

Eagle River Water & Sanitation District
Board of Directors Meeting
August 14, 2017
MINUTES

A Special Meeting of the Board of Directors of the Eagle River Water & Sanitation District (District) was held August 14, 2017, at 2:00 p.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 Bob Armour
3 Steve Coyer
4 George Gregory
5 Frederick P. Sackbauer IV
6 Bill Simmons

7 **The following Directors were absent and excused:**

8 Tom Allender
9 Steve Friedman

10 **Also in attendance were:**

<u>District Staff</u>		<u>Consultants</u>
11 Linn Brooks	17	Tim Carpenter, R.A. Nelson
12 Catherine Hayes	18	Todd Goulding, Goulding Development Associates
13 James Wilkins	19	Ryan LeVire, R.A. Nelson
	20	Leah Mayer, LKSM Design
14	21	Rick Pylman, Pylman Associates
15	22	Leah Mayer, LKSM Design
16	23	

24 **DISCLOSURES OF POTENTIAL CONFLICTS OF INTEREST**

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

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

36 **CALL TO ORDER**

37 Chair Sackbauer called the meeting to order at 2:02 p.m.

38 **INTRODUCTIONS**

39 Consultants were introduced to the Board, including Mr. Pylman (entitlements), Ms. Mayer (architect), Mr.
40 Goulding (construction manager), and Messrs. Carpenter and LeVire of R.A. Nelson and Associates
41 (construction manager at risk).

42 **STILLWATER DEVELOPMENT DISCUSSION**

43 **History** – Ms. Brooks gave a brief history of the development. The four Haselhorst properties
44 were acquired by the District in 2007 for \$2 million. At that time, the sites were anticipated for
45 future wastewater treatment facilities expansion. In the interim, the existing homes were offered
46 as employee housing rental units. In recent years, short-term rentals have inundated the local
47 housing market, making it challenging to recruit and retain skilled employees, as housing is
48 scarce and expensive. Staff and the Board determined the timing was right to redevelop the
49 parcels, and the Board authorized staff to move forward with design and permitting.

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1 **Stillwater Development Progress** – Mr. Goulding presented a PowerPoint regarding progress to
2 date and items requiring board input, including the design process, schedule, existing conditions,
3 development options, development costs, market data, and financing. A copy of the presentation
4 is attached hereto as **Exhibit A** and incorporated herein by this reference. Discussion ensued
5 regarding the merits and pitfalls of the current proposal as well as the other design options.
6

7 Mr. Wilkins also discussed District revenue generated from current rental properties, as well as
8 maintenance and property management needs, which are currently handled internally. The
9 addition of the Stillwater units may require additional staffing for such duties, though the Board
10 acknowledged that new construction units would likely require less time and effort to maintain.
11

12 Mr. Wilkins also discussed the cost estimates, financing options, and the current reserves of the
13 District. A copy of these figures is attached hereto as **Exhibit B** and incorporated herein by this
14 reference. Financing options included bonding, the use of reserved bond funds, the use of
15 unrestricted funds, or some combination thereof. There is also the option of using funds
16 generated from current District rental units and deed-restricted sales to employees.
17

18 Discussion ensued regarding the District's provision of a critical service to the local area and the
19 need to attract and retain skilled employees. Board members expressed support for moving
20 forward with the current option to build 21 units of various sizes and types. Though free market
21 units exist at a lower price point per square foot, such units are older, would likely require more
22 maintenance and additional input of funds to make the units as desirable as new construction
23 ones. Ms. Brooks also shared comments from Treasurer Allender and Vice Chair Friedman, who
24 could not attend the meeting. Treasurer Allender said the construction prices seem in line with the
25 cost of other developments in the area and would support the decision of the Board. Vice Chair
26 Friedman had a variety of questions related to the program, the location of long-term housing in
27 the service area, ensuring the desirability of all District housing units, and the potential future
28 evolution of the program. After discussion, the Board supported moving forward with the Stillwater
29 development as currently proposed, with 21 units at an estimated cost of \$14 million.

30 At 3:30 p.m. all consultants and Ms. Hayes left the meeting.

31 **EXECUTIVE SESSION**

32 The Board entered Executive Session to discuss housing policy, pursuant to §24-6-402(4)(e) C.R.S. Upon
33 motion duly made and seconded, it was unanimously

34 **RESOLVED** to enter executive session at 3:31 p.m. to discuss housing policy, pursuant to
35 §24-6-402((e) C.R.S.

36 The regular meeting resumed at 4:34 p.m.

37

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1 After discussion and upon motion duly made and seconded, it was unanimously
2 **RESOLVED** to approve a housing stipend of \$300 per month as an additional employee
3 housing program option.

4 The additional option allows all employees to participate in the employee housing program. The Board
5 and Ms. Brooks agreed that this is critical to recruiting and retaining the talented and committed
6 employees needed to sustain the high quality and reliability of water and wastewater service to the
7 community. The stipend addition provides an option for employees who choose to meet their housing
8 needs in the free market.

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1 **ADJOURNMENT**

2 There being no further business to come before the Board, the meeting adjourned at 4:35 p.m.

3 Respectfully submitted,

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6 _____
7 Secretary to the Meeting

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

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14 **Tom Allender, Treasurer**

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18 **Bob Armour, Director**

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22 **Steve Coyer, Director**

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26 **Stephen Friedman, Vice Chair**

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30 **George Gregory, Secretary**

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

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38 **Bill Simmons, Director**