A Special Meeting of the Boards of Directors of the Eagle River Water & Sanitation District (District) and Upper Eagle Regional Water Authority (Authority) was held October 25, 2018, at 11:00 a.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 District Directors were present, thereby constituting a quorum:
   - Dick Cleveland
   - Steve Coyer, via phone
   - Steve Friedman
   - George Gregory
   - Timm Paxson
   - Bill Simmons
   - Brian Sipes

2. The following Authority Directors were present, thereby constituting a quorum:
   - Geoff Dreyer, Arrowhead Metropolitan District
   - George Gregory, Berry Creek Metropolitan District
   - Sarah Smith Hymes, Town of Avon, via phone
   - Mick Woodworth, Edwards Metropolitan District

3. The following Directors were absent and excused:
   - Kim Bell Williams, EagleVail Metropolitan District
   - Pam Elsner, Beaver Creek Metropolitan District

4. Also in attendance were:
   - District Staff
   - Linn Brooks
   - Shane Cerny
   - Kyle Collins
   - Jason Cowles
   - Carol Dickman
   - Courtney Finch
   - Catherine Hayes
   - Diane Johnson
   - Siri Roman
   - Amy Vogt
   - James Wilkins
   - Len Wright
   - Melissa Nelson, Berry Creek Metropolitan District
   - Gary Shimanowitz, Eagle Park Reservoir Company
   - Holly Strablizky, Eagle County
   - Cliff Thompson, IKS Consulting
   - Chris Treese, Colorado River Water Conservation District

**DISCLOSURES OF POTENTIAL CONFLICTS OF INTEREST**

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

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

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

   - Director Cleveland disclosed that he serves on the board of Vail Health. Director Friedman serves on the Boards of the Beaver Creek Metropolitan District and the Vail Valley Foundation. Director Gregory disclosed that he serves on the Boards of the Upper Eagle Regional Water Authority (Authority) and the Berry Creek Metropolitan District and occasionally undertakes development and construction activities within the District and Authority service areas. Director Simmons disclosed that he is the General Manager of the Beaver Creek Metropolitan District, an alternate Authority Director, and serves on the board of the Edwards Metropolitan District.
CALL TO ORDER
District Chair Friedman called the meeting to order at 11:02 a.m., and Authority Chair Gregory concurred.

INTRODUCTIONS
Staff, consultants, and guests were introduced.

PUBLIC COMMENT
Public comment was called for and there was none.

COLORADO RIVER UPDATE
Ms. Johnson welcomed Messrs. Kuhn and Treese and briefly discussed her memo regarding the meeting topics, a copy of which is attached hereto as Exhibit A and incorporated herein by this effort. Mr. Kuhn greeted the boards and noted he was the former General Manager of the River District but continued to work with the River District on key projects, including the Colorado River Risk study. A copy of his presentation is attached hereto as Exhibit B and incorporated herein by this reference.

**Colorado River Operations and Management** – Mr. Kuhn gave an overview of the key issues on the Colorado River, beginning with river operations and management, including the various compacts that govern operations. A risk study was conducted because as usage of the water in the Colorado River basin increased, hydrology became drier, underscoring the need to plan for a drier “normal” in the future. The Upper Basin States (Colorado, Utah, Wyoming, and New Mexico) undertook a contingency planning effort to this end, finding ways to use less water in the Upper Basin States; any water savings could physically be held in Lake Powell, and saved for future dry years.

Mr. Kuhn also discussed a West Slope Roundtable study to anticipate future Lake Powell shortages, how such shortages can be partially met through the operation of Colorado River Storage Project (CRSP) reservoirs, and what additional water use savings must be achieved to maintain enough water in Lake Powell to continue power production. Water storage in reservoirs is critical to this effort.

Mr. Kuhn highlighted key takeaways from the risk study and his presentation, including that a proactive demand management program is necessary to reduce risk of Lake Powell levels becoming so low that power cannot be produced and to ensure a supply of saved water in the event that current dry periods continue into the future; and modeling tools are available to simulate complex water scenarios and answer questions. Both the upper and lower basins must successfully implement drought contingency plans to avoid potential compact curtailment.

**Drought Contingency Planning and Demand Management** – Mr. Treese also presented to the boards, highlighting some of the topics Mr. Kuhn discussed. He noted the difficulty in compact administration in Colorado since water leaves the state in a variety of places.

Mr. Treese discussed a draft resolution that the River District presented to the Colorado Water Conservation Board (CWCB) meeting in September, a copy of which is attached hereto as
Exhibit B and incorporated herein by this reference. The CWCB did not pass the resolution, but it generated much discussion at the meeting. Mr. Treese said there were main tenets that the River District believes are non-negotiable, including that the upper basin states need a storage account in Lake Powell; Colorado contributions for filling this account are voluntary, temporary, and compensated; any program must include water that geographically comes from around the state; and any solution cannot injure other water rights.

Board discussion ensued regarding how to know if Authority and District demand management efforts are truly making a difference, though the directors agreed that action is warranted and necessary. Mr. Treese noted the contingency planning efforts would put in place a mechanism that allows avoidance of a worst case scenario. Proactive efforts are most desirable, as there is concern that the state engineer may call for mandatory curtailments if voluntary efforts are unsuccessful. Discussion ensued regarding the long history of involvement by the Authority, District, and Eagle Park Reservoir Company boards, looking not only at local and regional issues, but the larger picture as well.

In response to a question, Mr. Treese noted there is consideration of state-based legislation to shepherd water, though nothing has been officially drafted and all involved states would have to agree on the language. Messrs. Treese and Kuhn said the next meeting of the CWCB is in November, at which time further discussion of a drought contingency planning resolution could be again considered.

The Boards thanked Mr. Kuhn and Mr. Treese for their informative presentation.
Eagle River Water & Sanitation District
Upper Eagle Regional Water Authority

ADJOURNMENT
There being no further business to come before the Board, the meeting adjourned at 12:34 p.m.

Respectfully submitted,

__________________________________________
Secretary to the Meeting

MINUTES APPROVED, FORMAL CALL, AND
NOTICE OF MEETING WAIVED

__________________________________________
Dick Cleveland, Director

__________________________________________
Steve Coyer, Treasurer

__________________________________________
Stephen Friedman, Chair

__________________________________________
George Gregory, Secretary

__________________________________________
Timm Paxson, Director

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Bill Simmons, Director

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Brian Sipes, Director

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

______________________________
Glenn Porzak, Water Counsel

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Jim Collins, General Counsel
UPPER EAGLE REGIONAL WATER AUTHORITY

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Arrowhead Metropolitan District

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Town of Avon

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Beaver Creek Metropolitan District

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Berry Creek Metropolitan District

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EagleVail Metropolitan District

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Edwards Metropolitan District