A Special Meeting of the Board of Directors of the Eagle River Water & Sanitation District (District) was held January 23, 2020, 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:
Dick Cleveland
Steve Coyer
George Gregory
Timm Paxson
Bill Simmons
Brian Sipes
Robert Warner

Also in attendance were:
District Staff
Tug Birk
Linn Brooks
Allen Cerny
Jason Cowles
Catherine Hayes
Diane Johnson
Kira Koppel
Siri Roman
Jeff Schneider
James Wilkins
Chris Wolff
Brad Zachman
Consultants
Jim Collins, Collins Cockrel & Cole
Glenn Porzak, Porzak Browning & Bushong LLP
Authority Board Members
Mick Woodworth

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 Cleveland disclosed that he serves on the board of Vail Health. 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 boards of the Edwards Metropolitan District and Eagle River Fire Protection District. Director Warner disclosed that he is a developer within the District’s service area and serves on the Eagle County Planning Commission, which occasionally has dealings with the District.

CALL TO ORDER

Chair Simmons called the meeting to order at 12:30 a.m. Acting as Authority Chair, Mr. Gregory concurred.

PUBLIC COMMENT

Public comment was called for, and there was none.

EXECUTIVE SESSION

Mr. Porzak requested the Boards enter Executive Session to receive legal advice of counsel regarding CRCA matters, 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 12:05 p.m. to receive advice of counsel regarding 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.*
The boards resumed regular session at 12:22 p.m., at which time the Authority board members left and
the District board took a short recess for lunch. The regular meeting resumed at 12:35 p.m.

**ACTION ITEMS**

- **Consideration of Minutes** – The minutes of the regular meeting of December 19, 2019, were
  considered. Upon motion duly made and seconded, it was unanimously
  **RESOLVED** that the minutes of the December 19, 2019, regular meeting be accepted and
  hereby are approved as presented.

- **Resolution Regarding 2020 Meeting Place and Posting Location** – Ms. Hayes presented a board
  action request regarding the meeting place and posting location for board meetings and related materials,
  and a related resolution, copies of which are attached hereto as Exhibits A and B, respectively, and
  incorporated herein by this reference. Mr. Collins reminded directors that new legislation effective Aug. 1,
  2019, allows special districts to post notices, agendas, and other meeting materials on the district’s
  website rather than posting hard copies as previously required. After discussion and upon motion duly
  made and seconded, it was unanimously
  **RESOLVED** that the resolution regarding the District’s 2020 meeting place and posting location
  be and hereby is approved as presented.

- **2020 Redistricting and Election Update** – Ms. Hayes presented a board action request and proposed
  map of the seven director districts, copies of which are attached hereto as Exhibits C and D,
  respectively, and incorporated herein by this reference. She discussed the redistricting effort, which was
  undertaken ahead of the May 5, 2020, regular special district election. Ms. Hayes pointed out the various
  areas on the map where electors moved from one district to another to ensure a roughly equivalent
  distribution of eligible electors in each of the seven districts. Discussion ensued, with Director Sipes
  requesting the map be amended to identify areas in which development is not possible. Upon motion duly
  made and seconded, it was unanimously
  **RESOLVED** that the proposed director district map be and hereby is approved as presented,
  pending the addition of the requested information regarding undevelopable areas.

- **2020 Regular Special District Election Resolution** – Ms. Hayes presented a board action request and
  related resolution regarding the upcoming election, copies of which are attached hereto as Exhibits E
  and F, respectively, and incorporated herein by this reference. The board discussed the pros and cons of
  a mail ballot election vs. a polling place election. Ms. Hayes noted the most recent mail ballot election in
  2014 was expensive, labor intensive, and produced a roughly 20% voter turnout. Mr. Collins noted polling
  place elections are more cost effective and said that eligible electors could request an absentee ballot via
  mail if they were unable or unwilling to go to a polling place on election day. Discussion ensued regarding
  communication of the election, and Ms. Hayes confirmed that staff would meet both the statutory
  requirements for notifying electors of the election, as well as communicating election information through
  a variety of media channels to ensure transparency and encourage participation from eligible electors.
  After discussion and upon motion duly made and seconded, it was unanimously
RESOLVED that the election resolution be and hereby is approved as presented.

2020 Rules and Regulations Update – Mr. Birk presented a board action request and proposed revisions to the 2020 Rules and Regulations, a copy of which is attached hereto as Exhibit G and incorporated herein by this reference. After discussion and upon motion duly made and seconded, it was unanimously

RESOLVED that the 2020 Rules and Regulations updates be and hereby are approved as presented.

A copy of the 2020 Rules and Regulations is attached hereto as Exhibit H and incorporated herein by this reference.

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

The board took a short recess for lunch at 12:18 p.m., and the regular meeting resumed at 12:40 p.m.

STRATEGY ITEMS

Board Member Input – The board discussed the previous night’s Climate Action Collaborative event, Getting to Zero, which hosted a speaker to discuss the impacts of global warming and ways in which communities and individuals can lower their impact. Discussion ensued regarding how the board can promote such changes within the community and specifically through the District’s overall operations. Staff will continue to pursue these efforts, and Ms. Brooks pointed out that the hiring of a full-time sustainability coordinator in May 2019 has allowed the District to make much progress in this area already.

Water System Classification Update – Mr. Zachman, water manager, discussed the interconnect between the District and Authority water systems. In recent communications with the state regarding corrosion control, questions have emerged regarding the District and Authority’s separate water systems. The state may suggest administratively combining the two systems into one large water system and classified as such with one water system ID. Discussion ensued regarding the impacts of such a classification, which result in changes sampling requirements and frequency for various water quality parameters, among other items. Mr. Zachman also noted various management plans and other documents would need to be administratively combined, which would create future efficiencies. Mr. Porzak discussed such a merge as it related to water rights.

GENERAL MANAGER REPORT

Ms. Brooks presented her report, a copy of which is attached hereto as Exhibit H and incorporated herein by this reference. Monthly reports were acknowledged, copies of which are attached hereto as Exhibit I and incorporated herein by this reference.
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Traer Creek Office Space – Ms. Brooks reported that the Traer Creek office space would be ready for occupants by March 1. Furniture is on order, but a long lead-time is the main reason the office will not be ready prior to March.

OPERATIONS REPORT

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

Avon Wastewater Treatment Facility Nutrient Upgrade Project – Mr. Schneider updated the board on the AWWTF nutrient upgrade project, which is scheduled to break ground in March 2020. He discussed outreach efforts with neighboring properties, meetings with key subcontractors ahead of mobilization, and a scheduled open house for area residents. The 1041 permit application was submitted to the Town of Avon in December, and the topic will be discussed and voted on at a Feb. 4 Avon Town Council meeting. Mr. Schneider noted the effort to balance operational efficiency and aesthetics during the project, due to the close proximity of residential neighbors.

ENGINEERING REPORT

Mr. Cowles presented the Engineering Report, a copy of which is attached hereto as Exhibit K and incorporated herein by this reference.

COMMUNICATION AND PUBLIC AFFAIRS REPORT

Ms. Johnson presented the Communications and Public Affairs report, a copy of which is attached hereto as Exhibit L and incorporated herein by this reference.

Communications Update – Ms. Johnson said some EC Alerts were erroneously sent by Vail Dispatch regarding some recent water outages. Vail Dispatch serves numerous public agencies in Eagle County and acts as the District’s after-hours answering service. The issues have been addressed and correct procedures reinforced.

GENERAL COUNSEL REPORT

Mr. Collins referenced his confidential legal report in the confidential packet.

WATER COUNSEL REPORT

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

Updated District Water Rights Appraisal – Mr. Porzak presented the District’s updated water rights appraisal, a copy of which is attached hereto as Exhibit M and incorporated herein by this reference. The value of the District’s water rights continues to increase, and the report will be attached to the District’s annual audit as an appendix.

Contract and Reservoir Matters Mr. Porzak reported that on behalf of another client, the Bureau of Reclamation agreed that under reclamation law, once reservoir capital costs were paid off for Ruedi Reservoir, such rights became vested and permanent, and the contractees should only be charged operation, management, and replacement (OM&R) costs. The District and Authority
have a contract with the Bureau of Reclamation for Green Mountain Reservoir, for which Mr. Porzak is pursuing a similar agreement to make that contract permanent and restrict the future changes to only OM&R costs. A meeting on this topic is scheduled with the Bureau of Reclamation in February 2020.

At 1:35 p.m., Ms. Koppel and Messrs. Cerny, Schneider, Thompson, and Wolff left the meeting.

**EXECUTIVE SESSION**

Mr. Porzak requested the Board enter Executive Session to receive legal advice of counsel regarding an updated water rights report and Bolts Lake, 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 1:46 p.m. to receive advice of counsel regarding an updated water rights report and Bolts Lake, 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.*
ADJOURNMENT
There being no further business to come before the Board, the meeting adjourned at 2:56 p.m.

Respectfully submitted,

__________________________________________
Secretary to the Meeting

MINUTES APPROVED, FORMAL CALL, AND NOTICE OF MEETING WAIVED

__________________________________________
Dick Cleveland, Director

__________________________________________
Steve Coyer, Treasurer

__________________________________________
George Gregory, Secretary

__________________________________________
Timm Paxson, Director

__________________________________________
Bill Simmons, Chair

__________________________________________
Brian Sipes, Director

__________________________________________
Robert Warner, 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.

__________________________________________
Glenn Porzak, Water Counsel