

Upper Eagle Regional Water Authority

Board of Directors Meeting

September 26, 2024

MINUTES

1 A regular meeting of the Board of Directors of the Upper Eagle Regional Water Authority (Authority) was
2 held September 26, 2024, at 8:30 a.m., in the Walter Kirch Room of the Eagle River Water & Sanitation
3 District (District), 846 Forest Road, Vail, Eagle County, Colorado, in accordance with the applicable statutes
4 of the state of Colorado.

5 **ATTENDANCE**

6 **The following Directors were present and acting:**

7 Geoff Dreyer, Arrowhead Metropolitan District (left meeting at 11:03 a.m.)

8 George Gregory, Berry Creek Metropolitan District

9 Kevin Hillgren, Beaver Creek Metropolitan District

10 Joanna Kerwin, Edwards Metropolitan District

11 Tamra Underwood, Town of Avon (present for entire meeting; acting starting at 11:30 a.m.)

12 Kim Bell Williams, EagleVail Metropolitan District (left meeting at 10:30 a.m.)

13 **The following Alternate Director was present and acting for a portion of the meeting:**

14 Eric Heil, Town of Avon (left meeting at 11:30 a.m.)

15 **Also in attendance were:**

16 District Staff

17 Jim Cannava

18 Jason Cowles

19 Allison Ebbets

20 Tim Friday

21 Justin Hildreth

22 Diane Johnson

23 David Norris

24 Chuck Owen

25 Siri Roman

26 Brian Thompson

27 Justin Way

28 Brad Zachman

29 Consultants

30 Kristin Moseley, Somach Simmons & Dunn

31 Kathryn Winn, Collins Cole Winn & Ulmer, PLLC

32

33 Public

34 Laura Bohannon, Eagle County Conservation District

35 James Dilzell, Eagle River Coalition

36 Mike Towler, Beaver Creek Alternate Director

37 **DISCLOSURES OF POTENTIAL CONFLICTS OF INTEREST**

38 The board noted it had received more than 72 hours prior to the meeting certain disclosures of potential conflicts of interest for the following
39 Directors indicating the following conflicts: Director Gregory disclosed that he occasionally undertakes minor development and construction
40 activities within the Authority's service area. Director Bell Williams disclosed that she is the Housing Director for Eagle County and works
41 with the Eagle County Housing and Development Authority Advisory Committee. Director Kerwin disclosed that she is a board member of
42 Mountain Recreation Metropolitan District, Mountain Recreation Foundation, Homestead Court Club Homeowners Association, Homestead
43 Owners Association, and Homestead Valley Association. Director Underwood disclosed that she was elected on Nov. 8, 2022, to a four-
44 year term on the Town Council of the Town of Avon, a member entity of the Authority.

45 **CALL TO ORDER**

46 Having determined there was a quorum, Chair Gregory called the meeting to order at 8:30 a.m. Director

47 Underwood appointed Alternate Director Heil to be the Town of Avon acting director for this meeting.

48 **INTRODUCTIONS**

49 Chair Gregory welcomed Ms. Bohannon, Executive Director of the Eagle County Conservation District, who
50 presented later in the meeting.

51 **PUBLIC COMMENT**

52 Chair Gregory called for public comment. Alternate Director Towler asked about available relief for
53 unintentional water leaks, and Mr. Norris responded with an overview of the District's one-time credit policy.

54 **ACTION ITEMS**

55 **Consideration of Minutes** – The minutes of the Aug. 22, 2024, regular meeting and special joint

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1 meeting with the ERWSD board were considered. Upon motion duly made and seconded, it was
2 unanimously

3 **RESOLVED** that the minutes of the Aug. 22, 2024, regular meeting and special joint meeting
4 with the ERWSD board be accepted and hereby are approved as presented.

5 **Request from Eagle County Conservation District (ECCD) to consider resolution supporting**
6 **ballot measure** – Ms. Bohannon presented a memorandum and a proposed resolution, copies of
7 which are attached hereto as **Exhibits A and B**, respectively, and incorporated herein by this
8 reference. Upon reviewing ECCD's mission and history, Ms. Bohannon said ECCD is seeking its first
9 mill levy through a ballot measure in its November 2024 election. She discussed details of the ballot
10 measure and the need for increased revenue to fund growing program and operating expenses. She
11 then requested the board consider a supportive resolution, as presented in Exhibit B. Discussion
12 ensued regarding the benefits of ECCD programs to District and Authority customers, specifically the
13 Beyond Lawn program, and the potential expansion of ECCD partnerships and programs if the ballot
14 measures passes. Chair Gregory proposed tabling consideration of the resolution so further analysis
15 could be conducted. Upon motion duly made and seconded, it was unanimously

16 **RESOLVED** to table consideration of a proposed resolution in support of the Eagle County
17 Conservation District ballot question until the Oct. 24 board meeting.

18 **WORK SESSIONS**

19 **Board Compliance Training** – Mr. Norris presented a memorandum and PowerPoint, copies of
20 which are attached hereto as **Exhibits C and D**, respectively, and incorporated herein by this
21 reference. This training on fiscal accountability, which was the third component in the four-part 2024
22 board compliance training series, emphasized best practices related to the board's financial oversight
23 and fiduciary duties, with a focus on transparency, impartiality, and vigilance, as well as external audit
24 requirements to ensure accuracy and accountability.

25 **Proposed 2025 Budget** – Mr. Cannava, Mr. Norris, and Mr. Zachman presented a memorandum
26 with attachments and a PowerPoint, copies of which are attached hereto as **Exhibits E and F**,
27 respectively, and incorporated herein by this reference. Chair Gregory and Treasurer Dreyer said the
28 board budget committee reviewed the proposed budget and recommended it for approval by the
29 board. Mr. Norris reviewed key budget priorities, including preventive and deferred maintenance of
30 aging infrastructure, water supply security through Bolts Lake with expediated timelines, emergency
31 preparedness, and debt management. Mr. Zachman discussed critical operational priorities
32 addressed in the budget, highlighting the need to strengthen sewer collection and water system
33 maintenance. Mr. Cannava reviewed the 2025 budget summary and proposed capital project and
34 departmental operating budgets. Mr. Norris discussed bond window balances and horizons,
35 specifically addressing bond funding for Bolts Lake. He noted that the 2024 Vail Water bond issuance
36 costs will increase due to the District's rating notch lowering to A+, and the bond rating will rebound to

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1 AA by increasing fund balances to retain at least 550 days cash on hand, among other financial
2 strategies. He also said long-term operational and regulatory needs, particularly related to wastewater
3 requirements, cannot be sustainably funded through continued bonding. He also reviewed updates to
4 the operating agreement between the Authority and District, as well as recent rate restructures. Chair
5 Gregory said the board will convene public hearings on the proposed budget and changes to rates
6 and fees at the Oct. 24 board meeting. Directors thanked staff for their extensive work and customer-
7 focused analysis throughout the budget process.

8 **INFORMATION REPORTS**

9 Directors reviewed board committees, the draft August meeting summary, and contract log, copies of which
10 are attached hereto as **Exhibits G, H, and I**, respectively, and incorporated herein by this reference.

11 **BOARD MEMBER INPUT**

12 Treasurer Dreyer discussed the components of each customer's total bill, including District wastewater rates,
13 and expressed concerns regarding long-term affordability for customers, particularly with upcoming capital
14 projects such as Bolts Lake and District wastewater infrastructure compliance. He suggested board review of
15 projected rate impacts over the next several years.

16 **GENERAL MANAGER REPORT**

17 Ms. Roman presented the report, a copy of which is attached hereto as **Exhibit J** and incorporated herein by
18 this reference. Ms. Roman said she was selected to serve as the Upper Colorado River Basin representative
19 on the Colorado Water Congress (CWC) Board of Directors. She thanked staff, consultants, and town officials
20 for their support of her application. She also said the U.S. Senate Committee on Energy and Natural
21 Resources postponed the hearing on the Bolts Ditch Act to November. She also discussed the wastewater
22 discharge permit recently issued to the Town of Eagle by the Colorado Department of Public Health &
23 Environment, and she expressed concerns that the stringent temperature limits set in Eagle's permit may
24 create risks for the District and other utilities statewide.

25 **BUSINESS ADMINISTRATION REPORT**

26 Mr. Norris did not have a written report or further items to discuss.

27 **Water Conservation Update** – Ms. Ebbets presented a memorandum, a copy of which is attached
28 hereto as **Exhibit K** and incorporated herein by this reference. She reviewed preliminary data
29 showing an overall reduction in water use among individually metered residential accounts in May,
30 Jun., and Aug. 2024 compared to the same months in 2021-2024. She said while a wet summer
31 contributed to this reduction, conservation efforts should focus on permanent behavior changes and
32 long-term water savings regardless of seasonal conditions. She also noted a decrease in calls to
33 Customer Service, which is attributable to process improvements.

34 **OPERATIONS REPORT**

35 Mr. Zachman presented the report, a copy of which is attached hereto as **Exhibit L** and incorporated herein
36 by this reference. He had no further items to discuss.

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1 **2023 macroinvertebrate sampling results** – Chair Gregory noted the memorandum by Leah
2 Cribari, a copy of which is attached hereto as **Exhibit M** and incorporated herein by this reference.

3 **ENGINEERING AND WATER RESOURCES REPORT**

4 Mr. Cowles presented the report, a copy of which is attached hereto as **Exhibit N** and incorporated herein by
5 this reference. He discussed the joint board water resources tour scheduled for Sept. 30.

6 **Bolts Lake Update** – Mr. Cowles referenced the memorandum by Black & Veatch, a copy of which is
7 attached hereto as **Exhibit O** and incorporated herein by this reference. He said the Bolts Lake
8 project team is finalizing program management plans, including communication and procurement
9 strategies, as well as selecting AECOM as the design engineer. He also provided updates on grant
10 applications and ongoing discussions with federal agencies to secure funding. He also discussed
11 upcoming milestones, including field surveys, environmental assessments, and evaluation of
12 alternatives. In response to a question, he said the project schedule was updated with an earlier
13 projected completion date due to potential compression of National Environmental Policy Act (NEPA)
14 permitting processes. Schedule projections will continue to be refined as the project progresses.

15 **COMMUNICATIONS AND PUBLIC AFFAIRS REPORT**

16 Ms. Johnson presented the report, a copy of which is attached hereto as **Exhibit P** and incorporated herein
17 by this reference. She said the federal Wastewater Infrastructure Pollution Prevention and Environmental
18 Safety (WIPPES) Act passed in the U.S. House and has been referred to the Senate Committee on
19 Commerce, Science, and Transportation. Directors supported urging Sens. Bennet and Hickenlooper to
20 support the WIPPES Act, as well as thanking Rep. Neguse for voting in favor of the House bill. Ms. Johnson
21 also provided an update on the Shoshone permanency project, noting that Northern Water and other Front
22 Range entities have raised concerns that could create challenges to finalizing the acquisition by the Western
23 Slope coalition; the Colorado River District (CRD) is working to address such issues. She also said the CRD
24 is working on securing federal funding for Shoshone through an application to the Bureau of Reclamation. In
25 support of CRD's funding application, the District and Authority submitted a joint letter of support and a copy
26 of the letter of financial commitment to CRD, copies of which are attached hereto as **Exhibits Q** and **R**,
27 respectively, and incorporated herein by this reference. Updates were also provided regarding recent national
28 media reports on the Colorado River Basin, a draft bill developed by the Colorado Water Resources and
29 Agricultural Review Committee to correct new Backflow Prevention and Cross-Connection Control licensing
30 regulations, opportunities for water project funding through Proposition KK, and ongoing customer
31 communication regarding rate changes.

32 **WATER COUNSEL REPORT**

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

34 **GENERAL COUNSEL REPORT**

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

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1 **EXECUTIVE SESSION**

2 Ms. Moseley requested the board move into Executive Session to receive legal advice regarding Water Court
3 Case Nos. 21CW3029, 21CW3030, 21CW3180, 23CW3087, 23CW3031, 23CW3164, 23CW3169,
4 23CW3179, 23CW3205, 24CW3075, 24CW3079, 24CW3092, 16CW3122, 16CW3122, 17CW3216,
5 18CW3164, and 18CW3215, pursuant to §24-6-402(4)(b), C.R.S. Upon motion duly made and seconded, it
6 was unanimously

7 **RESOLVED** to enter into Executive Session at 11:17 a.m. to receive legal advice regarding
8 Water Court Case Nos. 21CW3029, 21CW3030, 21CW3180, 23CW3087, 23CW3031,
9 23CW3164, 23CW3169, 23CW3179, 23CW3205, 24CW3075, 24CW3079, 24CW3092,
10 16CW3122, 16CW3122, 17CW3216, 18CW3164, and 18CW3215, pursuant to §24-6-
11 402(4)(b), C.R.S., with no electronic record created as Ms. Moseley opined the contents of
12 the discussion would contain privileged attorney-client communications.*

13 Mr. Way presented a memorandum, a copy of which is attached hereto as **Exhibit S** and incorporated herein
14 by this reference. He then requested the board move into Executive Session to discuss specialized details of
15 cybersecurity arrangements, pursuant to §24-6-402(4)(d), C.R.S. Upon motion duly made and seconded, it
16 was unanimously

17 **RESOLVED** to enter into Executive Session at 11:19 a.m. to discuss specialized details of
18 cybersecurity arrangements pursuant to §24-6-402(4)(d), C.R.S., with an electronic record
19 created and retained pursuant to §24-6-402(2)(d.5)(II)(E), C.R.S.

20 The open session resumed at 11:46 a.m. During the executive session, the board did not take any formal
21 action or discuss any matters not enumerated in §24-6-402(4), C.R.S.

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1 **ADJOURNMENT**

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

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

7 **FURTHER RESOLVED**, that the meeting be adjourned at 11:46 a.m.

8 Respectfully submitted,

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11 _____
12 Secretary to the Meeting

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14 **MINUTES APPROVED, FORMAL CALL, AND**
15 **NOTICE OF MEETING WAIVED**

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18 **Arrowhead Metropolitan District**

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21 **Town of Avon**

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24 **Beaver Creek Metropolitan District**

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27 **Berry Creek Metropolitan District**

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30 **EagleVail Metropolitan District**

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32 _____
33 **Edwards Metropolitan District**

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46 *The undersigned attorney for the applicable Executive Session affirms that the portion of the discussion in
47 Executive Session not recorded constituted privileged attorney-client communications.

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49 _____
50 **Kristin Moseley, Water Counsel**