

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

Open Session

February 22, 2012

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, February 22, 2012 beginning at 9:12 a.m. in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado. Members of the Board present during the Regular Meeting were:

H. Gregory Austin, President
John R. Lucero, First Vice President
Thomas A. Gougeon, Vice President
Paula Herzmark, Vice President
Penfield W. Tate, III, Vice President

Board employees and others present during portions of the Meeting were:

J. S. Lochhead, CEO/Manager	P. L. Wells, General Counsel
A. C. Bricmont, Director of Finance	D. L. Little, Director of Planning
S.C. Covington, Director of Public Affairs	J.A. Anderson, Director of Customer Relations
B. D. Good, Deputy Manager of Organizational Improvement	T. Roode, Director of Operations and Maintenance
R. J. Mahoney, Director of Engineering	C. R. Dermody, Director of Information Technology
C. Elam-Floyd, Director of Human Resources	M.E. Elliott, Manager of Water Conservation
T. J. Bray, Environmental Scientist	K. Urie, Environmental Scientist
P. Daukas, Manager of Environmental Planning	G. C. Berg, Treasury Analyst
M. L. Walker, Attorney	

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Pat Fitzgerald, Platte Canyon Water
and Sanitation District

Jason Mumm, StepWise

Fernando Aranda, StepWise

David Hartkopf, Green Mountain Water and
Sanitation District

Commissioner Austin called the meeting to order.

Commissioner Austin noted that although the meeting was primarily scheduled as a Study Session, there was one Action Item for the Board's consideration.

Upon motion regularly made, seconded and unanimously carried by the Commissioners then present, unless otherwise noted, the Board acted upon the following agenda items:

1. **ITEM 2-A-1: COLORADO RIVER COOPERATIVE AGREEMENT —
APPROVAL OF IMPLEMENTATION AGREEMENT FOR BRECKENRIDGE
AND KEYSTONE SKI AREAS**

Approved execution of an Article III Implementation Agreement with Vail Corporation, and Vail Summit Resorts, Inc., in the form attached to and incorporated in these Minutes as Exhibit "A."

Mr. Lochhead explained the Eagle County Board of County Commissioners, in a meeting on February 21, 2012, had approved execution of the Colorado River Cooperative Agreement (CRCA). Ms. Wells explained proposed recipients of water who are not signatories to the CRCA would be signing Implementation Agreements. The Implementation Agreement executed on February 21, 2012 by Vail Summit Resorts, Inc., and Vail Corporation, on behalf of Breckenridge and Keystone ski areas, provides water for snowmaking for those ski areas. The water will be provided after the CRCA is fully executed and outstanding legal issues have been fully resolved.

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In discussing the February 21 meeting, Mr. Lochhead opined the relationships that been developed and the commitment to work through issues had been the key to negotiating the agreement. Mr. Lochhead emphasized the need to secure the permit for the Gross Reservoir Enlargement Project in order that the provisions of the CRCA could be implemented.

The Commissioners acknowledged the work of the CEO/Manager and his staff in reaching this milestone.

At 9:22 a.m., the Board recessed to a Study Session. The Study session included updates regarding the 10,825 Water Agreement, rate model discussions, drought strategy and water supply, LEAN, legislative Issues and a quarterly review of the Employees' Retirement Plan Trust Fund.

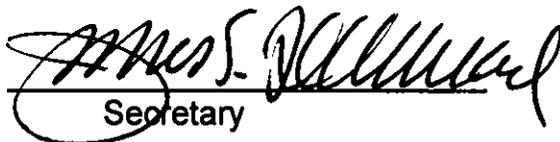
The Study Session concluded at 11:10, a.m., whereupon the Board voted unanimously to adjourn into Executive Session.

EXECUTIVE SESSION

On Wednesday, February 22, 2012, commencing at approximately 11:10 a.m. in the Board Room, the Board of Water Commissioners met in Executive Session. The following matters which are authorized by C.R.S. § 24-6-402 or D.R.M.C. § 2-34 were discussed during the Executive Session:

1. Litigation Report § 24-6-402(4)(b)
2. Contract Negotiations § 24-6-402(4)(e)

There being nothing further for the Board to consider, the Executive Session concluded at approximately 12:12 p.m.


Secretary



President