

**Eagle River Water and Sanitation District
Upper Eagle Regional Water Authority
Joint Special Meeting
September 24, 2020
MINUTES**

1 A joint special meeting of the Boards of Directors of the Upper Eagle Regional Water Authority (**Authority**)
2 and Eagle River Water and Sanitation District (**District**) was held September 24, 2020, at 9:45 a.m., via
3 Microsoft Teams, in accordance with the applicable statutes of the State of Colorado.

4 **ATTENDANCE**

5 **The following Authority Directors were present, thereby constituting a quorum:**

6 Geoff Dreyer, Arrowhead Metropolitan District
7 Pam Elsner, Beaver Creek Metropolitan District
8 George Gregory, Berry Creek Metropolitan District
9 Sarah Smith Hymes, town of Avon
10 Kim Bell Williams, EagleVail Metropolitan District
11 Mick Woodworth, Edwards Metropolitan District

12 **The following District Directors were present, thereby constituting a quorum:**

13 Dick Cleveland
14 Steve Coyer
15 George Gregory
16 Timm Paxson
17 Bill Simmons
18 Robert Warner

19 **Also in attendance were:**

20 **ERWSD Staff**

21 Linn Brooks
22 Allen Cerny
23 Jason Cowles
24 Carol Dickman
25 Catherine Hayes
26 Diane Johnson
27 Elena Jones
28 Kira Koppel
29 Melissa Mills McLoota
30 Louise Reiter
31 Jeff Schneider
32 Micah Schuette
33 Rick Smith
34 Amy Vogt
35 Len Wright
36 Brad Zachman

37 **Consultants**

38 Alec Bry, AE2S
39 Steve Bushong, Porzak Browning & Bushong LLP
40 Jim Collins, Collins Cockrel & Cole
41 Holly Loff, Eagle River Watershed Council
42 Matt Miller, McMahan and Associates
43 Glenn Porzak, Porzak Browning & Bushong LLP
44 Marc Ragan, Piper Sandler
45 Deon Stockert, AE2S

47 **Public**

48 Tammy Baker, citizen
49 Eric Heil, Town of Avon
50 Cliff Thompson, Friend of the River District
51 Chris Treese, Friends of the River District

52 **DISCLOSURES OF POTENTIAL CONFLICTS OF INTEREST**

53 The Boards noted they had received more than 72 hours prior to the meeting certain disclosures of Potential Conflicts of Interest
54 Statements for the following Directors indicating the following conflicts:

55 **For the Authority:**

56 Director Elsner disclosed her membership with the Vilar Performing Arts Center Guild, which operates within the Authority's service
57 area. Director Gregory and alternate Director Simmons disclosed that they serve on the Board of the Eagle River Water and Sanitation
58 District. Director Gregory also disclosed that he occasionally undertakes small development and construction activities within the
59 Authority and District service areas. Alternate Director Simmons noted he serves on the boards of the Eagle River Fire Protection
60 District and Edwards Metropolitan District and is employed by Beaver Creek Metropolitan District, an Authority member. Director
61 Williams disclosed that she is the Eagle County Housing Director. Director Woodworth disclosed that he is employed by the Eagle
62 River Fire Protection District, which operates within the Authority's service area.

63 **For the District:**

64 Director Cleveland disclosed that he serves on the board of Vail Health. Director Gregory disclosed that he serves on the Boards
65 of the Upper Eagle Regional Water Authority (Authority and the Berry Creek Metropolitan District and occasionally undertakes
66 development and construction activities within the District and Authority service areas. Director Simmons disclosed that he is the
67 General anager of the Beaver Creek Metropolitan District, an alternate Authority Director, and serves on the boards of the

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1 Edwards Metropolitan District and Eagle River Fire Protection District. Director Warner disclosed that he is a developer with in the
2 District's service area and serves on the Eagle County Planning Commission, which occasionally has dealings with the District.

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4 **CALL TO ORDER**

5 Chair Simmons of the Eagle River Water and Sanitation District called the meeting to order at 9:45 a.m., and
6 Chair Gregory of the Upper Eagle Regional Water Authority concurred.

7 **PUBLIC COMMENT**

8 Public comment was called for and there was none.

9 **INTRODUCTIONS**

10 Guests were also introduced, including Messrs. Bry, Miller, Ragan, Stockert, Treese, Thompson, and
11 Mses. Baker and Loff.

12 **ACTION ITEMS**

13 **Joint**

14 **Consideration of Minutes** – The minutes of the Authority and District joint special meeting of Aug. 27,
15 2020, were considered. Upon motion duly made and seconded, it was unanimously

16 **RESOLVED** that the minutes of the Aug. 27, 2020, joint special meeting be accepted and hereby
17 are approved as presented by both boards.

18 **Consideration of Joint Resolution in Support of Colorado River District's Ballot Question 7A** – Mr.
19 Treese and Ms. Johnson discussed information regarding Ballot Question 7A and a related resolution,
20 copies of which are attached hereto as **Exhibits A** and **B**, respectively, and incorporated herein by this
21 reference. The measure would help stabilize the River District's revenues, which have been declining due
22 to reduced energy revenues, the Gallagher Amendment, and TABOR restrictions. After discussion and
23 upon motion duly made and seconded, it was unanimously

24 **RESOLVED** that the Joint Resolution in Support of Colorado River District's Ballot Question 7A to
25 Protect West Slope Water be and hereby is approved as presented.

26 Messrs. Thompson and Treese left the meeting at 10:00 a.m.

27 **Eagle River Watershed Council Funding Request** – Ms. Loff president of the Eagle River Watershed
28 Council, presented information regarding the Council's programs, outreach, and efforts, to which the
29 Authority and District contribute a combined \$50,000 annually. Ms. Loff presented her request letters to
30 the Authority and District boards regarding funding, copies of which are attached hereto as **Exhibits C**
31 and **D**, respectively and incorporated herein by this reference. The boards agreed to include \$25,000 in
32 each the Authority and District FY 2021 budgets for approval next month. Ms. Loff left the meeting at
33 10:23 a.m.

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

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

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1 **Authority**

2 **Authority 2020 Water Revenue Bonds and Rate Impacts** – Mr. Ragan discussed options for structuring
3 the bonds to create some debt service savings and reduce the impact to ratepayers in FY2021 and into
4 the future. The board indicated a preference for the alternative that slowly increased rates and aligned
5 with the information shared with ratepayers in 2019. Mr. Ragan also presented a resolution to establish a
6 debt service base for the 2020 bonds, a copy of which is attached hereto as **Exhibit G** and incorporated
7 herein by this reference. After discussion and upon motion duly made and seconded, it was unanimously

8 **RESOLVED** that the resolution to establish the debt service base rate be and hereby is approved
9 as presented.

10 Mr. Ragan left the meeting at 10:55 a.m.

11 **FY2019 Audit** – Mr. Miller of McMahan and Associates discussed the Authority’s 2019 audited financial
12 statements and the representation letter to management, copies of which are attached hereto as **Exhibits**
13 **H and I**, respectively, and incorporated herein by this reference. Mr. Miller noted the board received a
14 clean opinion on its audit and there were no issues performing the audit. Upon motion duly made and
15 seconded, it was unanimously

16 **RESOLVED** that the FY2019 audit be and hereby is approved as presented; and

17 **FURTHER RESOLVED** that Ms. Brooks be and hereby is authorized to execute the
18 representation letter.

19 **District**

20 **FY2019 Audit** – Mr. Miller of McMahan and Associates also discussed the District’s 2019 audited
21 financial statements and the representation letter to management, copies of which are attached hereto as
22 **Exhibits J and K**, respectively, and incorporated herein by this reference. Mr. Miller noted the board
23 received a clean opinion on its audit and there were no issues performing the audit. Upon motion duly
24 made and seconded, it was unanimously

25 **RESOLVED** that the FY2019 audit be and hereby is approved as presented; and

26 **FURTHER RESOLVED** that Ms. Brooks be and hereby is authorized to execute the
27 representation letter.

28 Mr. Miller left the meeting at 11:05 a.m.

29 **STRATEGY ITEMS**

30 **Water System Master Plan Update** – Mr. Schuette introduced Messrs. Bry and Stockert of
31 AE2S, noting that they were instrumental in assisting with the Authority and District’s water
32 system master plan. Mr. Schuette noted the plan uses a GIS-based hydraulic model, which
33 allows in-house modeling for items that were previously outsourced. A copy of Mr. Schuette’s
34 presentation is attached hereto as **Exhibit L** and incorporated herein by this reference.

35 Messrs. Bry and Stockert left the meeting at 11:45 a.m.

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1 **Board Member Input** – Board member input was requested and there was none.

2 **GENERAL MANAGER REPORT**

3 Ms. Brooks presented her report, a copy of which is attached hereto as **Exhibit M** and incorporated
4 herein by this reference.

5 **OPERATIONS REPORT**

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

8 **Budget Update** – Mr. Smith noted budget work was in progress for the Authority and District
9 FY2021 budgets. Staff is on track to provide these by the Oct. 15 statutory deadline.

10 **ENGINEERING REPORT**

11 Mr. Cowles presented the engineering report, a copy of which is attached hereto as **Exhibit O** and
12 incorporated herein by this reference.

13 **COMMUNICATIONS AND PUBLIC AFFAIRS REPORT**

14 Ms. Johnson presented the communications and public affairs report, a copy of which is attached hereto
15 as **Exhibit P** and incorporated herein by this reference.

16 **GENERAL COUNSEL REPORT**

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

18 **WATER COUNSEL REPORT**

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

20 **Cash-in-Lieu Fees** – Mr. Porzak discussed the cash-in-lieu of water rights rates for FY2021,
21 which will be considered with the draft FY2021 budgets for both boards.

22 At 12:15 p.m., Mses. Dickman, Koppel, Reiter, and Vogt and Messrs. Cerny, Schneider, Schuette, and
23 Dr. Wright left the meeting.

24 **EXECUTIVE SESSION**

25 Mr. Collins requested the Boards enter Executive Session to receive legal advice of counsel, pursuant to
26 §24-6-402(4)(a)(b) and (e) C.R.S. He asked that no electronic record be made, as the discussion would
27 be entirely privileged attorney-client communications. Upon motion duly made and seconded, it was
28 unanimously

29 **RESOLVED** to enter Executive Session at 12:31 p.m. to receive advice of counsel, pursuant
30 to §24-6-402(4)(b) and (e) C.R.S. with no electronic record created as Mr. Collins opined the
31 contents of the discussion would contain privileged attorney-client communications.*

32 Mr. Porzak requested the Board continue Executive Session to receive legal advice of counsel regarding
33 the strategic reserve policy and Eagle Park Reservoir water rights matters, pursuant to §24-6-402(4)(a)(b)

846 Forest Road

Vail, Colorado 81657

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1 and (e) C.R.S. He asked that no electronic record be made, as the discussion would be entirely privileged
2 attorney-client communications. Upon motion duly made and seconded, it was unanimously

3 **RESOLVED** to continue Executive Session at 12:45 p.m. to receive advice of counsel
4 regarding the strategic reserve policy and Eagle Park Reservoir water rights matters,
5 pursuant to §24-6-402(4)(b) and (e) C.R.S. with no electronic record created as Mr. Porzak
6 opined the contents of the discussion would contain privileged attorney-client
7 communications.*

8 Ms. Brooks requested the Board continue Executive Session to receive legal advice of counsel regarding
9 cybersecurity and Bolts Lake matters, pursuant to §24-6-402(4)(a)(b) and (e) C.R.S. She asked that no
10 electronic record be made, as the discussion would be entirely privileged attorney-client communications.

11 Upon motion duly made and seconded, it was unanimously

12 **RESOLVED** to continue Executive Session at 2:45 p.m. to receive advice of counsel
13 regarding cybersecurity and Bolts Lake matters, pursuant to §24-6-402(4)(b) and (e) C.R.S.
14 with no electronic record created as Mr. Collins opined the contents of the discussion would
15 contain privileged attorney-client communications.*

16 The regular meeting resumed at 4:00 p.m.

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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

Robert Warner, Director

Eagle River Water and Sanitation District
Upper Eagle Regional Water Authority

UPPER EAGLE REGIONAL WATER AUTHORITY

Arrowhead Metropolitan District

Town of Avon

Beaver Creek Metropolitan District

Berry Creek Metropolitan District

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

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