A regular meeting of the Board of Directors of the Upper Eagle Regional Water Authority (Authority) was held December 13, 2018, at 8:30 a.m., in the Walter Kirch Room of the Eagle River Water & Sanitation District (District), 846 Forest Road, Vail, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

The following Directors and alternate were present, thereby constituting a quorum:
- Geoff Dreyer, Arrowhead Metropolitan District
- George Gregory, Berry Creek Metropolitan District
- Sarah Smith Hymes, town of Avon
- Bill Simmons, Beaver Creek Metropolitan District, alternate
- Kim Bell Williams, EagleVail Metropolitan District
- Mick Woodworth, Edwards Metropolitan District

The following Director was absent and excused:
- Pam Elsner, Beaver Creek Metropolitan District

Also in attendance were:
- District Staff
- Tug Birk
- Carol Dickman
- Catherine Hayes
- Diane Johnson
- John McCaulley
- Maureen Mulcahy
- Siri Roman
- Jeff Schneider
- Brian Tracy
- James Wilkins
- Len Wright
- Consultants
- Jim Collins, Collins Cockrel & Cole
- Ashley Hernandez-Schlagel, Nathan Dumm & Mayer PC, via phone
- Glenn Porzak, Porzak Browning & Bushong LLP

DISCLOSURES OF POTENTIAL CONFLICTS OF INTEREST
The 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.

CALL TO ORDER
Chair Gregory called the meeting to order at 8:30 a.m. He noted Ms. Roman was attending the meeting in place of General Manager Linn Brooks.

INTRODUCTIONS
Chair Gregory noted that Vice Chair Hymes was now also the town of Avon Mayor. The board congratulated her.

PUBLIC COMMENT
Public Comment was called for, and there was none.

ACTION ITEMS
Consideration of Minutes – The minutes of the regular meeting of November 15, 2018, were considered. Upon motion duly made and seconded, it was unanimously RESOLVED that the minutes of the November 25, 2018, regular meeting be accepted and hereby are approved as presented.
Upper Eagle Regional Water Authority

Vacation of Easement: Edwards Medical Center – Mr. Birk discussed his board action request and related documents, copies of which are attached hereto as Exhibit A and incorporated herein by this reference. Discussion ensued, and Mr. Birk noted the easement was no longer needed because the water mains were relocated and no longer in the original easement area. After discussion and upon motion duly made and seconded, it was unanimously

RESOLVED that the vacation of easement be and hereby is approved as presented.

A copy of the resolution for vacation of easement is attached hereto as Exhibit B and incorporated herein by this reference.

Proposed 2019 Meeting Schedule and Posting Location – The board considered a board action request and resolution designating the meeting place and posting location for 2019 board meetings, copies of which are attached hereto as Exhibits C and D, respectively, and incorporated herein by this reference. Discussion ensued, and upon motion duly made and seconded, it was unanimously

RESOLVED that the resolution designating the meeting place and posting location be and hereby is approved as presented.

The meeting place and posting location were set for 846 Forest Road in Vail, and a regular meeting schedule was also approved.

2019 Operations Agreement with Eagle River Water & Sanitation District – The board considered a board action request regarding the 2019 Operations Agreement with ERWSD, a copy of which is attached hereto as Exhibit E and incorporated herein by this reference. The agreement automatically renews each year on Jan. 1; however, it is a best practice for the board to formally adopt the agreement each year. Exhibits to the agreement are updated annually to reflect current costs for that year. After discussion and upon motion duly made and seconded, it was unanimously

RESOLVED that the 2019 Operations Agreement between the Authority and District be and hereby is approved as presented.

A copy of the agreement is attached hereto as Exhibit F and incorporated herein by this reference.

STRATEGY ITEMS

Consolidation Options – Chair Gregory discussed a work session of the Eagle River Water & Sanitation District during which the board considered the possibility of consolidation with the Authority. Discussion ensued regarding possible methods of consolidation, including the expansion of the Water Authority, general actions needed for any consolidation, and the need for a subcommittee of both boards to explore potential issues. Mr. Collins noted the various approvals and requirements for such a consolidation, which would vary depending upon the method used. A joint subcommittee of both boards will be formed to further discuss this and determine potential issues.
GENERAL MANAGER REPORT

The General Manager’s report was presented, a copy of which is attached hereto as Exhibit G and incorporated herein by this reference. Monthly reports were acknowledged, copies of which are attached hereto as Exhibit H and incorporated herein by this reference.

OPERATIONS REPORT

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

Eagle Park Reservoir Company Update – Mr. Tracy noted that Pete Miller, the District’s raw water operator, recently retired after almost 20 years of service. Pete will be missed, and current employee Travis Young will fill many of the roles Pete served, ensuring a smooth transition, especially for Eagle Park Reservoir matters. The Board asked Mr. Tracy to pass along its thanks and congratulations to Pete. Mr. Schneider discussed recent improvements at the East Fork Pump Station, which is used to pump spring runoff into Eagle Park Reservoir. An arc flash at the facility earlier in the year highlighted the need for safety and redundancy improvements, which were recently completed by staff and consultants. The Board thanked Mr. Schneider for the update.

ENGINEERING REPORT

There was no engineering report in Mr. Cowles’ absence.

COMMUNICATION AND PUBLIC AFFAIRS REPORT

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

Eagle River Community Water Plan – Ms. Johnson noted upcoming open houses scheduled for public outreach on the plan; these are tentatively scheduled for Jan. 16 and 17. District staff continues to assist with relevant portions of the plan, including community engagement and technical matters.

Colorado River Drought Contingency Planning – Ms. Johnson reported that the Upper Colorado River Commission voted to accept the proposed drought contingency planning documents, to which the upper basin states agreed. Discussion ensued, with staff, board, and consultants agreeing that DCP will not solve long term Colorado River supply issues, but is an intermediary step until the upcoming renegotiation of the 2007 interim guidelines for lower basin shortages and coordinated operations for Lake Powell and Lake Mead.

Waters of the United States (WOTUS) Rule – Ms. Johnson said the Trump administration proposed a new definition of WOTUS that would rescind the Obama administration’s 2015 definition. Whereas the 2015 rule was viewed as an overreach by some, the current proposal is viewed as rolling back many protections covered by the Clean Water Act.
Legislative Meeting – Ms. Johnson is coordinating a Dec. 21 briefing for state House Representative Dylan Roberts, who was elected in November after being appointed to the position in Nov. 2017 to fill the vacancy left by Diane Mitsch-Bush. Roberts represents Eagle and Routt counties and was recently appointed chair of the Rural Affairs Committee, which handles most water-related legislation in the state house.

Colorado Department of Transportation I-70 West Vail Pass Auxiliary Lane Project – Ms. Roman and Ms. Johnson reminded directors of the open house that evening at Donovan Pavilion at 4:30 p.m. to gather community input on the proposed project. The project would add auxiliary lanes west of Vail Pass summit in both the east and westbound directions. There are water quality and environmental concerns with the project, and community input is important to ensure protection of the water in Black Gore and Gore creeks and downstream. Ms. Roman explained how public comments are categorized and addressed and encouraged board members and staff to participate in the public process.

GENERAL COUNSEL REPORT

Mr. Collins referred to his confidential legal report included in the confidential packet.

Traer Creek Easements – Mr. Collins noted after many years of work, needed easements were finally executed with Traer Creek representatives.

WATER COUNSEL REPORT

Mr. Porzak referred to his confidential legal reports in the confidential packet.

Homestake Reservoir Exchange Absolute/Diligence Application – Mr. Porzak discussed the Homestake Exchange, which is how the Authority and District repay Colorado Springs and Aurora for Homestake water. When conditions permit, water from Green Mountain or Wolford Mountain Reservoirs is released to satisfy the downstream Shoshone call, allowing Homestake Reservoir to fill beyond its normal fill period. A copy is attached hereto as Exhibit K and incorporated herein by this reference. After discussion and upon motion duly made and seconded, it was unanimously RESOLVED that Mr. Porzak be and hereby is authorized to file the absolute/diligence application on behalf of the Authority.

Pando Feeder Canal Absolute/Diligence Application – Mr. Porzak discussed this water right, which was donated by the Colorado River District in connection with the acquisition of Eagle Park Reservoir. This water right allows direct storage in Eagle Park Reservoir and it is senior to the instream flow. Mr. Porzak noted the diligence application for this water right was filed on the Authority’s behalf. The opposition period for this filing ends at the end of the month.

Wolford Mountain Exchange Absolute/Diligence Application – Mr. Porzak discussed an absolute/diligence application for this water right. A copy is attached hereto as Exhibit L and
incorporated herein by this reference. After discussion and upon motion duly made and seconded, it was unanimously

**RESOLVED** that Mr. Porzak be and hereby is authorized to file the absolute/diligence application on behalf of the Authority.

**EXECUTIVE SESSION**

Mr. Porzak requested the Board enter Executive Session to receive legal advice regarding Colorado River Compact Issues, the Bolts Lake/Minturn water service agreement, and CRCA matters, pursuant to §24-6-402(4)(b) and (e) C.R.S. He asked that no electronic record be made, as the discussion would be entirely privileged attorney-client communications. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to enter Executive Session at 9:24 a.m. to discuss attorney-client privileged issues concerning Colorado River Compact issues, the Bolts Lake/Minturn water service agreement, and CRCA matters, pursuant to §24-6-402(4)(b) and (e) C.R.S. with no electronic record created as Mr. Porzak opined the contents of the discussion would contain privileged attorney-client communications.*

Mr. Collins requested the Board continue Executive Session to receive legal advice regarding the Traer Creek tank and corrective actions to matters of potential liability, pursuant to §24-6-402(4)(b) and (e) C.R.S. He asked that no electronic record be made, as the discussion would be entirely privileged attorney-client communications. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to continue Executive Session at 9:59 a.m. to discuss attorney-client privileged issues concerning the Traer Creek tank, pursuant to §24-6-402(4)(b) and (e) C.R.S. with no electronic record created as Mr. Collins opined the contents of the discussion would contain privileged attorney-client communications.*

Ms. Hernandez-Schlagel joined the meeting via phone at 10:05 a.m. and left the meeting at 10:15 a.m. At 10:34 a.m., all staff left the meeting. The Authority board invited the District board to join its Executive Session at 11:25 a.m., along with Ms. Roman, and Messrs. Collins and Porzak.

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

**RESOLVED** to continue Executive Session at 11:30 a.m. to discuss attorney-client privileged issues concerning the Minturn/Bolts Lake Water Service Agreement, pursuant to §24-6-402(4)(b) and (e) C.R.S. with no electronic record created as Mr. Porzak opined the contents of the discussion would contain privileged attorney-client communications.*

The regular meeting resumed at 12:29 p.m.
ADJOURNMENT
There being no further business to come before the Board, the meeting adjourned at 12:30 p.m.

Respectfully submitted,

___________________________________
Secretary to the Meeting

MINUTES APPROVED, FORMAL CALL, AND
NOTICE OF MEETING WAIVED

___________________________________
Arrowhead Metropolitan District

___________________________________
Town of Avon

___________________________________
Beaver Creek Metropolitan District

___________________________________
Berry Creek Metropolitan District

___________________________________
EagleVail Metropolitan District

___________________________________
Edwards Metropolitan District

*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.

James P. Collins, General Counsel

Glenn Porzak, Water Counsel