Eagle River Water and Sanitation District
Upper Eagle Regional Water Authority
Joint Special Meeting
August 27, 2020
MINUTES

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 August 27, 2020, at 11:00 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:
- ERWSD Staff
- Linn Brooks
- Allen Cerny
- Troy Clous
- Carol Dickman
- Catherine Hayes
- Diane Johnson
- Kira Koppel
- Mark Mantua
- Melissa Marts
- Louise Reiter
- Siri Roman
- Jeff Schneider
- Rick Smith
- Evette Smits
- Shane Swartwout
- Len Wright
- Brad Zachman
- Steve Bushong, Porzak Browning & Bushong LLP
- Kim Crawford, Butler Snow
- Jim Collins, Collins Cockrel & Cole
- Jonathan Heroux, Piper Sandler
- Kristin Moseley, Porzak Browning & Bushong LLP
- Glenn Porzak, Porzak Browning & Bushong LLP
- Lorne Bassel, Battle North
- Eric Heil, Town of Avon
- Tim McGuire, Battle North
- Gerry Ronan, Lupert-Adler

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 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
CALL TO ORDER
Chair Simmons of the Eagle River Water and Sanitation District called the meeting to order at 11:01 a.m., and Chair Gregory of the Upper Eagle Regional Water Authority concurred.

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

INTRODUCTIONS
Ms. Brooks introduced Mr. Smith, interim director of finance for the district. Guests were also introduced, including Ms. Crawford of Butler Snow and Mr. Heroux of Piper Sandler, both of whom would be assisting with discussion of the bond parameters resolution.

ACTION ITEMS
Authority
Parameters Resolution – A parameters resolution was presented for consideration by the Authority, a copy of which is attached hereto as Exhibit A and incorporated herein by this reference. The resolution set forth the terms by which the 2020 water revenue improvement bonds would be issued, as well as the refunding of a previous bond. The resolution also allows the General Manager or Director of Finance to approve the pricing and sale of the bonds subject to certain maximum parameters. This gives the Board the flexibility to adopt a resolution in advance and sell the bonds in the market at the most opportune time. Mr. Collins also noted that at a later meeting, the board would consider a resolution to establish the debt service base rate to pay for the bonds, after final pricing was determined. After discussion and upon motion duly made and seconded, it was unanimously RESOLVED that the bond parameters resolution be and hereby is approved as presented; and FURTHER RESOLVED that a debt service base rate resolution would be considered at such time as the final bond is issued and final pricing is known.

Ms. Crawford and Mr. Heroux left the call at 11:15 a.m.

Joint
Consideration of Minutes – The minutes of the Authority and District joint special meeting of July 23, 2020, were considered. Upon motion duly made and seconded, it was unanimously RESOLVED that the minutes of the July 23, 2020, joint special meeting be accepted and hereby are approved by both boards.

Late Fee Waiver Extension – Mr. Swartwout presented a board action request regarding to extension of the District’s waiver for customer late fees to coincide with the Colorado Executive Order on such matters. A copy of the request is attached hereto as Exhibit B and incorporated herein by this reference. Upon motion duly made and seconded, it was unanimously
RESOLVED to approve the late fee waiver extension and align the timing with the state of Colorado’s Executive Order.

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

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

GENERAL MANAGER REPORT

Ms. Brooks presented her report, a copy of which is attached hereto as Exhibit E and incorporated herein by this reference. She said staff was again minimizing verbal updates during the virtual meetings and noted written reports on sustainability and communications, attached hereto as Exhibits F and G, respectively, and incorporated herein by this reference.

Quarterly Financials – Mr. Smith and Ms. Reiter presented the quarterly financial reports for the Authority and District, attached hereto as Exhibits H and I, respectively, and incorporated herein by this reference. Both boards acknowledged receipt of the reports.

OPERATIONS REPORT

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

Low Streamflow Operating Plan – Dr. Wright presented information regarding current streamflows in Gore Creek and the Eagle River. He discussed how water operations shifted to divert from the Eagle River at the lowest possible point, leaving more water upstream for aquatic life purposes. Instream flow calls were placed on the Eagle River on Monday, Aug. 24, and staff is releasing Eagle Park Reservoir water in response. Dr. Wright also discussed the various tools by which staff makes day to day changes to operations protocols.

Backflow 101 Presentation – Mr. Zachman and Ms. Smits presented information on the Authority and District backflow program, including requirements, compliance matters, and the incident command structure staff is using to address the compliance issues. The Authority and District have been out of compliance since the backflow rule was promulgated by the state in 2016. Mr. Zachman explained that the rule requires surveys of all customers accounts except single family residences, which are not yet regulated. Staff is working diligently but may not reach full compliance by year end; however, Mr. Zachman emphasized that the program has made considerable progress, with an action plan in place.

Avon Wastewater Treatment Facility Nutrient Upgrade Project (NUP) Update – Ms. Marts updated on the AWWTF nutrient upgrade project and discussed her memo, attached hereto as Exhibit K and incorporated herein by this reference. The NUP is slightly behind schedule due
materials and subcontractor delays related to the Grizzly Creek fire, which shut down I-70
between Glenwood Springs and Dotsero for a week in mid-August.

Edwards Spur Road Update – Mr. Mantua updated on the Edwards Spur Road project and
presented a related memo, a copy of which is attached hereto as Exhibit L and incorporated
herein by this reference. The pipe replacement needed for the Edwards Spur Road project will
commence soon at CDOT’s cost, since the material was changed from the original plans and the
installation for the new material pipe was improperly completed.

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 and referenced a
confidential memorandum that was distributed to the boards on his behalf on August 26.

Authority

Eagle Park Reservoir Company Stock Agreement – Mr. Porzak reported that Eagle County
misplaced one of its stock certificates, so the physical conveyance of the shares of Eagle Park
Reservoir Company stock from the county to the Authority was delayed. Mr. Porzak continues to
work on this and will apprise the boards when it is completed.

Authority + District

Eagle Park Reservoir Diligence Ruling – Mr. Porzak discussed the protest by the division and
state engineers to the ruling of the referee regarding the finding of diligence for the Eagle Park
Reservoir storage rights, a copy of which is attached hereto as Exhibit M and incorporated herein
by this reference. Mr. Porzak noted an upcoming status conference with the judge on this matter.

At 12:30 p.m., Mses. Dickman, Koppel, Marts, Reiter, and Vogt and Messrs. Cerny, Clous, Schneider,
and Wright left the meeting.

EXECUTIVE SESSION

Mr. Collins requested the Boards enter Executive Session to receive legal advice of counsel regarding
Cordillera Valley Club water use and EverVail, 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 12:31 p.m. to receive advice of counsel regarding
Cordillera Valley Club water use and EverVail, 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 12:57 the board took a recess. The meeting resumed at 1:30 p.m., in Executive Session, at which time Messrs. Bassel, McGuire, Middleton, and Ronan joined the meeting. Prior to the discussion of Bolts Lake matters, Messrs. Smith and Zachman left the meeting.

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

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.*

Messrs. Bassel, McGuire, and Ronan left the meeting at 2:49 p.m.

Mr. Porzak requested the Board continue Executive Session to receive legal advice of counsel regarding Bolts Lake matters and the strategic reserve policy, 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 continue Executive Session at 2:50 p.m. to receive advice of counsel regarding Bolts Lake matters and the strategic reserve policy, 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 4:42 p.m.

Director Sipes announced this would be his last meeting, as he was moving out of director district

5. Staff will notice the vacancy in the coming weeks.
ADJOURNMENT

There being no further business to come before the Boards, the meeting adjourned at 4:43 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
<table>
<thead>
<tr>
<th>District</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arrowhead Metropolitan District</td>
</tr>
<tr>
<td>Town of Avon</td>
</tr>
<tr>
<td>Beaver Creek Metropolitan District</td>
</tr>
<tr>
<td>Berry Creek Metropolitan District</td>
</tr>
<tr>
<td>EagleVail Metropolitan District</td>
</tr>
<tr>
<td>Edwards Metropolitan District</td>
</tr>
</tbody>
</table>

*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