A regular meeting of the Board of Directors of the Upper Eagle Regional Water Authority (Authority) was held September 26, 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 alternates were present and acting, thereby constituting a quorum:

Geoff Dreyer, Arrowhead Metropolitan District
Pam Elsner, Beaver Creek Metropolitan District
George Gregory, Berry Creek Metropolitan District
Sarah Smith Hymes, Town of Avon
Kim Bell Williams, EagleVail Metropolitan District
Mick Woodworth, Edwards Metropolitan District

Also in attendance were:
District Staff
Linn Brooks
Jason Cowles
Troy Clous
Carol Dickman
Tim Drescher
Claude Goldberg
Catherine Hayes
Diane Johnson
Melissa Mills McLoota
Jeff Schneider

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.

INTRODUCTIONS
Introductions were made, including Ms. Goldberg, the new Sr. Human Resources Generalist and Holly Loff, Eagle River Watershed Council Executive Director.

PUBLIC COMMENT
Ms. Johnson introduced Mr. Drescher, Avon Wastewater Treatment Facility Supervisor. Mr. Drescher was recently selected as the Outstanding Young Professional of the Year by the regional chapters of the American Water Works Association (AWWA) and the Water Environment Foundation (WEF). Mr. Drescher was recognized primarily for his dedication to training wastewater operators and assuming responsibility for a local professional seminar that is now in its 25th year. The Board congratulated Mr. Drescher on the award.

ACTION ITEMS
Consideration of Minutes – The minutes of the regular meeting of Aug. 22, 2019, were considered.
Upon motion duly made and seconded, it was unanimously passed.
RESOLVED that the minutes of the Aug. 22, 2019, regular meeting be accepted and hereby are approved as presented.

Ratification of Water System Impact Fee Increase – Mr. Collins discussed the board’s approval to increase the Authority’s water system impact fee (WSIF) at the Aug. 22, 2019, board meeting, contingent upon approval by the town of Avon. While individual member approval was not required, the town did consider and approve the fee at its late August meeting. After discussion and upon motion duly made and seconded, it was unanimously

RESOLVED that the water system impact fee increase be and hereby is ratified.

STRATEGY ITEMS

Water Quality at Eagle River Village Mobile Home Park – Director Woodworth presented a photo of water at the Eagle River Village mobile home park. The photo depicted brown water in a bathtub; though the water meets state water quality regulations, the board agreed that the current quality is unacceptable for residents. Discussion ensued regarding ongoing efforts to work with the park owner to connect to the Authority’s system or greatly improve the current system in the park. Mr. Cowles will continue to monitor these discussions.

Eagle River Watershed Council Funding Request – Ms. Loff presented a 2020 funding request letter to the board, a copy of which is attached hereto as Exhibit A and incorporated herein by this reference. She outlined the past year’s efforts by the Eagle River Watershed Council, which would not have been possible without the funding from the Authority, District, and other contributors in the community. She highlighted the Authority’s funding, including $25,000 for water quality monitoring and assessment, and $25,000 towards the unrestricted fund balance. She outlined the various projects that were accomplished last year, including ongoing water quality efforts related to the Eagle Mine and Black Gore Creek; community cleanups; education and outreach; and a variety of others. The board unanimously approved $50,000 in funding for 2020, which is included in the 2020 budget that will be approved in the coming months.

Service for John McCaulley – Ms. Brooks reminded directors of the memorial service for John McCaulley, planned for Saturday, Sept. 28 at the Eagle River Presbyterian Church in Avon. Mr. McCaulley was recently retired from the District, having served as Customer Service manager and Field Operations manager. He had a short but courageous battle with pancreatic cancer.

Board Meeting Processes – The Board discussed the legal requirements around board meeting records and communications. The Authority and District boards follow the state archivist’s recommendation for retention and destruction, which requires public meeting recordings be saved for six months after approval of that meeting’s minutes. Mr. Collins advised it is not legally required for a special district to record its meetings, though many local entities choose to do so. The board directed staff to continue recording public board meetings. The board also suggested adding information on the District’s website regarding how to request meeting recordings and the
retention schedule for such recordings. Staff acknowledged growing pains with the audio visual
technology in the board room and committed to ensuring the equipment is properly functioning so
the recordings can be made consistently available to interested parties.

**GENERAL MANAGER REPORT**

Ms. Brooks presented her report, a copy of which is attached hereto as Exhibit B and incorporated
herein by this reference. Monthly reports were acknowledged, copies of which are attached hereto as
Exhibit C and incorporated herein by this reference.

**Hahnewald Barn Deconstruction** – Ms. Brooks reported that the Hahnewald Barn
deconstruction is proceeding; there is still much reclaimed wood on the site, and local wood sales
are still in progress. There have been many local buyers purchasing small amounts of wood.

**Holy Cross Energy Peak Demand Rebate Program** – Staff continues to work with Holy Cross
Energy on its peak demand rebate program, by which the District and Authority are eligible to
receive rebates if enrolled meters reduce energy use during expected peak demand periods.
Notices are sent out 24 hours in advance, so staff can plan equipment shutdowns and monitor
processes to ensure compliance with required regulations. Since program implementation in July,
the District and Authority have received nearly $15,000 in rebates for reducing energy use during
peak demand times. This is in addition to the savings from greatly reduced electric use during
these times.

**Proposition DD** – Ms. Brooks discussed Proposition DD, which will be on the November ballot.
This proposition would legalize sports betting and create a revenue stream for projects identified
in Colorado’s Water Plan. At the recent Colorado Water Congress (CWC) board meeting that Ms.
Brooks attended, the CWC members discussed the proposition at length and decided to publicly
support the proposition. After discussion and upon motion duly made and seconded, it was
unanimously

**RESOLVED** the board be and hereby does approve the resolution in support of
Proposition DD, to legalize sports betting in Colorado.

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

**Berry Creek Booster Pump Station (BPS) Replacement** – Mr. Schneider discussed the
needed replacement of the Berry Creek BPS and staff efforts to move the project forward. There
were some administrative holdups in the permitting process with the county regarding the land on
which the BPS is located, which is owned by Berry Creek Metropolitan District and for which the
Authority has contractual rights. Staff is working with the county to expedite permitting, as this 40-
year-old station is at high risk of failure. After discussion and upon motion duly made and
seconded, it was unanimously
RESOLVED that a motion to authorize execution of an encroachment agreement with Eagle County and acceptance of easement from the Berry Creek Metropolitan District for the pump station project be and hereby is approved as presented.

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

ENGINEERING REPORT
Mr. Cowles presented the engineering report, a copy of which is attached hereto as Exhibit F and incorporated herein by this reference.

Cordillera Valley Club PUD – Mr. Cowles discussed a developer’s request to add additional units in the CVC area. CVC is fully exceeding the water use in its augmentation plan and has been for at least the last seven years that staff has researched. Most of the excess use is likely due to water use in irrigated areas. The CVC area includes the CVC golf course and surrounding development, in addition to Lake Creek Village. Discussion ensued regarding whether to proceed with the new request and how to get the original PUD’s water use aligned with the water rights dedicated. Staff and counsel will continue to work on this issue and report back to the board in the coming months.

Traer Creek License Agreement – Mr. Cowles and Mr. Collins reported that the License Agreement with Traer Creek was finally executed. This allows the Authority to use nearby land owned by Traer Creek for constructing staging and laydown purposes during demolition and construction of a new tank. A copy of the agreement is attached hereto as Exhibit G and incorporated herein by this reference.

COMMUNICATION AND PUBLIC AFFAIRS REPORT
Ms. Johnson presented her report, a copy of which is attached hereto as Exhibit H and incorporated herein by this reference.

Colorado River Compact Matters – Ms. Johnson mentioned the “Grand Bargain” and a Denver Post story about it, which is a concept proffered by some as the lower and upper basins look towards the next phase of negotiations on the coordinated operations of Lakes Powell and Mead. She mentioned that the River District’s Sept. 18 water seminar focused on these issues and recommended viewing the presentations, which are available on the River District’s website.

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

Traer Creek Tank Insurance – Mr. Collins reported that the Special District Association Insurance pool committed to insuring the new tank.
WATER COUNSEL REPORT

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

Authority Water Rights Appraisal – Mr. Porzak reported that a recent review of the Authority’s water rights was undertaken; the value is an estimated $56.5 million. Though the present market value of its water rights cannot be included in the Authority’s annual audit, the market value is included at the end of the audit, in the statistical section. A copy of the appraisal is attached hereto as Exhibit I and incorporated herein by this reference.

Wolford Mountain Reservoir Exchange – Mr. Porzak discussed execution of the final decree to make absolute a portion of the Authority’s Wolford Mountain Reservoir Exchange. A copy of the final decree, signed by the water referee, is attached hereto as Exhibit J and incorporated herein by this reference.

Waters of the US (WOTUS) Rule Repeal – Mr. Porzak reported a full repeal of the federal WOTUS Rule, which was first introduced in 2015 and challenged by many states because it would have expanded the scope of permitting authority to water bodies that are disconnected from streams and rivers or have only intermittent flow. The rule never went into effect due to the many legal challenges it faced.

Piney River Unit Agreement – Mr. Porzak discussed an agreement regarding the Piney River Unit, a water right owned by the Authority, District, and Colorado River District. The agreement gives those entities an additional six years by which to reach agreement with Denver Water on a Wolcott Reservoir. After discussion and upon motion duly made and seconded, it was unanimously

RESOLVED that the term of the Piney River Unit agreement be and hereby is extended by six years.

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

*Messrs. Clous, Schneider, Sica, and Wolff, and Mses. Goldberg, Loff, Mills McLoota, and Vogt, left the meeting at 10:04 a.m.*

EXECUTIVE SESSION

Mr. Collins requested the Board enter Executive Session to receive legal advice of counsel, pursuant to §24-6-402(4)(a)(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 10:04 a.m. to receive advice of counsel, 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, CRCA matters, and water rights 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 10:15 a.m. to discuss attorney-client privileged issues concerning the Bolts Lake, CRCA matters, and water rights 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 11:04 a.m.
Upper Eagle Regional Water Authority

ADJOURNMENT
There being no further business to come before the Board, the meeting adjourned at 11:26 a.m.

Respectfully submitted,

[Signature]
Secretary to the Meeting

MINUTES APPROVED, FORMAL CALL, AND
NOTICE OF MEETING WAIVED

[Signatures from different districts]

Arrowhead Metropolitan District
Sarah [Signature]
Town of Avon

Beaver Creek Metropolitan District
[Signature]

Berry Creek Metropolitan District
[Signature]

EagleVail Metropolitan District
[Signature]

Edwards Metropolitan District
[Signature]

*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.

[Signatures from counsel]

Jim Collins, General Counsel

Glenn Porzak, Water Counsel