A regular, virtual meeting of the Board of Directors of the Eagle River Water & Sanitation District (District) was held April 23, 2020, at 11:30 a.m., in accordance with the applicable statutes of the State of Colorado.

ATTENDANCE
The following Directors were present via Skype, thereby constituting a quorum:
1. Dick Cleveland
2. Steve Coyer
3. George Gregory
4. Timm Paxson
5. Bill Simmons
6. Brian Sipes
7. Robert Warner

Also in attendance were:
8. District Staff
9. Linn Brooks
10. Allen Cerny
11. Kyle Collins
12. Jason Cowles
13. Carol Dickman
14. Catherine Hayes
15. Diane Johnson
16. Kira Koppel
17. Siri Roman
18. Jeff Schneider
19. Shane Swartwout
20. James Wilkins
21. Len Wright
22. Brad Zachman
23. Consultants
25. Kristin Moseley, Porzak Browning & Bushong LLP
26. Glenn Porzak, Porzak Browning & Bushong LLP
27. Marc Ragan, Piper Jaffray
28. Edwards Metropolitan District and Eagle River Fire Protection District
29. Chair Simmons called the meeting to order at 11:30 a.m.

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

ACTION ITEMS
Consideration of Minutes – The minutes of the regular meeting of March 26, 2020, were considered.

Upon motion duly made and seconded, it was unanimously

RESOLVED that the minutes of the March 26, 2020, regular meeting be accepted and hereby are

approved as presented.

Resolution re Bond Debt Service Base Rate – Mr. Wilkins and Mr. Ragan discussed the resolution to

establish a debt service base rate to fund the enterprise wastewater revenue bonds to be issued in the

coming months, pending favorable market conditions. A related memo is attached hereto as Exhibit A

and incorporated herein by this reference. Mr. Ragan noted the current market was favorable; the

District’s bond rating is expected to be updated in the coming weeks, following calls with various bond
rating agencies. Once the District’s rating is established, bonds can be issued. After discussion and upon
motion duly made and seconded, it was unanimously

**RESOLVED** that the debt service base rate resolution for 2020 wastewater enterprise wastewater
revenue bonds be and hereby is approved as presented.

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

**Public Water System ID Combination** – Mr. Zachman discussed the Colorado Department of Public
Health and Environment’s (CPDHE) desire to administratively combine the District and Authority’s public
water system identification numbers, after which the CDPHE would regulate the systems as one. Mr.
Zachman presented a related board action request for staff direction, a copy of which is attached hereto
as **Exhibit C** and incorporated herein by this reference. Mr. Zachman confirmed that water rights and
governance of the two entities would remain separate and unaffected by this administrative combining.
After discussion and upon motion duly made and seconded, the board unanimously

**RESOLVED** that the request to proceed with combining the District’s system with the Authority’s
system for CDPHE regulation purposes be and hereby is approved as presented.

**Extension of Late Fee Waiver** – Mr. Swartwout discussed his board action request regarding extension
of customer late fee waivers during the pandemic, a copy of which is attached hereto as **Exhibit D** and
incorporated herein by this reference. He noted the volume of unpaid customer bills has remained low
throughout the COVID-19 pandemic. Ms. Brooks reminded the board that per Gov. Polis’s order, no
utilities may be shut off due to non-payment during the pandemic. Additionally, unpaid bills represent
delayed revenue, not lost revenue. Mr. Swartwout noted there has not been an increase in delinquent
accounts to date. After discussion and upon motion duly made and seconded it was unanimously

**RESOLVED** that the extension of late fee waivers be and hereby is extended through the May
billing period, which ends on June 2, 2020.

**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.

**Information Reports** – The information reports were acknowledged and are attached hereto as **Exhibit
F** and incorporated herein by this reference.

**GENERAL MANAGER REPORT**

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

**COVID-19 Response Update** – Ms. Brooks and Ms. Roman updated the board on the COVID-19
response. The District will stay in stage 3 of its operating plan until at least May 15, though Gov.
Polis’s “stay at home” order will expire on April 26, giving way to a “safer at home” directive. In
stage 3 of the District’s response, non-essential employees are required to work from home.
Discussion ensued regarding how the District’s possible return to stage 2 would differ from stage
3. The next stage could allow up to 50% of employees onsite, based on the governor’s order;
however, discussions are ongoing regarding how this will be implemented across the District’s
various facilities to ensure protection of essential workers and the Authority and District’s ability to
provide its core functions. The board had various questions about return-to-work policies and
suggested the District take a more conservative approach than that suggested by Gov. Polis’s
order.

Ms. Brooks and Ms. Roman also discussed the District’s weekly all-employee Town Hall
meetings, which the District has been hosting virtually for employees since April 8. These
sessions highlight 2 – 3 departments and changes to how that department’s employees are
completing work due to the pandemic. Attendance for these sessions has been excellent, with
80+ employees logging in each week. Operationally, water demand has been lower than in years
past. Financial modeling is ongoing. Decreased impact fees are expected as development slows
due to the economic conditions. Some Authority and District capital projects will be delayed,
which will save funds. Others, like the Nutrient Upgrade Project at Avon WWTF, will continue as
planned due to their regulatory necessity and the amount of design and planning that have
already gone into such projects.

Financial Modeling – Ms. Brooks, Mr. Wilkins, and Mr. Swartwout discussed financial modeling.
Impacts are expected in three areas: monthly billing revenue, loss of impact fees, and costs for
responding to the COVID-19 pandemic. A related presentation is attached hereto as Exhibit H
and incorporated herein by this reference. Ms. Brooks explained that most revenues are
generated through base rates, which has narrowed staff’s focus to unpaid bills; reduced water
usage will not affect revenues nearly as much. Ms. Brooks also confirmed that most treatment
costs are fixed and would not be significantly reduced with decreased water usage.

OPERATIONS REPORT

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

General Operations Update – Ms. Roman and Mr. Zachman discussed operations. Water
production and wastewater inflows are lower than expected for this time of year. Ms. Roman
noted operators seem more settled in stage 3 now than last month, when anxiety was higher. She
is pleased with the flexibility of staff in adapting to the new expectations of this working
environment.

Avon Wastewater Treatment Facility Nutrient Upgrade Project (NUP) Update – Ms. Marts
and Mr. Schneider updated the board on the NUP; a related memo is attached hereto as Exhibit
J and incorporated herein by this reference. Ms. Marts noted the project is using a CMAR
(construction manager at risk) delivery method, which has helped with navigating the unknowns
of the current economic situation. Contract documents are being modified, per the CMAR
method, as contract prices can decrease with lower commodities pricing during the pandemic.
Additionally, the project is 5 – 6 weeks behind schedule, which pushes a critical shutdown period
in the spring to a less busy time of year, which is beneficial. All state, local, and district policies for COVID-19 prevention must be followed by any on-site contract workers. Official notice to proceed was issued on April 23, and site mobilization will occur on May 4.

GENERAL COUNSEL REPORT

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

WATER COUNSEL REPORT

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

Pando Feeder Diligence Protest – Mr. Porzak discussed the absolute/diligence application for the Pando Feeder Canal. The referee granted diligence but included a requirement in the diligence finding that would unduly restrict the ability to obtain an absolute decree for a future enlargement of Eagle Park Reservoir; a copy of the referee’s ruling and decree is attached hereto as Exhibit K and incorporated herein by this reference. A protest letter was filed on behalf of the Eagle Park Reservoir Company and its shareholders, as was an opposition to the state and division engineers’ motion to intervene, though the motion was ultimately granted. Copies of both are attached hereto as Exhibits L and M, respectively, and incorporated herein by this reference. During a phone conference with the judge, the Company shareholders were granted 45 days to prepare an opening brief to support the protest, which is due on May 29.

Eagle Park Reservoir Diligence Application – Mr. Porzak discussed the diligence application for the two remaining conditional junior storage rights for Eagle Park Reservoir. The referee agreed with the finding of diligence but wants to include a footnote regarding the East Fork Pump Station as an alternate point of diversion, referencing a previous change case. Discussion ensued regarding the footnote, which the directors agreed was unrelated to the diligence case and should be removed. The ruling of the referee and the Company shareholders’ response are attached hereto as Exhibits N and O, respectively, and incorporated herein by this reference.

At 1:00 p.m., Mses. Koppel and Marts and Messrs. Cerny, Schneider, and Schuette left the meeting.

EXECUTIVE SESSION

Mr. Porzak requested the Board enter Executive Session to receive legal advice of counsel regarding Green Mountain Reservoir, the District water rights report, CJC Properties change case, 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 1:01 p.m. to receive advice of counsel regarding Green Mountain Reservoir, the District water rights report, CJC Properties change case, 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.*
At 1:35 p.m., prior to discussion of Bolts Lake, all remaining staff left the call, with the exception of Mses. Brooks, Hayes, Johnson, and Roman, and Mr. Cowles.

The regular meeting resumed at 2:35 p.m.
ADJOURNMENT
There being no further business to come before the Board, the meeting adjourned at 2:35 p.m.
Respectfully submitted,

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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.

__________________________________________
James P. Collins, General Counsel

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Glenn Porzak, Water Counsel