A joint special meeting of the Boards of Directors of the Upper Eagle Regional Water Authority (Authority) and Eagle River Water and Sanitation District (District) was held July 23, 2020, at 10:15 a.m., via Skype, in accordance with the applicable statutes of the State of Colorado.

ATTENDANCE

The following Authority Directors were present, 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

The following District 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:
- Linn Brooks
- Troy Clous
- Catherine Hayes
- Diane Johnson
- Kira Koppel
- Siri Roman
- Jeff Schneider
- James Wilkins
- ERWSD Staff
- Len Wright
- Brad Zachman
- Consultants
- Steve Bushong, Porzak Browning & Bushong LLP
- Jim Collins, Collins Cockrel & Cole
- Kristin Moseley, Porzak Browning & Bushong LLP
- Glenn Porzak, Porzak Browning & Bushong LLP
- Kathryn Winn, Collins Cockrel & Cole

DISCLOSURES OF POTENTIAL CONFLICTS OF INTEREST

The Boards noted they 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:

For the Authority:
- 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 boards of the Eagle River Fire Protection District and Edwards Metropolitan District 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.

For the District:
- 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 of the Eagle River Water and Sanitation District called the meeting to order at 10:19 a.m., and
Chair Gregory of the Upper Eagle Regional Water Authority concurred.

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

ACTION ITEMS

Authority

Consideration of Minutes – The minutes of the Authority’s regular meeting of June 25, 2020, were
considered. Upon motion duly made and seconded, it was unanimously
RESOLVED that the minutes of the June 25, 2020, regular meeting be accepted and hereby are
approved as presented.

FY2019 Audit Extension Request – Mr. Wilkins presented a board action request and related
resolution requesting an extension until Sept. 30 to file the Authority’s FY2019 with the Office of the
State Auditor. After discussion and upon motion duly made and seconded, it was unanimously
RESOLVED that the resolution to request an audit extension for the Authority be and hereby is
approved as presented.

Copies of the board action request and resolution are attached hereto as Exhibits A and B, respectively,
and incorporated herein by this reference.

District

Consideration of Minutes – The minutes of the District’s regular meeting of June 25, 2020, were
considered. Upon motion duly made and seconded, it was unanimously
RESOLVED that the minutes of the June 25, 2020, regular meeting be accepted and hereby are
approved as presented.

FY2019 Audit Extension Request – Mr. Wilkins presented a board action request and related
resolution requesting an extension until Sept. 30 to file the District’s FY2019 with the Office of the State
Auditor. After discussion and upon motion duly made and seconded, it was unanimously
RESOLVED that the resolution to request an audit extension for the District be and hereby is
approved as presented.

Copies of the board action request and resolution are attached hereto as Exhibits C and D, respectively,
and incorporated herein by this reference.

Joint

Consideration of Minutes – The minutes of the Authority and District joint 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, joint special meeting be accepted and hereby
are approved as presented by both boards.
The minutes of the Authority and District joint special meeting of June 24, 2020, were considered. Upon motion duly made and seconded, it was unanimously

RESOLVED that the minutes of the June 24, 2020, joint special meeting be accepted and hereby are approved as presented by both boards.

Consent Agenda – The Boards 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 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 a written report on communications attached hereto as Exhibit G and incorporated herein by this reference.

COVID-19 Response Update – Ms. Brooks noted absenteeism among staff remained low, though some employees were using vacation time. She discussed Eagle County’s shift from a cautious response (yellow) to a more concerned response (red) to the pandemic as local case numbers of coronavirus increased. Ms. Brooks is satisfied with the District’s response, and sanitation and hygiene protocols at District facilities have proven effective. The majority of administrative staff is working offsite, and District facilities remain closed to the public. In response to a question, Ms. Brooks said about 65% of employees are working from home and there are usually fewer than 20% of office employees onsite at the Vail office at any given time.

Drought – Ms. Brooks noted the current streamflow levels are lower than average, but not nearly as low as streamflows observed during the 2012 and 2018 droughts. Monsoonal rains are expected soon, but staff continues to plan for low streamflows in late summer and early fall, as well as reaching out to excessive users to reduce water use. Staff can use its WaterSmart platform to identify and send targeted messages to excessive users; a more general approach will be used for moderately high users.

OPERATIONS REPORT

Ms. Roman presented the operations report, a copy of which is attached hereto as Exhibit H and incorporated herein by this reference. She also referenced a backflow program update, a copy of which is attached hereto as Exhibit I and incorporated herein by this reference.

GENERAL COUNSEL REPORT

Mr. Collins referred to his confidential legal report included in the confidential packet.
Biosolids Containment Facility Land Update – Ms. Hayes updated on the desired purchase of the biosolids containment facility (BCF) land from the Bureau of Land Management (BLM). The district currently holds a patent for the land from the BLM; a direct sale of the land was requested, which would allow the District to use the land for a possible solar array. Under the patent, the use of the land is limited to drying of biosolids, which are the byproduct of the wastewater treatment process. Of the 25 acres in the parcel, just under 1 acre is needed to dry biosolids.

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

Authority + District
Eagle Park Reservoir Diligence Ruling – Mr. Porzak discussed the diligence ruling for the Eagle Park Reservoir water rights, a copy of which is attached hereto as Exhibit I and incorporated herein by this reference. He noted only four days remained for objections to be filed, after which the judge would sign the final decree.

Authority
Diligence Filings – Mr. Porzak reported on various diligence filings for the Authority, including those for water rights in Wolford Mountain Reservoir and a multitude of Authority conditional water rights. A copy is attached hereto as Exhibit J and incorporated herein by this reference.

Eagle Park Reservoir Stock Agreement – Mr. Porzak reported that he expects the Eagle Board of County Commissioners (BoCC) to approve the conveyance of its shares in Eagle Park Reservoir to the Authority at its July 28 BoCC meeting. A joint press release on the conveyance will be issued, and the water will be used for affordable housing projects, per the terms of the stock agreement. A copy of the agreement is attached hereto as Exhibit K and incorporated herein by this reference.

At 11:04 p.m., Mses. Koppel and Messrs. Clous, Schneider, and Wright left the meeting.

EXECUTIVE SESSION
Mr. Collins requested the Boards enter Executive Session to receive legal advice of counsel regarding consent to overlapping boundaries, 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 11:05 a.m. to receive advice of counsel regarding water supply modeling and strategic planning, 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.*

At 12:13 the board took a short recess. The meeting resumed at 12:23 p.m., in Executive Session.
Mr. Porzak requested the Board continue Executive Session to receive legal advice of counsel regarding 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 \textbf{RESOLVED} to continue Executive Session at 12:23 p.m. to receive advice of counsel regarding 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. Wilkins, and Zachman left the meeting.

The regular meeting resumed at 1:57 p.m.
ADJOURNMENT

There being no further business to come before the Boards, the meeting adjourned at 1:58 p.m.

Respectfully submitted,

________________________________________
Secretary to the Meeting

EAGLE RIVER WATER & SANITATION DISTRICT

________________________________________
Dick Cleveland, Director

________________________________________
Steve Coyer, Treasurer

________________________________________
George Gregory, Secretary

________________________________________
Timm Paxson, Director

________________________________________
Bill Simmons, Chair

________________________________________
Brian Sipes, Director

________________________________________
Robert Warner, Director
UPPER EAGLE REGIONAL WATER AUTHORITY

___________________________________
Arrowhead Metropolitan District

___________________________________
Town of Avon

___________________________________
Beaver Creek Metropolitan District

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Berry Creek Metropolitan District

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EagleVail Metropolitan District

___________________________________
Edwards Metropolitan District

*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
Glenn Porzak, Water Counsel