A Special Meeting of the Board of Directors of the Eagle River Water & Sanitation District (District) was held July 25, 2019, at 12:00 p.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 Directors were present, thereby constituting a quorum:
1. Dick Cleveland
2. Steve Friedman
3. George Gregory
4. Timm Paxson
5. Bill Simmons
6. Brian Sipes
7. 

The following Director was absent and excused:
8. Steve Coyer

Also in attendance were:
9. District Staff
10. Linn Brooks
11. Carol Dickman
12. Catherine Hayes
13. Diane Johnson
15. Melissa Mills McLoota
16. Byron Nelson
17. Siri Roman
18. Amy Vogt

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:
29. Director Cleveland disclosed that he serves on the board of Vail Health. Director Friedman serves on the Board of the Beaver Creek Metropolitan District. 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
Chair Friedman called the meeting to order at 12:25 p.m.

INTRODUCTIONS
Introductions were made, including Mr. Nelson, Edwards Wastewater Treatment Facility operation, and Ms. Sackett, with Aspen Journalism.

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

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

Resolution Authorizing Execution of Documents – Ms. Winn explained the updated resolution authorizing execution of certain documents by the Director of Finance, Director of Operations, or
Engineering Manager in the absence of the General Manager. After discussion and upon motion duly
made and seconded, it was unanimously

RESOLVED that the resolution authorizing execution of documents be and hereby is
approved as presented.

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

Online Posting of Meeting Notices – Ms. Winn discussed a resolution to allow online posting of District
meeting notices for board meetings and work sessions on the District’s website beginning on Aug. 2, per
new legislation. A copy of the resolution is attached hereto as Exhibit B and incorporated herein by this
reference. Ms. Winn suggested notices continue to be physically posted at the Vail Administration office
for a period of time. After discussion and upon motion duly made and seconded, it was unanimously

RESOLVED that the resolution allowing online posting of meeting notices be and hereby is
approved as presented.

FY2020 Operations Agreement with Eagle Park Reservoir Company – Ms. Hayes discussed the
board action request regarding the FY2020 operations agreement with EPRC, which includes a 3%
increase in cost of operations and administrative services. A copy of the request is attached hereto as
Exhibit C and incorporated herein by this reference. The renewal of the agreement aligns with EPRC’s
fiscal year and was approved by the EPRC board in June. Upon motion duly made and seconded, it was
unanimously

RESOLVED that the FY2020 Operations Agreement with Eagle Park Reservoir Company be and
hereby is approved as presented.

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

Consent Agenda – The Board unanimously approved the consent agenda, a copy of which is attached
hereto as Exhibit E and incorporated herein by this reference.

STRATEGY ITEMS

Board Member Input – Board member input was called for and there was none.

GENERAL MANAGER REPORT

Ms. Brooks noted she did not include a public report in this month’s packets. Monthly reports were
acknowledged, copies of which are attached hereto as Exhibit F and incorporated herein by this
reference.

Meeting with Harvey Economics re Purpose and Need Review – Ms. Brooks reported on a
meeting with a prospective firm to review the Authority and District’s purpose and need for new
water supply from an economist’s point of view. Funds were budgeted for this purpose and are
available, with an estimated $25,000 cost for these services. The board directed Linn to engage
the firm for this review.

OPERATIONS REPORT

The operations report was presented, a copy of which is attached hereto as Exhibit G incorporated
herein by this reference.
2019 Peak Runoff and Peak Flows – Ms. Roman noted peak runoff occurred late this year, in July compared to June in an average year. Runoff coincided with peak flows into the wastewater treatment facilities, which were very high compared to previous years. Edwards Wastewater Treatment Facility experienced increased inflow due to manholes and other equipment being submerged by high streamflows. Operators handled this event well, despite both large temperature swings and infiltration of river water into the plant. Staff will review work needed to protect equipment from future high streamflows.

Denver Water’s Draft Lead Reduction Program Plan – Ms. Roman discussed Denver Water’s proposed lead reduction program, for which a variance would be required from the Environmental Protection Agency. EPA wants Denver to add orthophosphate to its pipes by 2021 to reduce the corrosivity and reduce the possibility of lead getting into household water sources; however, Denver Water instead proposes to replace lead service lines within its system at its own expense – estimated at $300 million. More information on the program is attached hereto as Exhibit H and incorporated herein by this reference.

Holy Cross Energy (HCE) Peak Demand Pilot Program – Ms. Hayes introduced Mr. Nelson, Edwards Wastewater operator. Mr. Nelson presented information regarding the Edwards Wastewater Treatment Facility’s participation in the HCE peak demand pilot program. Program participants are alerted 24 hours in advance of a projected peak event and requested to reduce energy use during a specific time period; however, there is no risk of penalty if program participants are unable to reduce. If HCE can get its customers to reduce use during peak times, it saves money; high energy users that participate can share in the savings by reducing at the peak times and receiving rebates. During three requests for energy reduction within a one-week period, the EWW operators successfully complied and received rebates of $3200, in addition to energy saved during the events, which average three hours total. The board thanked Mr. Nelson for the presentation and for the efforts to reduce energy use and save money.

ENGINEERING REPORT
A copy of the engineering report is attached hereto as Exhibit I and incorporated herein by this reference.

In Mr. Cowles absence, there was no discussion of the report.

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.

Colorado River Updates – Ms. Johnson discussed a general update on Colorado River conditions. She noted water levels Lakes Powell and Mead were both expected to rise, but additional work to reduce usage and continue drought contingency planning is needed. Regarding drought contingency planning in Colorado, Ms. Johnson said the participants are no longer required to sign non-disclosure agreements, so the District and Authority can receive
progress reports from the Colorado River District on these efforts. Additionally, the River District annual conference is scheduled for Sept. 18; Eric Kuhn, its former general manager, will be one of the keynote speakers, discussing his book on the overallocation of the Colorado River called “Science be Dammed.”

Stillwater Employee Housing Ribbon-Cutting – Ms. Johnson said the ribbon-cutting ceremony and open house for the Stillwater Employee Housing Development was scheduled for Aug. 9 from 11:00 a.m. – 1:00 p.m. All directors are invited to attend and walk through the development to tour units, review landscaping and common areas, and hear about the many sustainable elements that were incorporated into the design.

Diligence Activities for Vail Whitewater Park Water Right – Ms. Johnson noted the high streamflows and late runoff have allowed recreational activities in Gore Creek uncharacteristically late in the season. If such conditions continue, there is the possibility of documenting recreational uses in Gore Creek in August; proof of such activities could be used to make additional portions of the water right absolute.

Colorado Recreation and Conservation Enhancement Act (Colorado REC Act) – In response to a question about the Colorado REC Act, Ms. Johnson noted would bring additional information on the proposed legislation to the boards in August.

GENERAL COUNSEL REPORT
In Mr. Collins absence, Ms. Winn was attending the meeting and referenced her confidential legal report in the confidential packet.

WATER COUNSEL REPORT
Mr. Porzak referred to his legal reports in the board packet.

Consolidated Ditches Supreme Court Decision – Mr. Porzak reported on a recent Supreme Court decision. It ruled that Denver Water could reuse any of its water besides that from the Moffat system, which was specifically prohibited by a 1940s agreement between Denver Water and Consolidated Ditches. He noted the Authority, District, and others had filed amicus briefs in support of Denver Water’s position; allowing Denver Water to reuse return flows decreases the amount of water Denver takes from the West Slope. A copy of the decision is attached hereto as Exhibit K and incorporated herein by this reference.

Minturn Water Interconnect – Mr. Porzak discussed various articles in the Vail Daily regarding the proposed interconnection between the District and Authority water system and Minturn. Copies of the articles are attached hereto as Exhibit L and incorporated herein by this reference. He noted the Minturn Council meeting of July 17, at which no decision was reached by the council regarding the proposed interconnect. He reserved additional discussion for Executive Session.

At 1:12 p.m., Ms. Vog left the meeting.
EXECUTIVE SESSION

Ms. Winn requested the Board enter Executive Session to receive legal advice regarding the Hahnewald Barn, 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 1:13 p.m. to discuss attorney-client privileged issues concerning the Hahnewald Barn, pursuant to §24-6-402(4)(b) and (e) C.R.S. with no electronic record created as Ms. Winn 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, Eagle River MOU matters, and water hydrology model sharing, 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 1:15 p.m. to discuss attorney-client privileged issues concerning the Bolts Lake agreement/Minturn bulk water and delivery agreement, CRCA matters, Eagle River MOU matters, and water hydrology model sharing, 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 1:32 p.m.
ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 1:33 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

__________________________________________
Bill Simmons, Director

__________________________________________
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.

__________________________________________
Kathryn Winn, General Counsel

__________________________________________
Glenn Porzak, Water Counsel