

Upper Eagle Regional Water Authority

Board of Directors Meeting

January 28, 2021

MINUTES

1 A regular, virtual meeting of the Board of Directors of the Upper Eagle Regional Water Authority (Authority)
2 was held January 28, 2021, at 8:30 a.m., in accordance with the applicable statutes of the State of Colorado.

3 **The following Directors and alternate were present and acting via Microsoft Teams, thereby**
4 **constituting a quorum:**

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

11 **Also in attendance were:**

| | | |
|--------------------------|----|--|
| 12 <u>District Staff</u> | 24 | Chris Wolff |
| 13 Linn Brooks | 25 | Len Wright |
| 14 Allen Cerny | 26 | Brad Zachman |
| 15 Jason Cowles | 27 | <u>Consultants</u> |
| 16 Catherine Hayes | 28 | Jim Collins, Collins Cockrel & Cole |
| 17 Diane Johnson | 29 | Glenn Porzak, Porzak Browning & Bushong LLP |
| 18 Kira Koppel | 30 | <u>Public</u> |
| 19 David Norris | 31 | Steven Barber, EagleVail Metropolitan District |
| 20 Siri Roman | 32 | Steve Coyer, Mountain Star resident |
| 21 Jeff Schneider | 33 | Jeff Snyder, Mountain Star HOA |
| 22 Shane Swartwout | | |
| 23 Amy Vogt | | |

DISCLOSURES OF POTENTIAL CONFLICTS OF INTEREST

34 The Board noted it had received more than 72 hours prior to the meeting certain disclosures of Potential Conflicts of Interest
35 Statements for the following Directors indicating the following conflicts:
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37 Director Elsner disclosed her membership with the Vilar Performing Arts Center Guild, which operates within the Authority's service
38 area. Director Gregory and alternate Director Simmons disclosed that they serve on the Board of the Eagle River Water and Sanitation
39 District. Director Gregory also disclosed that he occasionally undertakes small development and construction activities within the
40 Authority and District service areas. Alternate Director Simmons noted he serves on the boards of the Eagle River Fire Protection
41 District and Edwards Metropolitan District and is employed by Beaver Creek Metropolitan District, an Authority member. Director
42 Williams disclosed that she is the Eagle County Housing Director. Director Woodworth disclosed that he is employed by the Eagle
43 River Fire Protection District, which operates within the Authority's service area.

CALL TO ORDER

44 Chair Gregory called the meeting to order at 8:30 a.m.

INTRODUCTIONS

45 Guests were introduced, including Messrs. Coyer and Snyder of Mountain Star and Mr. Barber, who is an
46 EagleVail Metropolitan District alternate to the board.

PUBLIC COMMENT

47 Public comment was called for and there was none.

ACTION and OTHER ITEMS

48 **Consideration of Minutes** – The minutes of the meeting of December 17, 2020, were considered.

49 Upon motion duly made and seconded, it was unanimously

50 **RESOLVED** that the minutes of the December 17, 2020, regular meeting be accepted and
51 hereby are approved as presented.
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1 The minutes of the joint, special meeting of December 17, 2020, with the Eagle River Water &
2 Sanitation District were considered. Upon motion duly made and seconded, it was unanimously
3 **RESOLVED** that the minutes of the joint special December 17, 2020, special meeting be
4 accepted and hereby are approved as presented.

5 The board expressed gratitude for the accuracy of the minutes.

6 **IT Security Audit Insurance Policy** – Mr. Norris discussed his board action request, a copy of which is
7 attached hereto as **Exhibit A** and incorporated herein by this reference. A recent cybersecurity audit
8 through the Special District Association pool insurance recommended the addition of a cybersecurity
9 insurance policy. Mr. Norris explained the risk from losses and business interruption due to cybersecurity
10 attacks and suggested the addition of a \$2,000,000 policy at a cost of \$16,000/annually. While the
11 Authority's IT assets are covered under the District's policy, Mr. Norris wanted the Authority to be
12 apprised of the audit results and recommendation for increased insurance. This will protect the Authority's
13 assets and ensure compliance with federal and state regulation in the event of a breach.

14 **Subcommittees** – Ms. Brooks noted a vacancy on the water demand management joint subcommittee,
15 which includes Director Woodworth and District Directors Burchenal and Coyer. A copy of the
16 subcommittees list is attached hereto as **Exhibit B** and incorporated herein by this reference. After
17 discussion, the subcommittee was renamed "Water Supply Planning." After further discussion and upon
18 motion duly made and seconded, it was unanimously

19 **RESOLVED** that Director Smith Hymes be and hereby is appointed to join the water supply
20 planning subcommittee.

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

23 **STRATEGY ITEMS**

24 **Cloudseeding Activities** – Ms. Brooks reported the cloud seeding effort is underway, and the
25 Authority and District contributions were used to leverage additional funding from other entities.

26 **Eagle River Valley Mobile Home Park** – Ms. Brooks reported on a discussion with Eagle County
27 regarding the park's water. She noted the water quality meets all applicable safety requirements,
28 though it is not desirable as drinking water for many residents. A county employee is assisting
29 with HOA formation to deal with this and other matters. Filling station installation has also been
30 discussed.

31 **Drought Mitigation and Excessive Use Strategy** – Dr. Wright and Ms. Johnson discussed
32 current planning efforts, including the formation of a drought mitigation steering committee. Hot,
33 dry conditions, relative to normal, continued to persist and are forecasted into the summer. Staff
34 is mobilizing a water demand management effort to target excessive users, which is the best
35 opportunity to reduce consumptive use and ensure appropriate water use by all customers during
36 the ongoing drought. Current strategies include various enforcement mechanisms, rules and

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1 regulations revisions, and policy updates, in addition to operational adjustments to preserve in-
2 basin water.

3 **GENERAL MANAGER REPORT**

4 Ms. Brooks referenced her report, a copy of which is attached hereto as **Exhibit D** and incorporated
5 herein by this reference.

6 **COVID-19 Update** – Ms. Brooks updated the board on COVID-19 operations and noted no new
7 cases among staff since her report of Jan. 20. Staff is working with Eagle County public health to
8 determine where District employees are in the vaccination order. Linn also noted hazard pay was
9 available for employees required to report to work while others are required to work from home;
10 the rate is lower than the beginning of the pandemic because work conditions and District
11 protocols have proven effective and minimize risk to on-site employees.

12 **FINANCE REPORT**

13 Mr. Norris reported on tap fee collection in 2020, which was slightly lower than projected; this was due to
14 many developers paying their fees in late 2019, prior to the annual increase. He noted monthly customer
15 payments are stable. At his request for direction, the board advised Mr. Norris to continue quarterly
16 financial reporting, but to inform the board of any significant variances monthly.

17 **OPERATIONS REPORT**

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

20 **CDOT's West Vail Pass Auxiliary Lane Project Update** – Ms. Roman reported on the CDOT
21 project, which will add a third lane to I-70 on the west side of Vail Pass, along with other
22 improvements. The Federal Highway Administration approved the finding of no significant impact
23 for the project, though staff and other stakeholders continue to express concerns regarding water
24 quality impacts of the project. CDOT agreed to water quality studies and sediment control efforts,
25 though such efforts are not expressly tied to the project. Ms. Roman noted funding is in place for
26 Phase 1, which is expected to move quickly.

27 **ENGINEERING AND WATER RESOURCES REPORT**

28 Mr. Cowles noted he did not include a written report in packets.

29 **Colorado River District Demand Management Advisory Committee** – Mr. Cowles discussed
30 his participation on this advisory committee, which is gathering stakeholders' viewpoints and
31 reactions regarding the demand management program. The program is a temporary, voluntary,
32 and compensated reduction of diversions in an effort to conserve water. Many of the stakeholders
33 from the West Slope were skeptical of the program's chances for success, with the belief that a
34 more permanent program is needed to make a meaningful impact.

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1 **Development Approval Process** – Mr. Cowles noted upcoming rules and regulations revisions,
2 some of which will address the development approval process. Specifically, such changes will
3 specify developments must receive a final capacity to serve letter from the Authority or District
4 prior to final plat recording. Mr. Cowles received direction to include the cost of water earlier in the
5 development process, to encourage developers to find ways to reduce water demands.

6 **COMMUNICATIONS AND PUBLIC AFFAIRS REPORT**

7 Ms. Johnson presented her report, a copy of which is attached hereto as **Exhibit F** and incorporated
8 herein by this reference.

9 **Colorado River District Ballot Issue Update** – Ms. Johnson also noted articles from her report
10 that focused on water speculation and related information. She specifically pointed out an op-ed
11 in the Denver Post regarding buy and dry activities on the Western Slope.

12 **GENERAL COUNSEL REPORT**

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

14 **WATER COUNSEL REPORT**

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

16 **Colorado River District Update** – Mr. Porzak discussed his attachments, copies of which are
17 attached hereto as **Exhibit G** and incorporated herein by this reference. He noted discussion of
18 these items was undertaken during the communications report.

19 At 9:59 a.m., Mses. Koppel and Vogt and Messrs. Cerny, Schneider, and Wolff, and Dr. Wright left the
20 meeting.

21 **EXECUTIVE SESSION**

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

26 **RESOLVED** to enter Executive Session at 10:00 a.m. to receive advice of counsel regarding
27 permit application planning and Bolts Lake, pursuant to §24-6-402(4)(b) and (e) C.R.S. with
28 no electronic record created as Mr. Collins opined the contents of the discussion would
29 contain privileged attorney-client communications.*

30 The regular meeting resumed at 11:09 a.m.

31 **Approval of Meeting Minutes** – Mr. Collins advised that during the pandemic, and while virtual board
32 meetings were held, verbal approval of the meeting minutes at the subsequent meeting was sufficient and
33 signatures were not necessary.

34 **ADJOURNMENT**

35 There being no further business to come before the Board, the meeting adjourned at 11:10 a.m.

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Respectfully submitted,

Secretary to the Meeting

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