A regular, virtual meeting of the Board of Directors of the Eagle River Water & Sanitation District (District) was held June 25, 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. Jason Cowles
12. Carol Dickman
13. Catherine Hayes
14. Diane Johnson
15. Kira Koppel
16. Carol Dickman
17. Jeff Schneider
18. District Staff
19. Shane Swartwout
20. James Wilkins
21. Brad Zachman
22. Consultants
23. Jim Collins, Collins Cockrel & Cole
24. Kristin Moseley, Porzak Browning & Bushong LLP
25. Glenn Porzak, Porzak Browning & Bushong LLP
26. Kathryn Winn, Collins Cockrel & Cole

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:

1. 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 11:35 a.m.

INTRODUCTIONS/PUBLIC COMMENT

Public comment was called for and there was none.

ACTION ITEMS

Consideration of Minutes – The minutes of the special meeting of May 28, 2020, were considered. Upon motion duly made and seconded, it was unanimously

RESOLVED that the minutes of the May 28, 2020, special meeting be accepted and hereby are approved as presented.

Updated Employee Loan Benefit Policy – Mr. Wilkins discussed his board action request regarding an update to the District’s Employee Loan Benefit Policy, a copy of which is attached hereto as Exhibit A and incorporated herein by this reference. Mr. Wilkins proposed updating the policy to the existing no-interest loans to include electric vehicles and to cap the total of any outstanding employee loans at $2,000. Employee loans are also available to purchase computers, seasonal ski passes, and assist with employee housing damage deposits. After discussion and upon motion duly made and seconded it was unanimously
RESOLVED that the Employee Loan Benefit Policy be and hereby is updated to include electric vehicles and to set a maximum of $2,000 for all outstanding employee loan balances.

FY2021 Operations Agreement with Eagle Park Reservoir Company – Ms. Hayes discussed the board action request regarding the FY2021 Operations Agreement with Eagle Park Reservoir Company, which includes a 3% increase in cost for operations and administrative services. A copy of the request is attached hereto as Exhibit B and incorporated herein by this reference. The renewal of the agreement aligns with the Company’s fiscal year. After discussion and upon motion duly made and seconded, it was unanimously

RESOLVED that the FY2021 Operations Agreement with Eagle Park Reservoir Company be and hereby is approved as presented.

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

Appointment of Eagle Park Reservoir Company Representative – The board discussed the District’s appointee to the Eagle Park Reservoir Company board of directors in advance of the Company’s afternoon meeting. After discussion and upon motion duly made and seconded it was unanimously

RESOLVED that Mr. Porzak continue to serve as the District’s representative on the Eagle Park Reservoir Company Board of Directors.

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

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

GENERAL MANAGER REPORT

Ms. Brooks noted other employees would report on the matters on which she is currently working and did not include a written packet report. She said staff was again minimizing verbal updates during the virtual meetings and noted written reports on communications and sustainability, which are attached hereto as Exhibits F and G, respectively, and incorporated herein by this reference.

COVID-19 Response Update – Ms. Brooks updated the board on the COVID-19 response. One on-site employee tested positive for COVID-19 recently. Four employees who were in close contact with this individual tested negative for the virus, which indicates the District’s hygiene and cleaning protocols are effectively preventing virus spread at District facilities. Ms. Brooks confirmed that the infected employee and close contacts followed all Eagle County Public Health protocols.

Drought Conditions – Ms. Brooks noted the current conditions and weather forecasting indicate likely drought conditions as we move into summer. Ms. Brooks recommended using similar tactics that served the Authority and District well in the past, including maintaining defensible space around facilities, reaching out to large irrigators and customers using excessive amounts of water, and optimizing operations to leave as much water as possible in streams. Ms. Brooks did
not believe an incident command system response was warranted, especially given the two
incidents to which staff continues to respond: the pandemic and the backflow prevention and
cross connection control compliance.

**District Bond Update** – Mr. Wilkins updated the board on wastewater 2020 series A and B
bonds. The June 23 issue of the wastewater 2020 series A bonds saw a premium of over $5
million received on the $40 million issue due to the demand for bonds from institutional investors.
The 2020 series B bonds were refunded, with a $3 million savings compared to the original issue,
which will lower the annual debt service payment for ratepayers. Both issues were very favorable
for the District and made possible largely due to the District’s solid credit rating and clear
commitment to financial stewardship and fiscal responsibility. A related memo is attached hereto
as *Exhibit H* and incorporated herein by this reference.

**OPERATIONS REPORT**

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

**Backflow Program Update** – Mr. Swartwout referenced his monthly update memo regarding the
Backflow Prevention and Cross Connection Control Program, a copy of which is attached hereto
as *Exhibit J* and incorporated herein by this reference. He explained compliance accounts, or
those accounts that are required to comply with the backflow regulations; he also noted a
reprioritization of staff time to manage and comply with the regulations. A more extensive
presentation on the program and its requirements is being prepared for an upcoming board
meeting. Another required communication to customers regarding this non-compliance will be
included with July bills.

**Eagle Park Reservoir Company Operations Report** – The confidential EPRC quarterly
operations report was referenced.

**GENERAL COUNSEL REPORT**

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

**Daybreak Ridge Water Main Break and Repair** – Ms. Roman, Mr. Zachman, and Mr. Schneider
discussed a recent water main break on Daybreak Ridge above the Ritz Carlton in Bachelor
Gulch, caused by a rock underneath the ductile iron pipe. The District’s response was swift and
appropriate, and it was clear the break was on the District’s side of the system due to declining
tank levels and associated alarms. Notifications were quickly issued, and customers in the
affected area were asked to use water only for essential purposes. The break occurred while the
road was being paved, so staff is coordinating repairs with Bachelor Gulch Metropolitan District to
ensure completion by mid-August, when the road will be used for the Colorado Classic Bike
Race.

**WATER COUNSEL REPORT**
Mr. Porzak referred to his confidential legal report included in the confidential packet.

**Pando Feeder Canal Motion for Summary Judgment and Entry of Decree** – Mr. Porzak presented the Pando Feeder Canal motion for summary judgment and entry of decree regarding the protest to the referee’s ruling in the Pando Feeder Canal absolute/diligence case. A copy is attached hereto as Exhibit K and incorporated herein by this reference. The state’s answer brief is due on June 29, 2020.

At 12:15 p.m., Mses. Dickman and Koppel and Messrs. Cerny and Schneider left the meeting.

**EXECUTIVE SESSION**

Mr. Porzak requested the Board enter Executive Session to receive legal advice of counsel regarding the Eagle River MOU and Bolts Lake 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 12:16 p.m. to receive advice of counsel regarding Eagle River MOU and Bolts Lake 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.*

Prior to the discussion of Bolts Lake matters, Messrs. Swartwout, Wilkins, and Zachman left the meeting.

The regular meeting resumed at 1:35 p.m.
ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 1:36 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