

Eagle River Water & Sanitation District

Board of Directors Meeting

July 22, 2021

MINUTES

A special meeting of the Board of Directors of the Eagle River Water & Sanitation District (District) was held July 22, 2021, at 1:00 p.m., in accordance with the applicable statutes of the State of Colorado.

ATTENDANCE

The following Directors were present in person or via Microsoft Teams, thereby constituting a quorum:

1 Kate Burchenal
2 Dick Cleveland
3 Steve Coyer
4 George Gregory
5 Timm Paxson
6 Bill Simmons
7 Robert Warner

Also in attendance were:

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10 District Staff 25 Jeffrey Schneider
11 Linn Brooks 26 Chris Wolff
12 Jason Cowles 27 Len Wright
13 Sarah Crawford 28 Brad Zachman
14 Beth Doliboa 29

Consultants

15 Catherine Hayes 30
16 Christine Heimerl 31 Jim Collins, Collins Cockrel & Cole
17 Diane Johnson 32 Matthew Miller, McMahan and Associates
18 Kira Koppel 33 Kristin Moseley, Porzak Browning & Bushong LLP
19 Craig Malkmes 34 Glenn Porzak, Porzak Browning & Bushong LLP
20 Nikola Nemcanin 35 Kathryn Winn, Collins Cockrel & Cole
21 David Norris 36 Public
22 Chuck Owen 37 None
23 Louise Reiter

24 Siri Roman

DISCLOSURES OF POTENTIAL CONFLICTS OF INTEREST

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39 The Board noted it had received more than 72 hours prior to the meeting certain disclosures of Potential Conflicts of Interest
40 Statements for the following Directors indicating the following conflicts:

41 Director Burchenal disclosed that she on the Eagle River Watershed Council board of directors. Director Gregory disclosed that he
42 serves on the Boards of the Upper Eagle Regional Water Authority (Authority) and the Berry Creek Metropolitan District and
43 occasionally undertakes development and construction activities within the District and Authority service areas. Director Simmons
44 disclosed that he is the General Manager of the Beaver Creek Metropolitan District, an alternate Authority Director, and serves on
45 the boards of the Edwards Metropolitan District and Eagle River Fire Protection District. Director Warner disclosed that he is a
46 developer within the District's service area and serves on the Eagle County Planning Commission, which occasionally has dealings
47 with the District.

CALL TO ORDER

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49 Chair Simmons called the meeting to order at 1:00 p.m.

INTRODUCTIONS

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51 No introductions were made.

PUBLIC COMMENT

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53 Public comment was called for and there was none.

ACTION ITEMS

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55 **Consideration of Minutes** – The minutes of the meeting of June 24, 2021, were considered. Upon
56 motion duly made and seconded, it was unanimously

57 **RESOLVED** that the minutes of the June 24, 2021, special meeting be accepted and hereby are
58 approved as presented.

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1 The minutes of the two joint, special meetings of June 24, 2021 with the Upper Eagle Regional Water
2 Authority were considered. Upon motion duly made and seconded, it was unanimously

3 **RESOLVED** that the minutes of the June 24, 2021 joint special meetings be accepted and hereby
4 are approved as presented.

5 **Consideration of FY 2020 Audited Financial Statement** – Mr. Miller and Mr. Norris discussed the FY
6 2020 Audited Financial Statements, a copy of which is attached hereto as **Exhibit A**. The audit was
7 clean, and the firm offered an unqualified opinion. Mr. Miller also noted no issues in working with staff on
8 the audit and related tasks. Mr. Norris and the board members who participated on the audit committee
9 recognized Louise Reiter for her work and effort in supporting the audit. After discussion and upon motion
10 duly made and seconded, it was unanimously

11 **RESOLVED** that the FY 2020 audit be and hereby is approved as presented; and

12 **FURTHER RESOLVED** that authorization letter be and hereby is approved as presented.

13 The authorization letter is attached hereto as **Exhibit B** and incorporated herein by this reference.

14 **Sustainable Destination MOU** – Ms. Hayes and Ms. Koppel discussed the Sustainable Destination
15 MOU. Discussion ensued regarding how the District supports the Town of Vail’s sustainability efforts. A
16 related document is attached hereto as **Exhibit C** and incorporated herein by this reference. After
17 discussion and upon motion duly made and seconded, it was unanimously

18 **RESOLVED** that the Sustainable Destination MOU be and hereby is approved as presented.

19 **Eagle County Hazard Mitigation Plan** – Ms. Hayes and Ms. Koppel made a board action request for the
20 District to join the Eagle County Hazard Mitigation Plan, a copy of which is attached hereto as **Exhibit D**
21 and incorporated herein by this reference. The District participated in the planning effort but did not act as
22 a formal signatory when the plan was developed in 2019. The District now wishes to pursue Federal
23 Emergency Management Agency grant funding for resiliency projects and becoming a plan signatory is a
24 prerequisite for the application. Discussion ensued regarding the benefits of joining the plan. After
25 discussion and upon motion duly made and seconded, it was unanimously

26 **RESOLVED** that the request to join the Eagle County Hazard Mitigation Plan be and hereby is
27 approved as presented

28 **Consent Agenda** – The consent agenda was approved, a copy of which is attached hereto as **Exhibit E**
29 and incorporated herein by this reference.

30 **Information Reports** – The information reports are attached hereto as **Exhibits F** incorporated herein by
31 this reference.

32 STRATEGY ITEMS

33 **Board Member Input** – Board member input was requested, and none was received.

34 **Drought Update** – Dr. Wright updated on current drought conditions. Recent heavy rains had a
35 positive effect on streamflows. Ms. Johnson updated on customer data and alerts available from
36 WaterSmart to help customers proactively monitor water use. Mr. Norris updated on customer

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1 outreach efforts to high users. Repeat Tier 4 and 5 water users are being identified and targeted
2 for future outreach efforts. Water use regulations were sent to all customers, as they are annually.
3 Discussion ensued regarding analysis on water budgeting and use regulations.

4 **GENERAL MANAGER REPORT**

5 Ms. Brooks noted she did not include a written packet report this month.

6 **Staff Update** – Ms. Brooks notified the board that IT Manager, Jason Sica is relocating to North
7 Carolina. He will continue to provide remote support for the next 3 – 6 months. Until the manager
8 position is filled, Justin Way will serve as interim IT Manager. Discussion ensued regarding
9 staffing issues and future solutions.

10 **FINANCE REPORT**

11 Mr. Norris referenced the Quarterly Finance report, a copy of which is attached hereto as **Exhibit G** and
12 incorporated herein by this reference. He noted increased revenue and lower operating expenses than
13 budgeted. Capital expenses are higher, which was expected. Mr. Norris noted the District is in a strong
14 financial position and there has been a great improvement since last year.

15 **OPERATIONS REPORT**

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

18 **ENGINEERING AND WATER RESOURCES REPORT**

19 Mr. Cowles referenced the engineering report, a copy of which is attached hereto as **Exhibit I** and
20 incorporated herein by this reference.

21 **Traer Creek Tank Update** – Mr. Mantua referenced a memo regarding the Traer Creek Tank, a
22 copy of which is attached here to as **Exhibit J** and incorporated herein by this reference.

23 **Unallocated Water** – Mr. Cowles discussed the Authority's unallocated water and referenced a
24 spreadsheet from his report. He noted further discussion would be reserved for Executive
25 Session.

26 **Homestake Exchange** – Mr. Cowles updated the board on the Homestake Exchange. Mr.
27 Cowles reminded the board of the terms of the Consolidated Exchange Agreement with Colorado
28 Springs and Aurora. He recommended that the District and Authority use their share of 683.82 af
29 of exchange credit balance in the reservoir that could be at risk of reduction if it is not used this
30 year to support low stream flows in the late summer. More information was included in the
31 Engineering and Water Resources report.

32 **COMMUNICATIONS AND PUBLIC AFFAIRS REPORT**

33 Ms. Johnson referenced her report, a copy of which is attached hereto as **Exhibit K** and incorporated
34 herein by this reference.

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GENERAL COUNSEL REPORT

Ms. Winn referenced the confidential legal report in the confidential board packet.

Purchase of BLM Land for Solar Array – Ms. Winn noted the District's desired purchase of the Bureau of Land Management (BLM) parcel near the landfill was moving, albeit slowly. She reminded directors that the District holds a patent for the parcel but wishes to outright purchase the land.

WATER COUNSEL REPORT

Mr. Porzak had no updates for the regular meeting and referenced the confidential legal report in the confidential board packet.

EXECUTIVE SESSION

Ms. Winn requested the Board enter Executive Session to receive legal advice of counsel regarding unification, pursuant to §24-6-402(4)(b) and (e) C.R.S. She 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 2:20 p.m. to receive advice of counsel regarding unification, pursuant to §24-6-402(4)(b) and (e) C.R.S. with no electronic record created as Ms. Winn opined the contents of the discussion would contain privileged attorney-client communications. *

Mr. Porzak requested the Board continue Executive Session to receive legal advice of counsel regarding the Eagle River MOU update, Shoshone Update and Piney River Unit Conditional Water Right pursuant to §24-6-402(4)(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 3:00 p.m. to receive advice of counsel regarding the Eagle River MOU update, Shoshone Update and Piney River Unit Conditional Water Right 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 3:09 p.m.

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1 **ADJOURNMENT**

2 There being no further business to come before the Board, the meeting adjourned at 3:10 p.m.

3 Respectfully submitted,

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Secretary to the Meeting