

**Eagle River Water and Sanitation District
Upper Eagle Regional Water Authority
Joint Special Meeting
October 25, 2018
MINUTES**

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

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

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

The following Directors were absent and excused:

Kim Bell Williams, EagleVail Metropolitan District
Pam Elsner, Beaver Creek Metropolitan District

Also in attendance were:

District Staff	33	Consultants
Linn Brooks	34	Kristin Moseley, Porzak Browning & Bushong LLP, <i>via phone</i>
Shane Cerny	35	Glenn Porzak, Porzak Browning & Bushong LLP
Kyle Collins	36	Gunnar Paulsen, Porzak Browning & Bushong LLP, <i>via phone</i>
Jason Cowles	37	Kathryn Winn, Collins Cockrel & Cole
Carol Dickman	38	Public
Courtney Finch	39	Kathy Chandler-Henry, Eagle Board of County Commissioners
Catherine Hayes	40	Mike Jackson, Eagle Park Reservoir Company
Diane Johnson	41	Greg Johnson, Eagle Park Reservoir Company
Siri Roman	42	Eric Kuhn, Colorado River Water Conservation District
Amy Vogt	43	Melissa Nelson, Berry Creek Metropolitan District
James Wilkins	44	Gary Shimanowitz, Eagle Park Reservoir Company
Len Wright	45	Holly Strablizky, Eagle County, <i>via phone</i>
	46	Cliff Thompson, IKS Consulting
	47	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:

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.

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.

Eagle River Water & Sanitation District Upper Eagle Regional Water Authority

1 **CALL TO ORDER**

2 District Chair Friedman called the meeting to order at 11:02 a.m., and Authority Chair Gregory concurred.

3 **INTRODUCTIONS**

4 Staff, consultants, and guests were introduced.

5 **PUBLIC COMMENT**

6 Public comment was called for and there was none.

7 **COLORADO RIVER UPDATE**

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

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

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

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

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

35 Mr. Treese discussed a draft resolution that the River District presented to the Colorado
36 Water Conservation Board (CWCB) meeting in September, a copy of which is attached hereto as

**Eagle River Water & Sanitation District
Upper Eagle Regional Water Authority**

1 **Exhibit B** and incorporated herein by this reference. The CWCB did not pass the resolution, but it
2 generated much discussion at the meeting. Mr. Treese said there were main tenets that the River
3 District believes are non-negotiable, including that the upper basin states need a storage account
4 in Lake Powell; Colorado contributions for filling this account are voluntary, temporary, and
5 compensated; any program must include water that geographically comes from around the state;
6 and any solution cannot injure other water rights.

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

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

20
21 The Boards thanked Mr. Kuhn and Mr. Treese for their informative presentation.
22

**Eagle River Water & Sanitation District
Upper Eagle Regional Water Authority**

1 **ADJOURNMENT**

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

3 Respectfully submitted,

4
5
6
7 _____
8 Secretary to the Meeting

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

11
12
13
14 _____
15 **Dick Cleveland, Director**

16
17
18 _____
19 **Steve Coyer, Treasurer**

20
21
22 _____
23 **Stephen Friedman, Chair**

24
25
26 _____
27 **George Gregory, Secretary**

28
29
30 _____
31 **Timm Paxson, Director**

32
33
34 _____
35 **Bill Simmons, Director**

36
37
38 _____
39 **Brian Sipes, Director**

40
41
42 *The undersigned attorney for the applicable Executive Session affirms that the portion of the discussion
43 in Executive Session not recorded constituted privileged attorney-client communications.

44
45
46 _____
47 **Glenn Porzak, Water Counsel**

48
49 _____
Jim Collins, General Counsel

**Eagle River Water & Sanitation District
Upper Eagle Regional Water Authority**

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

UPPER EAGLE REGIONAL WATER AUTHORITY

Arrowhead Metropolitan District

Town of Avon

Beaver Creek Metropolitan District

Berry Creek Metropolitan District

EagleVail Metropolitan District

Edwards Metropolitan District