

Upper Eagle Regional Water Authority

Board of Directors Meeting

May 24, 2018

MINUTES

1 A regular meeting of the Board of Directors of the Upper Eagle Regional Water Authority (Authority) was
2 held May 24, 2018, 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 George Gregory, Berry Creek Metropolitan District
8 Sarah Smith Hymes, town of Avon
9 Kim Bell Williams, EagleVail Metropolitan District
10 Mick Woodworth, Edwards Metropolitan District

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

12 Pam Elsner, Beaver Creek Metropolitan District

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

14 Bill Simmons, Beaver Creek Metropolitan District

15 **Also in attendance were:**

16 <u>District Staff</u>	25	Brian Tracy
17 Linn Brooks	26	James Wilkins
18 Jason Cowles	27	<u>Consultants</u>
19 Carol Dickman	28	Ashley Hernandez-Schlagel, Nathan Dumm & Mayer PC,
20 Catherine Hayes	29	<i>via phone</i>
21 Diane Johnson	30	Glenn Porzak, Porzak Browning & Bushong LLP
22 John McCaulley	31	Kathryn Winn, Collins Cockrel & Cole
23 Jeff Schneider		
24 Dan Siebert		

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 **INTRODUCTIONS**

45 Ms. Brooks noted the District recently received the Vail Valley Partnership's Actively Green Business of
46 the Year Award. She highlighted efforts of the District's Sustainability Committee in recent years that led
47 to this award and introduced members of the committee in attendance, including Messrs. Siebert and
48 Tracy and Ms. Hayes. Ms. Brooks also complimented Maureen Mulcahy, Amy Schweig, and Ms.
49 Johnson, who have received excellent feedback as they present the draft Water Efficiency Plan to local
50 entities. At 8:40 a.m., Mr. Siebert left the meeting.

51 **ACTION ITEMS**

52 **Consideration of Minutes** – The minutes of the regular meeting of April 26, were considered. Upon
53 motion duly made and seconded, it was unanimously

Upper Eagle Regional Water Authority

1 **RESOLVED** that the minutes of the April 26, 2018, regular meeting be accepted and hereby are
2 approved as amended. Vice Chair Hymes abstained.

3 **Dry-Year Management Policies** – Ms. Brooks discussed her memo regarding management and
4 operations during dry years, a copy of which is attached hereto as **Exhibit A** and incorporated herein by
5 this reference. The proposed policies were based on the lessons learned in 2012 and the Drought
6 Management Plan drafted following that drought. Ms. Brooks and Ms. Johnson discussed the summer
7 weather and precipitation outlook, current streamflow conditions (including that local flows peaked on May
8 17), and staff planning efforts for this dry year. The Board discussed the dry-year management policies to
9 direct staff in managing fire risk and water supply in 2018, including activating the incident command
10 system. After discussion and upon motion duly made and seconded, it was unanimously

11 **RESOLVED** that the dry-year management policies be and hereby are approved as presented.

12 **2017 Budget Amendment** – Mr. Wilkins discussed his request and supporting documentation regarding
13 an amendment to the Authority's 2017 budget, copies of which are attached hereto as **Exhibit B** and
14 incorporated herein by this reference. The Board opened a public hearing for this purpose at 8:45 a.m.
15 Mr. Wilkins explained the need for the amendment, as the amount of District staff time and expenditures
16 for Authority-related items exceeded budgeted amounts. Authority spending on other items was largely
17 under budget, so the overall discrepancy is around \$65,000. Mr. Wilkins said the annual contracted
18 amount the Authority pays to the District has not been updated since 2014; staff will take a closer look at
19 this as the 2019 budgets are prepared. Public comment was requested and there was none. The public
20 hearing was closed at 8:53 a.m. After discussion and upon motion duly made and seconded, it was
21 unanimously

22 **RESOLVED** that the 2017 Authority budget be and hereby is approved as amended.

23 A copy of the resolution is attached hereto as **Exhibit C** and incorporated herein by this reference.

24 **STRATEGY**

25 **Board Member Input** – Chair Gregory called for board member input and there was none.

26 **GENERAL MANAGER REPORT**

27 Ms. Brooks presented the General Manager report, a copy of which is attached hereto as **Exhibit D** and
28 incorporated herein by this reference. Monthly reports were acknowledged, copies of which are attached
29 hereto as **Exhibit E** and incorporated herein by this reference.

30 **July Joint Meeting** – The board agreed to hold a joint meeting with the District board on July 26
31 to discuss the Eagle River MOU and proposed Eagle Park Reservoir enlargement project.

32 **Water Releases for GoPro Games** – Ms. Brooks gave background on a request for a water
33 release for the GoPro Games in Vail from the Vail Valley Foundation. Though the Authority and
34 District have not released their water to prop up streamflows for this event, they have helped Vail
35 Resorts to release its Homestake water in the past. Staff can again assist with this if needed, and

Upper Eagle Regional Water Authority

1 the board reaffirmed its position that none of its Black Lakes or Homestake water will be released
2 for this purpose.

3 **Vail Recreation District (VRD) Raw Water System** – In response to a question, Ms. Brooks
4 gave background on the raw water system in Vail used by the Vail Golf Course, Vail Recreation
5 District, and Ford Park. The VRD system has never worked well, and was not used at all last year
6 due to operational inefficiencies. The District is working with VRD to upgrade the system and in
7 the meantime, offered a Tier 1 irrigation rate to VRD. Once the system is improved, the use of
8 raw water for outdoor irrigation will take pressure off the District's infrastructure and water delivery
9 system. Additionally, staff and consultants want to ensure the use of the raw water system is
10 aligned with the original intent of the water use decree.

11 **Stillwater Groundbreaking** – Ms. Johnson said the Stillwater Groundbreaking was planned for
12 Friday, June 1 at the construction site in West Edwards. Invitations for this District employee
13 housing development will be sent out later in the day. In response to a question about project
14 permitting with Eagle County, Mr. Cowles noted he is assisting the county with a complete rewrite
15 of its land use code.

16 **FINANCE REPORT**

17 **Quarterly Financial Report** – Mr. Wilkins presented the quarterly financial report, a copy of
18 which is attached hereto as **Exhibit F** and incorporated herein by this reference. He noted
19 Authority water sales were slightly lower than projected, in line with cold, wet spring weather that
20 the Authority experienced. The revenue and expense trends indicate a projected surplus in 2018.
21 Mr. Wilkins also pointed out improved budgeting and spending projections by the CIP
22 department, which is helpful for efficient financial planning.

23 **OPERATIONS REPORT**

24 The operations report was presented, a copy of which is attached hereto as **Exhibit G** and incorporated
25 herein by this reference. There were no questions on the report.

26 **ENGINEERING REPORT**

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

28 **Eagle River Valley (ERV) Mobile Home Park** – Mr. Cowles briefly updated on the ongoing water
29 service evaluation for the ERV mobile home park's private water system. He discussed recent
30 meetings with Our Community Foundation representative Dan Godec about the possibility of
31 connecting the ERV's private water system to the Authority's. Though the ERV water meets
32 Colorado Department of Public Health and Environment (CDPHE) requirements, its taste is off-
33 putting and the majority of ERV residents purchase bottled water rather than use the ERV's
34 private water system. Mr. Cowles discussed cost estimates for connecting the ERV system to the
35 Authority's at the Sifers BPS and utilizing the ERV's concrete storage tank. Other considerations
36 were also discussed, including the ERV's 1975 well water right, the need for augmentation water

Upper Eagle Regional Water Authority

1 during instream flow calls, water system impact fees, and options for financing all of these items.
2 The board directed staff to gauge interest of the owner in connecting to the Authority's system
3 prior to expending more time and effort planning.

4 **COMMUNICATION AND PUBLIC AFFAIRS REPORT**

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

7 **GENERAL COUNSEL REPORT**

8 **Traer Creek Update** – Ms. Winn, attending in place of general counsel Jim Collins, said Traer
9 Creek had complied with additional revisions requested by the Authority for easements.

10 **WATER COUNSEL REPORT**

11 **Water Rights Appraisal** – Mr. Porzak discussed the most recent Authority water rights appraisal,
12 a copy of which is attached hereto as **Exhibit I** and incorporated herein by this reference. The
13 appraisal is included annually as an exhibit to the audit. The Authority's water rights portfolio is
14 worth an estimated \$54 million. Combined with the District, the two entities have over \$100 million
15 in water rights.

16 Mr. Schneider left the meeting at 9:29 a.m.

17 **EXECUTIVE SESSION**

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

22 **RESOLVED** to enter Executive Session at 9:30 a.m. to discuss attorney-client privileged
23 issues concerning the Traer Creek tank, pursuant to §24-6-402(4)(b) and (e) C.R.S. with no
24 electronic record created as Ms. Winn opined the contents of the discussion would contain
25 privileged attorney-client communications.*

26 Ms. Hernandez-Schlagel joined the call at 9:50 a.m. She left the call at 10:07 a.m.

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

32 **RESOLVED** to continue Executive Session at 10:08 a.m. to discuss attorney-client privileged
33 issues concerning Eagle River MOU, Bolts Lake and CRCA matters, pursuant to §24-6-
34 402(4)(b) and (e) C.R.S. with no electronic record created as Mr. Porzak opined the contents
35 of the discussion would contain privileged attorney-client communications.*

Upper Eagle Regional Water Authority

1 The regular meeting resumed at 10:49 a.m.

2 **ADJOURNMENT**

3 There being no further business to come before the Board, the meeting adjourned at 10:50 a.m.

4 Respectfully submitted,

5
6 _____
7 Secretary to the Meeting

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

11
12
13 _____
14 **Arrowhead Metropolitan District**

15
16
17 _____
18 **Town of Avon**

19
20
21 _____
22 **Beaver Creek Metropolitan District**

23
24
25 _____
26 **Berry Creek Metropolitan District**

27
28
29 _____
30 **EagleVail Metropolitan District**

31
32
33 _____
34 **Edwards Metropolitan District**

35
36
37 *The undersigned attorney for the applicable Executive Session affirms that the portion of the discussion
38 in Executive Session not recorded constituted privileged attorney-client communications.

39
40
41
42 _____

43 **Kathryn Winn, General Counsel**

44 **Glenn Porzak, Water Counsel**

45