budget, allowing a refund to the Mountain Star residents of more than
7 \$300,000. In a traditional DBB scenario, the savings would have remained with the contractor.
8 Mr. Schneider and Ms. Hoffman discussed current projects, noting that a majority were being
9 executed as DBB projects, as this was still the best fit for many projects. They also reminded the
10 directors that the board must approve IPD each time it is proposed, so there will continue to be
11 opportunities for board input and questions. The board thanked them for their presentation, a
12 copy of which is attached hereto as **Exhibit C** and incorporated herein by this reference.

ACTION ITEMS

14 **Consideration of Minutes** – The minutes of the regular meeting of May 25, 2017, were considered.
15 Upon motion duly made and seconded, it was unanimously

16 **RESOLVED** that the minutes of the May 25, 2017, regular meeting be accepted and hereby are
17 approved as amended.

18 **Resolution for Integrated Project Delivery: Radio and Telemetry System Upgrade** – Ms. Hoffman
19 referenced her request and resolution, copies of which are attached hereto as **Exhibits D and E**,
20 respectively, and incorporated herein by this reference. She noted the multidepartment interest in this
21 project, along with a high level of coordination and scheduling for shutdowns. Ms. Brooks clarified that the
22 project will standardize the Authority and District's radio system to enable more in-house programming
23 and maintenance and increase safety and security. After discussion and upon motion duly made and
24 seconded, it was unanimously

25 **RESOLVED** that the Resolution Authorizing Integrated Project Delivery for the Radio and
26 Telemetry System Upgrade be and hereby is approved as presented.

27 **Resolution for Integrated Project Delivery: Avon Drinking Water Facility Clearwell Baffling and**
28 **Settling Basin Improvements Project** – The board considered a request and resolution regarding the
29 needed improvements at ADWF, copies of which are attached hereto as **Exhibits F and G**, respectively,
30 and incorporated herein by this reference. Ms. Hoffman noted the project required much coordination and
31 very tight timeframes due to the need for the clearwell to be back online for summer 2018 irrigation
32 season. After discussion and upon motion duly made and seconded, it was unanimously

33 **RESOLVED** that the Resolution Authorizing Integrated Project Delivery for the Avon Drinking
34 Water Facility Clearwell Baffling and Settling Basin Improvements Project be and hereby is
35 approved as presented.
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GENERAL MANAGER REPORT

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

Homestake Creek Homeowners Picnic – Ms. Brooks reported that she and Diane Johnson would attend the July 1 upcoming picnic as a meet and greet opportunity with the homeowners. Homeowners are interested in Authority and District activities in the area, including Eagle River MOU project evaluation and Camp Hale wetlands restoration efforts.

Beaver Creek Metropolitan District Presentation – Ms. Brooks noted she would present information to the BCMD board at its June 28 board meeting. Topics will include an overview of Beaver Creek and Authority water rights; overall District water budgeting efforts, and additional workforce housing project within the Authority and District's service area. In response to a question, Mr. Porzak confirmed no significant changes to the Beaver Creek water rights report in 2016 compared with the 2014 report.

Water Demand Management Pilot Project – Ms. Brooks referenced Ms. Egan's memo regarding the pilot project, a copy of which is attached hereto as **Exhibit I** and incorporated herein by this reference. Water demand management efforts continue in Mountain Star and have expanded to include Arrowhead homeowners. Ms. Brooks said staff is also working with Eagle County on water efficiency improvements at existing county-owned workforce housing.

ADWF Improvements – In response to a question, Mr. Schneider clarified that the ongoing analysis of the ADWF will inform the best project to create needed space at the facility for employees of the water department, who must be located at the facility to oversee process controls. Staffing increases in other departments and at other facilities will also be analyzed to determine how to best accommodate these employees as well.

FINANCE REPORT

Mr. Wilkins presented the monthly finance report, a copy of which is attached hereto as **Exhibit J** and incorporated herein by this reference. He noted water sales for both the Authority and District were tracking close to projections, though two large hotels in Vail remain offline for upgrades, which had been expected to finish prior to now. Revenue and expenses are on track as well, with the exceptions of a multimillion dollar bond anticipated in 2017 that will likely not be issued until 2018, as well as the timing for payment of other bonds, which only occurs twice a year.

OPERATIONS REPORT

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

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1 **Eagle Park Reservoir Company Update** – Mr. Tracy noted the EPRC annual shareholders
2 meeting and a board of directors meeting would be held later today. During the meetings, the FY
3 2018 budget would be considered for approval.

4 **ENGINEERING REPORT**

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

6 **Affordable Housing Update** – Mr. Cowles discussed last month’s meeting, at which the board
7 suggested reducing the estimated indoor usage for workforce housing projects to 200 gallons per
8 day per unit in response to data showing the newer developments use less water. He also
9 reported on a recent meeting with Jill Klosterman, Eagle County Housing Director, regarding the
10 possibility of Eagle County dedicating some of its EPRC water rights for employee housing
11 projects. Discussion ensued regarding the contributions needed for both indoor and outdoor
12 water. This will be further examined by staff and water counsel.

13 **COMMUNICATION AND PUBLIC AFFAIRS REPORT**

14 Ms. Schweig presented her report, a copy of which is attached hereto as **Exhibit L** and incorporated
15 herein by this reference.

16 **GENERAL COUNSEL REPORT**

17 **Integrated Project Delivery Method** – In response to a question, Ms. Winn noted that IPD often
18 offers the best value for the Authority and District, though there is a slight chance the project
19 could be more expensive than a traditional DBB project. Additionally, there are increased
20 flexibility and transparency with this method, and staff time savings are often realized.

21 **WATER COUNSEL REPORT**

22 **Federal Water Rights Protection Act** – Mr. Porzak said Rep. Tipton recently reintroduced the
23 Federal Water Rights Protection Act. Related information is attached hereto as **Exhibit M** and
24 incorporated herein by this reference. It is similar to the previous iteration of the bill, but it includes
25 additional language that would further protect private water rights from unauthorized and
26 uncompensated takings. This would include preventing the Forest Service from conditioning
27 special use permits on the title transfer of water rights, or terms that would restrict the amount of
28 the decreed water right.

29 Ms. Hoffman, Mr. Schneider, and Ms. Wegener left the meeting at 9:44 a.m.

30 **EXECUTIVE SESSION**

31 Ms. Winn requested the Board enter into Executive Session to receive legal advice regarding Traer
32 Creek, pursuant to §24-6-402(4)(b) and (e) C.R.S. She asked that no electronic record be made, as
33 the discussion would be entirely privileged attorney-client communications. Upon motion duly made
34 and seconded, it was unanimously

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1 **RESOLVED** to enter Executive Session at 10:19 a.m. to discuss attorney-client privileged
2 issues concerning Traer Creek, pursuant to §24-6-402(4)(b) and (e) C.R.S. with no electronic
3 record created as Ms. Winn opined the contents of the discussion would contain privileged
4 attorney-client communications.*

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

9 **RESOLVED** to continue Executive Session at 10:27 a.m. to discuss attorney-client privileged
10 issues concerning Eagle River MOU matters, Bolts Lake, and CRCA matters, pursuant to
11 §24-6-402(4)(b) and (e) C.R.S. with no electronic record created as Mr. Porzak opined the
12 contents of the discussion would contain privileged attorney-client communications.*

13 At 10:50 a.m., before the discussion of CRCA matters, Ms. Winn and all remaining staff left the room, with the
14 exception of Ms. Brooks.

15 The regular meeting resumed at 11:15 a.m.

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1 **ADJOURNMENT**

2 There being no further business to come before the Board, the meeting adjourned at 11:13 a.m.

3 Respectfully submitted,

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6 Secretary to the Meeting

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

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12 **Arrowhead Metropolitan District**

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15 **Town of Avon**

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18 **Beaver Creek Metropolitan District**

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21 **Berry Creek Metropolitan District**

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24 **EagleVail Metropolitan District**

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27 **Edwards Metropolitan District**

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

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42 **Kathryn Winn, General Counsel**

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42 **Glenn Porzak, Water Counsel**