

# Upper Eagle Regional Water Authority

## Board of Directors Meeting

November 16, 2017

### MINUTES

1 A regular meeting of the Board of Directors of the Upper Eagle Regional Water Authority (Authority) was  
2 held November 16, 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 the  
4 State of Colorado.

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

6 Geoff Dreyer, Arrowhead Metropolitan District  
7 Pam Elsner, Beaver Creek Metropolitan District  
8 George Gregory, Berry Creek Metropolitan District  
9 Sarah Smith Hymes, town of Avon  
10 Kim Bell Williams, EagleVail Metropolitan District

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

12 Mick Woodworth, Edwards Metropolitan District

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

14 Kara Heide, Edwards Metropolitan District

15 **Also in attendance were:**

16 <u>District Staff</u>	25	Brian Tracy
17 Linn Brooks	26	James Wilkins
18 Carol Dickman	27	<u>Consultants</u>
19 Catherine Hayes	28	Jim Collins, Collins Cockrel & Cole
20 Debbie Hoffman	29	Glenn Porzak, Porzak Browning & Bushong LLP
21 Diane Johnson	30	<u>Public</u>
22 Mark Mantua	31	Mike Reisinger, Berry Creek Metropolitan District
23 Amy Schweig		
24 Jason Sica		

32 **DISCLOSURES OF POTENTIAL CONFLICTS OF INTEREST**

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

35 Director Elsner disclosed her membership with the Vilar Performing Arts Center Guild, which operates within the Authority's service  
36 area. Director Gregory and alternate Director Simmons disclosed that they serve on the Board of the Eagle River Water and Sanitation  
37 District. Director Gregory also disclosed that he occasionally undertakes small development and construction activities within the  
38 Authority and District service areas. Alternate Director Simmons noted he serves on the Edwards Metropolitan District board and is  
39 employed by Beaver Creek Metropolitan District, an Authority member. Director Williams disclosed that she is the Eagle County  
40 Housing Director. Director Woodworth disclosed that he is employed by the Eagle River Fire Protection District, which operates within  
41 the Authority's service area.

42 **CALL TO ORDER**

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

44 **ACTION ITEMS**

45 **Consideration of Minutes** – The minutes of the special meeting of October 26, 2017, were considered.

46 Upon motion duly made and seconded, it was unanimously

47 **RESOLVED** that the minutes of the October 26, 2017, special meeting be accepted and hereby  
48 are approved as presented.

49 The minutes of the joint special meeting of October 26, 2017, with the Eagle River Water & Sanitation  
50 District and Eagle Park Reservoir Company were considered. Upon motion duly made and seconded, it  
51 was unanimously

52 **RESOLVED** that the minutes of the October 26, 2017, joint special meeting with the Eagle River  
53 Water & Sanitation District and Eagle Park Reservoir Company be accepted and hereby are  
54 approved as presented.

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## PUBLIC HEARING: 2018 Proposed Budget

Chairman Gregory opened a public hearing at 8:35 a.m. to discuss the 2018 budget, a copy of which is attached hereto as **Exhibit A** and incorporated herein by this reference. A call for public input solicited no response. The public hearing was closed at 8:36 a.m. Mr. Wilkins presented Resolutions to Adopt the 2017 Budget and to Appropriate Sums of Money, copies of which are attached hereto as **Exhibits B** and **C**, respectively, and incorporated herein by this reference. After discussion and upon motion duly made and seconded, it was unanimously

**RESOLVED** that the Resolutions to Adopt the 2018 Budget and Appropriate Sums of Money be and hereby are approved as presented.

The 2018 rates for service charges and tap fees are set as follows:

### UERWA Water Service Rates for 2018

#### Base Rates per Single Family Equivalent:

\$17.29 Monthly Base Service Rate	no increase from 2017
\$3.05 Monthly Debt Service for 2010B Bonds	\$0.01 decrease from 2017
\$2.54 Monthly Debt Service for 2013A Bonds	\$0.02 decrease from 2017
\$3.39 Capital Replacement Program Base Rate	no increase from 2017
\$26.27 Total Base Rate per SFE	\$0.03 decrease from 2017

#### Usage Rates per 1,000 Gallons of Metered Water Use per Single Family Equivalent:

Tier 1	First 10,000 gallons	\$3.62	No increases from 2017
Tier 2	Next 10,000 gallons	\$5.43	
Tier 3	Next 10,000 gallons	\$8.14	
Tier 4	Next 10,000 gallons	\$12.22	
Tier 5	Over 40,000 gallons	\$18.33	

### ERWSD Wastewater Service Rates for 2018

#### Water System Impact Fee: 3% increase from 2017 fees

*Residential Fees are based on square footage (s.f.)*

0 – 2,500 s.f.	\$3.96/s.f.
2,501 – 3,500 s.f.	\$4.87/s.f.
3,501 – 5,000 s.f.	\$5.94/s.f.
5,001 s.f. and over	\$7.62/s.f.

*Commercial fees are based on meter flows and fixture counts.*

## PUBLIC HEARING: 2018 Proposed Rates

Chairman Gregory opened a public hearing at 8:37 a.m. to discuss the 2018 rate sheet, a copy of which is attached hereto as **Exhibit D** and incorporated herein by this reference. A call for public input solicited no response. Chair Gregory confirmed the Authority had posted the required formal notice of the public hearing at which the Board would consider a rate change at least 30 days in advance. A copy of the notice is attached hereto as **Exhibit E** and incorporated herein by this reference. The public hearing was closed at 8:38 a.m. Mr. Wilkins presented a resolution to adopt the 2018 rates, a copy of which is attached hereto as **Exhibit F** and incorporated herein by this reference. Chair Gregory clarified that the rates are per single family equivalent. Upon motion duly made and seconded, it was unanimously

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1                   **RESOLVED** that the resolution to adopt the 2018 rates be and hereby is approved as  
2                   presented.

## 3                   **STRATEGY**

4                   **Board Appointments** – The board discussed former Director Allender's recent resignation,  
5                   which left a vacancy for vice chair. After discussion and upon motion duly made and seconded, it  
6                   was unanimously

7                   **RESOLVED** that Director Hymes serve as vice chair.

8                   This appointment left a vacancy for board secretary. After discussion and upon motion duly made  
9                   and seconded, it was unanimously

10                  **RESOLVED** that Director Williams serve as board secretary.

## 11                  **GENERAL MANAGER REPORT**

12                  Ms. Brooks discussed her report, a copy of which is attached hereto as **Exhibit G** and incorporated  
13                  herein by this reference. Monthly reports were acknowledged, copies of which are attached hereto as  
14                  **Exhibit H** and incorporated herein by this reference.

15                  **Board Member User Account Implementation** – Mr. Sica discussed his memo regarding  
16                  implementation of user accounts and email addresses for board members, a copy of which is  
17                  attached hereto as **Exhibit I** and incorporated herein by this reference. There are many benefits,  
18                  including increased security of communications and access to the video conferencing upgrades  
19                  planned for December. Mr. Sica requested board members bring personal devices to the  
20                  December meeting, at which time IT staff will connect the devices to the District network, offer  
21                  hands-on demonstrations, and answer any questions.

## 22                  **FINANCE REPORT**

23                  Mr. Wilkins presented the monthly finance report, a copy of which is attached hereto as **Exhibit J** and  
24                  incorporated herein by this reference. He noted the summer water sales did not follow any of the five-year  
25                  trends, though the reason is unclear. Water sales are likely to be above projections for the year, likely due  
26                  to some summer stretches of dry weather. Mr. Wilkins also discussed the quarterly financial report, a  
27                  copy of which is attached hereto as **Exhibit K** and incorporated herein by this reference. Year-end  
28                  revenues are expected to be above projections, in addition to below-average expenditures, which are  
29                  partially responsible for not raising 2018 customer rates.

## 30                  **OPERATIONS REPORT**

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

## 33                  **ENGINEERING REPORT**

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1 Ms. Brooks discussed Mr. Cowles' report, a copy of which is attached hereto as **Exhibit M** and  
2 incorporated herein by this reference. She noted Mr. Cowles was onsite at the Traer Creek tank with  
3 geologists who were performing needed site analyses.

### 4 **COMMUNICATION AND PUBLIC AFFAIRS REPORT**

5 Ms. Johnson presented her report, a copy of which is attached hereto as **Exhibit N** and incorporated  
6 herein by this reference.

7 **Presentation at Water Education Colorado Event** – Ms. Johnson discussed her attendance at  
8 a recent event sponsored by Water Education Colorado (formerly Colorado Foundation for Water  
9 Education). She discussed regionalization and the Authority and District's collaborative efforts to  
10 address regional water issues, as the efficiencies of such partnerships are being looked at more  
11 closely on the Front Range. Ms. Johnson also noted Ms. Brooks was discussing regionalization at  
12 a local Vail Symposium event later this evening.

13 **Personnel Changes Statewide** – Ms. Johnson reported on staffing changes at various  
14 organizations of interest to the Authority and District. These include the appointment of  
15 Steamboat-native Dylan Roberts to fill the remainder of Rep. Diane Mitsch Bush's term and Greg  
16 Clifton, the new town of Vail manager. Ms. Johnson is working to schedule a meeting with Ms.  
17 Brooks and Mr. Clifton to discuss the many interactions and collaborations between District and  
18 town staff.

19 **Colorado Springs' Stormwater Fee** – Ms. Johnson discussed Colorado Springs' recent  
20 successful ballot issue that will establish a dedicated monthly stormwater fee, which will finally  
21 begin to fund 100s of millions of dollars of needed stormwater infrastructure in Colorado Springs  
22 as the lack of it has negatively affected downstream communities.

### 23 **GENERAL COUNSEL REPORT**

24 Mr. Collins referred to his written report and said he had nothing further in open session.

### 25 **WATER COUNSEL REPORT**

26 **Diligence Application for Cordillera Reservoirs** – Mr. Porzak presented the diligence  
27 application for the Cordillera reservoirs, a copy of which is attached hereto as **Exhibit O** and  
28 incorporated herein by this reference. He reminded directors that the Squaw Creek diversion  
29 point was the subject of the Authority's successful Supreme Court appeal regarding the senior's  
30 first issue.

31 Ms. Hoffman, Mr. Mantua, and Ms. Schweig left the meeting at 9:13 a.m.

### 32 **EXECUTIVE SESSION**

33 Mr. Collins requested the Board enter Executive Session to receive legal advice regarding Traer  
34 Creek tank, pursuant to §24-6-402(4)(b) and (e) C.R.S. He asked that no electronic record be

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1 made, as the discussion would be entirely privileged attorney-client communications. Upon  
2 motion duly made and seconded, it was unanimously

3 **RESOLVED** to enter Executive Session at 9:14 a.m. to discuss attorney-client privileged  
4 issues concerning the Traer Creek tank, pursuant to §24-6-402(4)(b) and (e) C.R.S. with no  
5 electronic record created as Mr. Collins opined the contents of the discussion would contain  
6 privileged attorney-client communications.\*

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

11 **RESOLVED** to continue Executive Session at 9:30 a.m. to discuss attorney-client privileged  
12 issues concerning Eagle Park Reservoir and Bolts Lake, and CRCA matters, pursuant to  
13 §24-6-402(4)(b) and (e) C.R.S. with no electronic record created as Mr. Porzak opined the  
14 contents of the discussion would contain privileged attorney-client communications.\*

15 The regular meeting resumed at 10:10 a.m.  
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17

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1 **ADJOURNMENT**

2 There being no further business to come before the Board, the meeting adjourned at 10:11 a.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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13 **Arrowhead Metropolitan District**

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17 **Town of Avon**

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21 **Beaver Creek Metropolitan District**

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25 **Berry Creek Metropolitan District**

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29 **EagleVail Metropolitan District**

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33 **Edwards Metropolitan District**

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

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

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44 \_\_\_\_\_  
**Glenn Porzak, Water Counsel**