

Upper Eagle Regional Water Authority

Board of Directors Meeting

July 22, 2021

MINUTES

1 A regular, virtual meeting of the Board of Directors of the Upper Eagle Regional Water Authority (Authority)
2 was held July 22, 2021, at 8:30 a.m., in accordance with the applicable statutes of the State of Colorado.

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

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

11 **The following Director was absent and excused:**

12 Pam Elsner, Beaver Creek Metropolitan District

13 **Also in attendance were:**

14 <u>District Staff</u>	29 Jeffrey Schneider
15 Linn Brooks	30 Chris Wolff
16 Kyle Collins	31 Len Wright
17 Jason Cowles	32 Brad Zachman
18 Sarah Crawford	33
19 Catherine Hayes	34 <u>Consultants</u>
20 Christine Heimerl	35 Jim Collins, Collins Cockrel & Cole
21 Diane Johnson	36 Matthew Miller, McMahan and Associates
22 Craig Malkmes	37 Kristin Moseley, Somach Simmons & Dunn
23 Mark Mantua	38 Glenn Porzak, Porzak Browning & Bushong LLP
24 Nikola Nemcanin	39 Kathryn Winn, Collins Cockrel & Cole
25 David Norris	40 <u>Public</u>
26 Chuck Owen	41 <i>None.</i>
27 Louise Reiter	

28 Siri Roman

42 **DISCLOSURES OF POTENTIAL CONFLICTS OF INTEREST**

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

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

52 **CALL TO ORDER**

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

54 **INTRODUCTIONS**

55 No introductions were made.

56 **PUBLIC COMMENT**

57 Public comment was called for and there was none.

58 **ACTION ITEMS**

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

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1 **RESOLVED** that the minutes of the June 24, 2021 regular meeting be accepted and hereby are
2 approved as presented.

3 The minutes of the two joint, special meetings of June 24, 2021, with the Eagle River Water and
4 Sanitation District were considered. Upon motion duly made and seconded, it was unanimously

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

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

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

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

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

16 **Information Reports** – The information reports are attached hereto as **Exhibits C** incorporated herein by
17 this reference.

18 **Sustainable Destination MOU** – Ms. Hayes discussed the Sustainable Destination MOU and clarified
19 that the District is a signatory, but not the Authority. Discussion ensued regarding how the District
20 supports the Town of Vail's sustainability efforts. A related document is attached hereto as **Exhibit D** and
21 incorporated herein by this reference.

22 **STRATEGY ITEMS**

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

24 **Drought Update** – Dr. Wright updated on current drought conditions. Recent heavy rains had a
25 positive effect on streamflows. Ms. Johnson updated on customer data and alerts available from
26 WaterSmart to help customers proactively monitor water use. Mr. Norris updated on customer
27 outreach efforts to high users. Repeat Tier 4 and 5 water users are being identified and targeted
28 for future outreach efforts. Water use regulations were sent to all customers, as they are annually.

29 **GENERAL MANAGER REPORT**

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

31 **Staff Update** – Ms. Brooks notified the board that IT Manager, Jason Sica is relocating to North
32 Carolina. He will continue to provide remote support for the next 3 – 6 months. Until the manager
33 position is filled, Justin Way will serve as interim IT Manager.

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1 **FINANCE REPORT**

2 Mr. Norris referenced the Quarterly Finance report, a copy of which is attached hereto as **Exhibit E** and
3 incorporated herein by this reference. He noted increased revenue and lower operating expenses than
4 budgeted. Capital expenses are higher, which was expected. David noted the Authority is in a strong
5 financial position.

6 **OPERATIONS REPORT**

7 Ms. Roman presented the operations report, a copy of which is attached hereto as **Exhibit F** and
8 incorporated herein by this reference. Operations recently updated the Operations Plan, Brad Zachman
9 will be managing this plan.

10 **ENGINEERING AND WATER RESOURCES REPORT**

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

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

19 **Unallocated Water** – Mr. Cowles discussed the Authority's unallocated water and referenced a
20 spreadsheet from his report.

21 **Traer Creek Tank Update** – Mr. Mantua discussed a memo regarding the Traer Creek Tank, a
22 copy of which is attached here to as **Exhibit H** and incorporated herein by this reference. The
23 project is proceeding on time and on budget. The tank contractor has installed 78 piers, base
24 course, and rebar. Currently, concrete beacons are being poured. Project completion is expected
25 by October 2021.

26 **COMMUNICATIONS AND PUBLIC AFFAIRS REPORT**

27 Ms. Johnson referenced her report, a copy of which is attached hereto as **Exhibit I** and incorporated
28 herein by this reference.

29 **GENERAL COUNSEL REPORT**

30 Ms. Winn had no updates for the regular meeting and referenced her confidential legal report in the
31 confidential packet.

32 **WATER COUNSEL REPORT**

33 **Brett and Creamery Ditch Water Rights** – Mr. Porzak included a memo re Brett & Creamery
34 Ditch water rights, a copy of which is attached hereto as **Exhibit H** and incorporated herein by

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1 this reference. He briefly updated the board on this matter, regarding the state's Seniors First
2 Policy, which would require the Authority to use senior water rights before junior water rights. He
3 will file a response on the Authority's behalf.

4 **Stag Gulch Wellfield Diligence Case** – Mr. Porzak included a memo re Stag Gulch Wellfield
5 diligence case, a copy of which is attached hereto as **Exhibit I** and incorporated herein by this
6 reference. He outlined the decision to leave remaining portions of the wellfield conditional at this
7 time, as ongoing improvements are being made.

8 EXECUTIVE SESSION

9 Ms. Winn requested the Board enter Executive Session to receive legal advice of counsel regarding
10 unification, pursuant to §24-6-402(4)(b) and (e) C.R.S. She asked that no electronic record be made, as
11 the discussion would be entirely privileged attorney-client communications. Upon motion duly made and
12 seconded, it was unanimously

13 **RESOLVED** to enter Executive Session at 10:14 a.m. to receive advice of counsel regarding
14 unification, pursuant to §24-6-402(4)(b) and (e) C.R.S. with no electronic record created as
15 Ms. Winn opined the contents of the discussion would contain privileged attorney-client
16 communications. *

17 Mr. Porzak requested the Board continue Executive Session to receive legal advice of counsel regarding
18 the water rights report pursuant to §24-6-402(4)(b) and (e) C.R.S. He asked that no electronic record be
19 made, as the discussion would be entirely privileged attorney-client communications. Upon motion duly
20 made and seconded, it was unanimously

21 **RESOLVED** to continue Executive Session at 10:18 a.m. to receive advice of counsel
22 regarding water rights report pursuant to §24-6-402(4)(b) and (e) C.R.S. with no electronic
23 record created as Mr. Porzak opined the contents of the discussion would contain privileged
24 attorney-client communications. *

25 The regular meeting resumed at 11:02 a.m..

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1 **ADJOURNMENT**

2 There being no further business to come before the Board, the meeting adjourned at 11:03 a.m.

3 Respectfully submitted,

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5 _____
6 Secretary to the Meeting
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