A regular meeting of the Board of Directors of the Upper Eagle Regional Water Authority (Authority) was held May 23, 2019, 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
- Pam Elsner, Beaver Creek Metropolitan District
- Melissa Nelson, Berry Creek Metropolitan District alternate
- Sarah Smith Hymes, Town of Avon
- Kim Bell Williams, EagleVail Metropolitan District
- Mick Woodworth, Edwards Metropolitan District

The following Director was absent and excused:
- George Gregory, Berry Creek Metropolitan District

Also in attendance were:
- District Staff
- Linn Brooks
- Kyle Collins
- Jason Cowles
- Catherine Hayes
- Diane Johnson
- Kira Koppel
- Maureen Mulcahy
- Jeff Schneider
- Micah Schuette
- Jason Sica
- Amy Vogt
- James Wilkins
- Chris Wolff
- Len Wright
- Courtney Zippel
- Consultants
- Jim Collins, Collins Cockrel & Cole
- Glenn Porzak, Porzak Browning & Bushong LLP
- Public
- Dan Godec, Berry Creek Metropolitan District
- Len Wright
- Courtney Zippel
- Nancy Schlicht
- Tom Ciszek
- Camille Godec
- Anne Jelen
- Chris Forrest

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
Acting Chair Smith Hymes called the meeting to order at 8:30 a.m. She noted Ms. Nelson was attending on behalf of Berry Creek Metropolitan District in Chair Gregory’s absence. A copy of Ms. Nelson’s oath of office was entered into the record and is attached hereto as Exhibit A and incorporated herein by this reference.

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

INTRODUCTIONS
Ms. Hayes introduced Ms. Koppel, the District’s new Sustainability Coordinator.

ACTION ITEMS
- Consideration of Minutes – The minutes of the regular meeting of April 25, 2019, were considered.
  Upon motion duly made and seconded, it was unanimously
RESOLVED that the minutes of the April 25, 2019, regular meeting be accepted and hereby are approved as presented.

STRATEGY ITEMS

WaterSmart Presentation – Mr. Wolff discussed his memo regarding WaterSmart, the new customer service water efficiency portal. A copy of the memo is attached hereto as Exhibit B and incorporated herein by this reference. Mr. Wolff demonstrated the various features of the WaterSmart software, noting the opportunities for customer comparison to similar homes in their neighborhood, customer scores for water use efficiency, and suspected leak notification, among other available options. He said all customers will be notified of the new software and invited to enroll, via letter or email, depending on the available contact information for each customer. Mr. Wolff noted he was presenting a more in-depth look at the WaterSmart software at the May 29 Lunch with the Locals in the Grandview Room in Vail. The Board thanked him for his presentation.

Board Member Input – Board input was requested and there was none.

GENERAL MANAGER REPORT

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

FINANCE REPORT

Quarterly Financial Report – Mr. Wilkins presented the Q1 financials, a copy of which is attached hereto as Exhibit E and incorporated herein by this reference. He noted revenues were tracking closely to the budgeted amount for the first quarter. The continued cold, snowy weather has precluded the need for early outdoor irrigation water use, so May water sales are lower than normal. Few tap fees were collected in the first quarter, which is expected based on previous years and a slow start to construction season during the winter. In response to a question, Mr. Wilkins said the 6 West development paid a portion of its tap fees in 2018 and the remainder in 2019. Discussion ensued regarding staff efforts to update the Authority’s water system impact fees due as projects are added to the capital investment plan. To that end, the board directed Ms. Hayes to provide a 30-day notice for the June 27 board meeting, at which the water system impact fee increase would be considered.

OPERATIONS REPORT

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

Lake Powell Elevation – The board discussed the current water year, which saw a high precipitation volume. This will increase the level of Lake Powell, but because of the “new normal” of a warming climate, it’s unclear how this will contribute to a total percentage of increase.
ENGINEERING REPORT

Mr. Cowles noted he did not include a written report this month.

6 West Update – Mr. Cowles and Mr. Collins updated on the 6 West development and its various issues, including the poorly installed water and sewer infrastructure. The Authority and District have agreed to accept the infrastructure on the condition that 6 West Apartments, LLC provides a three-year warranty backed by security. The Developer will provide approximately $340,000 in cash as security, which be held in escrow during the three-year warranty period. The warranty may be extended if any repairs are required during the warranty period.

COMMUNICATION AND PUBLIC AFFAIRS REPORT

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

Water Use Regulations – Ms. Johnson said an informational pamphlet was distributed with the May billing statements to remind customers of the water use regulations, via mail or email. A copy of the pamphlets is attached hereto as Exhibit H and incorporated herein by this reference.

Colorado River Drought Contingency Planning – Ms. Johnson discussed the Colorado River Drought Contingency Plan that was agreed upon by the upper and lower basin states and signed into law by President Trump. All seven basin states signed the agreement the past Monday. Ms. Johnson explained the significance of this plan and discussed continuing efforts in Colorado to come to agreement on how to avert or handle a “compact call.”

GENERAL COUNSEL REPORT

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

Restructuring Efforts – Mr. Collins and Acting Chair Smith Hymes discussed Monday’s restructuring committee meeting. Topics of ongoing discussion include a better quantification of potential cost savings; how to ensure current tenets of the Authority Agreement would be preserved and translate to the new governing board; and future legislation to allow the electors of each director district to elect that district’s board representative, rather than the current at-large system. Once staff gathers the needed data, another meeting will be scheduled. Discussion ensued regarding management and ownership possibilities of the water rights of the member entities of any new governing body.

WATER COUNSEL REPORT

Mr. Porzak referred to his confidential legal report included in the confidential packet and noted all of his topics would be discussed in Executive Session.

Msses. Koppel and Zippel, and Messrs. K. Collins, Schneider, and Wolff left the meeting at 9:35 a.m.
EXECUTIVE SESSION

Mr. Collins requested the Board enter into Executive Session to receive legal advice regarding the Eagle River Village Mobile Home Park, Traer Creek, and a backflow program update, 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 9:36 a.m. to discuss attorney-client privileged issues concerning the Eagle River Village Mobile Home Park, Traer Creek, and a backflow program update, 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.*

Mr. Porzak requested the Board continue Executive Session to receive legal advice regarding the Bolts Lake agreement/Minturn bulk water and delivery agreement, CRCA matters, water hydrology model sharing, and Eagle Park Reservoir water quality, 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 9:46 a.m. to discuss attorney-client privileged issues concerning the Bolts Lake agreement/Minturn bulk water and delivery agreement, CRCA matters, water hydrology model sharing, and Eagle Park Reservoir water quality, 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 10:42 a.m.
ADJOURNMENT
There being no further business to come before the Board, the meeting adjourned at 10:43 a.m.

Respectfully submitted,

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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.

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Jim Collins, General Counsel

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Glenn Porzak, Water Counsel