

Eagle River Water & Sanitation District
Board of Directors Meeting
August 22, 2024
MINUTES

A special meeting of the Board of Directors of the Eagle River Water & Sanitation District (District) was held August 22, 2024, at 12:30 p.m., in the Walter Kirch Room of the District, 846 Forest Road, Vail, Eagle County, Colorado, in accordance with the applicable statutes of the state of Colorado.

ATTENDANCE

The following Directors were present and acting:

Kate Burchenal
Dick Cleveland
Steve Coyer
Sarah Smith Hymes
Timm Paxson
Rick Pylman
Robert Warner, Jr.

Also in attendance were:

District Staff	24	Jeffrey Schneider
Tom Borawski	25	Jessie Sipkovsky
Jim Cannava	26	Brian Thompson
Jason Cowles	27	Ellen Thompson
Allison Ebbets	28	Brad Zachman
Tim Friday	29	
Chris Geisting	30	<u>Consultants</u>
Justin Hildreth	31	Kristin Moseley, Somach Simmons & Dunn
Robyn Janssen	32	Kathryn Winn, Collins Cole Flynn Winn & Ulmer PLLC
Diane Johnson	33	
David Norris	34	<u>Public</u>
Chuck Owen	35	Zoe Goldstein, Vail Daily
Siri Roman	36	

DISCLOSURES OF POTENTIAL CONFLICTS OF INTEREST

The board noted it 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: Director Pylman disclosed that he owns a land planning consulting company doing business in the District's service area that has represented entities that have and may do business with the District. Director Warner disclosed that he is a former Builder/Developer in the District, a Member of the Eagle County Planning Commission and Zoning Board of Adjustment, and President of McCoy Springs at Arrowhead Homeowners Association. Director Burchenal disclosed that she is an employee of Airborne Snow Observatories, Inc., which does not currently do business with the District but there may be a time in the future when they do business with the District or other partners in the District's service area.

CALL TO ORDER

Having determined there was a quorum, Chair Cleveland called the meeting to order at 12:26 p.m. The meeting started slightly earlier than the noticed time due to the preceding joint board meeting with the Authority board ending early; no actions were taken by the board prior to the noticed meeting time.

INTRODUCTIONS

Two new employees were introduced: Ms. Ebbets introduced customer relations specialist Ellen Thompson, and Mr. Geisting introduced wastewater operator Jessie Sipkovsky.

PUBLIC COMMENT

Chair Cleveland called for public comment and there was none.

BOARD MEMBER COMPLIANCE TRAINING

Mr. Borawski and Mr. Norris referenced Mr. Thompson's memorandum and presented a PowerPoint, copies of which are attached hereto as **Exhibits A** and **B**, respectively, and incorporated herein by this reference. Mr. Norris referenced discussion from the July 25 board meeting introducing compliance trainings that will be

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1 regularly provided to the board. He reminded the board that the trainings align with standards and
2 recommendations set by the Special District Association, and 2024 trainings will be divided into four
3 components, including today's training on discrimination. Mr. Borawski then facilitated the training,
4 highlighting recommended strategies to prevent and address discrimination. Topics included forms of
5 discrimination and instances where discrimination could potentially occur, protocols for reporting incidents and
6 complaints of potential discrimination to the General Manager, and an overview of the District's
7 nondiscriminatory hiring and procurement policies. Mr. Borawski also thanked board members for contributing
8 towards a positive and inclusive culture.

9 **ACTION ITEMS**

10 **Consideration of Minutes** – The minutes of the July 25, 2024, regular meeting were considered.
11 Upon motion duly made and seconded, it was unanimously

12 **RESOLVED** that the minutes of the July 25, 2024, regular meeting be accepted and hereby
13 are approved as presented.

14 **Contract Log** – The board reviewed the contract log, a copy of which is attached hereto as **Exhibit C**
15 and incorporated herein by this reference. Upon motion duly made and seconded, it was unanimously

16 **RESOLVED** that the contract log be accepted and hereby is approved as presented.

17 **INFORMATION REPORTS**

18 Directors reviewed board committees and the June Authority meeting summary, copies of which are attached
19 hereto as **Exhibits D** and **E**, respectively, and incorporated herein by this reference.

20 **BOARD MEMBER INPUT**

21 Chair Cleveland called for board member input and there was none.

22 **GENERAL MANAGER REPORT**

23 Ms. Roman said she, Ms. Johnson, and Ms. Moseley recently attended the Colorado Water Congress
24 Summer Conference. She discussed her experience as a panelist at a workshop on water and energy
25 innovations, where she highlighted the District's sustainability initiatives, including participation in the Peak
26 Payback program, investment in Holy Cross Energy's PuRE program, and development of the greenhouse
27 gas inventory tool, as well as collaborations with Holy Cross Energy on emergency response. She also
28 reported on ongoing discussions with the Colorado Department of Public Health & Environment (CDPHE)
29 regarding flexible solutions to nutrient removal and other regulatory challenges. She further reported on the
30 draft permit issued by CDPHE to the Town of Eagle pursuant to section 303(d) of the Clean Water Act. She
31 noted the permit's five-year deadline to comply with stream temperature limits and reiterated concerns
32 regarding the excessive costs and negligible impacts of compliance with these temperature standards.

33 **BUSINESS ADMINISTRATION REPORT**

34 Ms. Roman said Mr. Norris was presenting a financial overview to provide the board with historical context in
35 preparation for the 2025 budget and the development of a long-term financial plan. Mr. Norris then presented
36 a PowerPoint, a copy of which is attached hereto as **Exhibit F** and incorporated herein by this reference. He
37 discussed benchmarks for water affordability and challenges faced by the District and Authority to balance

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1 affordability with managing debt and addressing aging infrastructure. He then reviewed the financial impacts
2 of the District's and Authority's historical bonding and deferred maintenance, as well as historical rates, which
3 included no increases from 2016-2019. As a result, he noted a significant increase in outstanding debt, as the
4 District and Authority have issued \$425 million in bonds over the past 33 years, including \$250 million in the
5 past eight years, and a significant proportion of revenue is committed to debt servicing. He also discussed the
6 need to improve several key metrics to maintain sufficient liquidity and financial health, including Days Cash
7 on Hand, Debt Service Coverage Ratio, and Debt-to-Capitalization Ratio. He noted that the S&P recently
8 increased the required Days Cash on Hand median for top-rated bonds to 546 days and recommended a 500-
9 day ceiling as a starting point, which will need to be factored into financial planning. Finally, he provided an
10 overview of the 2025 budget strategy, highlighting planned rate increases to improve fund balances, address
11 infrastructure needs, and update financial ratios and standards, while continuing to prioritize affordability.
12 Discussion ensued regarding long-term planning for the Bolts Lake redevelopment project and the nutrient
13 upgrades at Edwards Wastewater Treatment Facility.

14 OPERATIONS REPORT

15 Mr. Zachman presented the report, a copy of which is attached hereto as **Exhibit G** and incorporated herein
16 by this reference. In response to a question, Mr. Schneider provided a brief update on communication with
17 Holy Cross Energy regarding a power outage caused by an improperly located line at the site of the
18 Arrowhead Transmission Main & Valve Vault Project. In response to another question, Mr. Zachman said Vail
19 Well R7 has been successfully repaired and is back online.

20 ENGINEERING AND WATER RESOURCES REPORT

21 Mr. Cowles presented the report, a copy of which is attached hereto as **Exhibit H** and incorporated herein by
22 this reference. He had no further items to discuss.

23 **Greenhouse gas emissions inventory** – Mr. Friday presented a PowerPoint, a copy of which is
24 attached hereto as **Exhibit I** and incorporated herein by this reference. He said the 2023 Greenhouse
25 Gas (GHG) Emissions Inventory, which was introduced at the Apr. 4, 2024, board meeting, was
26 finalized in June. Key findings included a 15% reduction in GHG emissions and a 30% reduction in
27 natural gas usage since 2019, as well as an 80% reduction in GHG emissions compared to the period
28 before 2019, which is the recommended reduction target for 2050 by Eagle County's Climate Action
29 Plan. Directors congratulated staff for reaching this goal well ahead of Eagle County's timeline. Mr.
30 Friday further noted that 100% of the District's electricity usage is offset through its participation in
31 Holy Cross Energy's PuRE program. He also discussed ongoing sustainability efforts focused on
32 energy management, transportation, and waste diversion.

33 COMMUNICATIONS AND PUBLIC AFFAIRS REPORT

34 Ms. Johnson presented the report, a copy of which is attached hereto as **Exhibit J** and incorporated herein by
35 this reference. She provided a brief update on Colorado River operations, highlighting the Bureau of
36 Reclamation's recent 24-month report projecting that the Lower Basin will remain in a Tier 1 water shortage

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1 (same as the current year) for the upcoming year due to stabilized, yet low, levels at Lake Mead and Lower
2 Basin states meeting their water-savings goals.

3 **WATER COUNSEL REPORT**

4 Ms. Moseley did not have a written report or items to discuss.

5 **GENERAL COUNSEL REPORT**

6 Ms. Winn did not have a written report or items to discuss.

7 **EXECUTIVE SESSION**

8 Ms. Moseley requested the board move into Executive Session to receive legal advice regarding Bolts Lake
9 and Battle North/Minturn Case Nos. 21CW3029 and 21CW3030, pursuant to §24-6-402(4)(b), C.R.S. Upon
10 motion duly made and seconded, it was unanimously

11 **RESOLVED** to enter into Executive Session at 2:16 p.m. to receive legal advice regarding
12 Bolts Lake and Battle North/Minturn Case Nos. 21CW3029 and 21CW3030, pursuant to §24-
13 6-402(4)(b), C.R.S., with no electronic record created as Ms. Moseley opined the contents of
14 the discussion would contain privileged attorney-client communications.*

15 Open session resumed at 2:28 p.m. During the executive session, the board did not take any formal action or
16 discuss any matters not enumerated in §24-6-402(4), C.R.S.

17 **ADJOURNMENT**

18 There being no further business to come before the board at this meeting and upon motion duly moved and
19 seconded, it was unanimously

20 **RESOLVED**, that the signing of the minutes of this meeting shall be deemed to constitute full
21 and complete adoption, ratification, and approval of the business conducted and the
22 resolutions passed; and be it

23 **FURTHER RESOLVED**, that the meeting be adjourned at 2:16 p.m.

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39 *The undersigned attorney for the applicable Executive Session affirms that the portion of the discussion in
40 Executive Session not recorded constituted privileged attorney-client communications.
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44 **Kristin Moseley, Water Counsel**