



## MEMORANDUM

**TO:** Board of Directors  
**FROM:** Brian Thompson, Government Affairs Administrator  
**DATE:** June 21, 2024  
**RE:** June 27, 2024, Board Meeting

This memorandum shall serve as notice of a Special Meeting of the Board of Directors of the Eagle River Water & Sanitation District:

**Thursday, June 27, 2024  
11:30 a.m.**

**This meeting will be held at:**

Walter Kirch Room  
Eagle River Water & Sanitation District Vail office  
846 Forest Road  
Vail, Colorado

The meeting can also be accessed on Microsoft Teams. Login information can be requested by sending an email at least 24 hours in advance to [info@erwsd.org](mailto:info@erwsd.org).

Input from members of the public is welcomed during the meeting's designated Public Comment period consistent with § 18-9-108, C.R.S. Speakers may address the Board on a first-recognized basis by the Chair. Public Comments are limited to three minutes per speaker on relevant matters not listed on the agenda.



BOARD OF DIRECTORS SPECIAL MEETING

June 27, 2024

11:30 a.m.

Walter Kirch Conference Room

**AGENDA**

- |  | <u><b>Attachment Link</b></u> |
|--|-------------------------------|
| <b>1. Introductions</b>  |                               |
| <b>2. Public Comment</b>   |                               |
| <b>3. Action Items</b>   |                               |
| 3.1. Minutes from May 23, 2024, Regular Meeting  | <a href="#">Action Item</a>   |
| 3.2. Contract Log  | <a href="#">Action Item</a>   |
| 3.3. Consideration of Fiscal Year 2023 Audited Financial Statement   | <a href="#">Action Item</a>   |
| <b>4. Information Reports</b>  |                               |
| 4.1. Board committees  | <a href="#">Informational</a> |
| 4.2. April Authority meeting summary   | <a href="#">Informational</a> |
| <b>5. Board Member Input</b>   |                               |
| <b>6. General Manager Report – Siri Roman</b>  |                               |
| 6.1. GM information items  | <a href="#">Informational</a> |
| 6.1.1. Eagle Park Reservoir Company update   |                               |
| 6.2. Business Administration report – David Norris   |                               |
| 6.2.1. People Operations update  | <a href="#">Informational</a> |
| 6.3. Operations report – Brad Zachman  | <a href="#">Informational</a> |
| 6.4. Engineering and Water Resources report – Jason Cowles   | <a href="#">Informational</a> |
| 6.4.1. Bolts Lake update   |                               |
| 6.4.2. Water shortage response plan  | <a href="#">Informational</a> |
| 6.5. Communications and Public Affairs report – Diane Johnson  | <a href="#">Informational</a> |
| <b>7. Water Counsel Report – Kristin Moseley</b>   |                               |
| 7.1. Bolts Ditch Act update  | <a href="#">Informational</a> |
| <b>8. General Counsel Report – Kathryn Winn</b>  |                               |
| <b>9. Executive Session</b>  |                               |
| 9.1. Receive legal advice regarding Bolts Lake and Battle North/Minturn Case Nos. 21CW3029 and 21CW3030, pursuant to §24-6-402(4)(b), C.R.S. |                               |
| 9.2. Instruct negotiators regarding Middle Creek housing project, pursuant to §24-6-402(4)(e), C.R.S.  |                               |
| <b>10. Any Action as a Result of Executive Session</b>   |                               |
| <b>11. Adjournment</b>   |                               |



## 2024 ERWSD CONTRACT LOG

Contract No.	Date Executed	Project Name	Contractor	Contract Amt.	Project Mgr.	Account No.	Total Amount per Account	Contract Type	Status / Description	District Total	Authority Total
24.15.048	Pending	District Facilities Window Cleaning	Mountain Window Cleaning LLC	NTE Pending	M. Cushman	10.3.9.10.20.500	NTE Pending	Services Agreement	Window cleaning of District office facilities.		
24.15.049	06/09/24	Miscellaneous Landscaping Services for Distribution and Collection	Henkes and Associates, Inc.	\$30,000.00*	N. Nemcanin	10.3.9.10.20.520 10.3.9.20.20.520 10.3.9.20.30.505 20.1.9.00.35.500 20.1.9.00.18.500	\$2,000.00 \$7,000.00 \$7,000.00 \$7,000.00	Master Services Agreement	Master Services Agreement for landscaping work after Field Ops repairs.	\$16,000.00	\$14,000.00
24.15.050	06/12/24	Cascade Skier Bridge Sewer Improvements	CONSOR North America, Inc.	\$136,373.00	K. Nelson	10.3.2.10.01.019	\$136,373.00	Design Services Agreement	Preliminary design services for the Cascade Skier Bridge sewer improvements		
24.15.051	06/07/24	R7 Well Repair	Inflatable Packers International, LLC	\$25,360.00	K. Rosema	10.3.2.20.09.029	\$25,360.00	Services Agreement	Purchase of swage, rental of swaging packer, inflation line, swaging line, and surface control unit, and installation specialist labor to complete installation in well casing.		
24.15.052	Pending	Booth Falls Emergency Power	Tetra Tech, Inc.	\$132,260.00	D. Duerr	10.3.2.20.09.028	\$132,260.00	Design Services Agreement	Booth Falls emergency power generator design and bidding services.		
24.15.053	06/11/24	SLI Field Data Collection	IMEG	\$85,000.00	S. Swartwout	10-3-9-20-21-772	\$85,000.00	Services Agreement	Field collection to locate and GPS curb stops within the District's water service area.		
24.15.054	Pending	2024 Comprehensive Tank Inspections And Cleaning	Advanced Cleaning Solutions LLC	\$38,640.00*	T. Young	10.3.9.20.30.780 20.1.9.00.15.780	\$10,168.40 \$28,471.60	Master Services Agreement	Comprehensive tank inspections and cleaning for both District and Authority.	\$10,168.40	\$28,471.60
24.15.056	Pending	Vail Well R7 And Fenno Well F7 Refurbishment	Samuelson Pump Co., Inc.	\$38,839.30*	K. Rosema	10.3.2.20.09.029 20.1.2.00.00.039	\$30,000.00 \$8,839.30	Master Services Agreement	Refurbishment work on Vail Well R7, including setting swage repair packer and re-installation of the existing pump and motor .	\$30,000.00	\$8,839.30
24.15.057	06/07/23	Vail Well R7 Refurbishment - Surge Valve Discharge Relocation	Filanc	\$42,734.00	J. Schneider	10.3.2.20.09.029	\$42,734.00	Construction Contract	Reconfigure surge valve discharge piping at Well R7 valve vault.		
24.15.058	Pending	VX Engage Software and Landlord Portal	VertexOne Software, LLC	\$286,514.02*	A. Ebbets	10.3.9.20.85.778 20.1.9.00.85.778	\$91,684.48 \$194,829.54	Master Services Agreement	VertexOne five year agreement for VX Engage Software and Landlord Portal	\$91,684.48	\$194,829.54



## BOARD ACTION REQUEST

**TO:** Board of Directors

**FROM:** Jim Cannava, Finance Manager  
Brian Thompson, Government Affairs Supervisor

**DATE:** June 26, 2024

**RE:** FY 2023 Audited Financial Statement

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**Summary of Subject:** Each year, the District is required to have an independent auditing firm audit its financial statements and present an audit report to the board. Staff been working with McMahan & Associates, L.L.C. ("McMahan & Associates"), on the FY 2023 audited financial statement report ("Audit Report"). The Audit Report for the year ending December 31, 2023, is attached for the board's review and consideration.

**Discussion and Background:** In May 2024, McMahan & Associates performed the required procedures to test internal controls, accounting policies, and audit reported financial balances. On June 20, the board's Audit Committee met to review the results of this field work and discussed the potential for financial misstatement and risk of fraud. At this meeting, Paul Backes, Managing Member of McMahan & Associates, reported on the clean results of the audit, which included no material issues or need for audit adjustments.

A local government must receive its audit report within six months after the close of the fiscal year. §29-1-606(1)(a), C.R.S. One copy of the audit report must be maintained by the local government as a public record for public inspection, and a copy must be forwarded to the state auditor within 30 days of receipt by the Board. §29-1-606(2-3), C.R.S.

Attached is the auditor's communications letter addressing audit scope, controls, and processed audit adjustments. No material items or adjustments were noted in the governing board letter. The FY 2023 Audit Report is also attached herein.

A preliminary draft of the Governing Board Letter and Audit Report was sent to directors on June 21, 2024. At the June 27 board meeting, the board will be asked to review the audit and consider a motion to accept the audit report, direct final reports be distributed, and authorize the General Manager and Finance Manager to sign the letter of representation addressed to McMahan & Associates.

**Legal Issues:** The District's audit requirements are governed by the Local Government Budget Law of Colorado. The District is required to file its audited financial statements with the Colorado Department of Local Government no later than July 31 and with the EMMA national bond disclosure network no later than August 30.

**Suggested Resolution and Motion:** Upon the recommendation of the audit committee, I move to accept the audited financial statements as presented, and direct final reports to be distributed. I further move to authorize the General Manager and Finance Manager to sign the letter of representation addressed to McMahan & Associates, L.L.C.

**Attached Supporting Documentation:**

- Governing Board Letter regarding required communication on Audit Scope – *No material items noted.*
- Audited Financial Statement Report for December 31, 2023\* - *A preliminary draft of the Audit Report was sent to directors on June 21, 2024.*

\*- Before printing, please note that the Financial Statement Report consists of 76 pages, including the statistical section. Please refer to the following Table of Contents to locate specific information:

A section: Auditors opinion – “Clean”

B Section: Management Discussion & Analysis

letter C Section: GAAP Financial Statements - Audited

D Section: Footnotes

E Section: Budgetary Basis Financials and Debt service

Schedules F Section: Statistical Data – Charts and graphs

F-1: Rate Maintenance Covenant Tables

**DRAFT**

**Eagle River Water and Sanitation District  
Vail, Colorado**

**Financial Statements  
December 31, 2023**

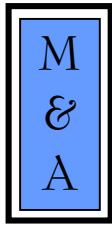


**EAGLE RIVER  
WATER & SANITATION  
DISTRICT**

**Eagle River Water and Sanitation District  
Financial Statements  
December 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors  
Eagle River Water and Sanitation District  
Vail, Colorado**

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the business-type activities of Eagle River Water and Sanitation District (the "District"), as of and for the year ended December 31, 2023, which collectively comprise the District's basic financial statements as listed in the Table of Contents, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Eagle River Water and Sanitation District, as of December 31, 2023 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Eagle River Water and Sanitation District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

The Eagle River Water and Sanitation District's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

*Member: American Institute of Certified Public Accountants*



**To the Board of Directors  
Eagle River Water and Sanitation District**

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis in Section B be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**To the Board of Directors  
Eagle River Water and Sanitation District**

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Eagle River Water and Sanitation District's basic financial statements. The budgetary comparisons and debt service schedules in Section E are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparisons and debt services schedules are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information in Section E is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The statistical data in Section F are presented for purposes of additional analysis and are not a required part of the basic financial statements. The statistical data have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**McMahan and Associates, L.L.C.  
Avon, Colorado  
June 14, 2024**

**DRAFT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**



**EAGLE RIVER  
WATER & SANITATION  
DISTRICT**

## Eagle River Water and Sanitation District Management's Discussion and Analysis December 31, 2023

The discussion and analysis is designed to provide an analysis of Eagle River Water and Sanitation District's (the District) financial condition and operating results and to inform the reader on the District's financial issues and activities.

The Management's Discussion and Analysis (MD&A) should be read in conjunction with the District's financial statements.

### Financial Highlights

In 2023, overall net position increased by \$9,389,238. As part of the long term capital improvement program, the District spent cash on capital assets of \$25,381,636 (capital outlay). In addition, the District's capital assets were depreciated \$9,649,939.

The District's 2023 financial activity generated an increase of \$37,786,900 in net position on a budgetary basis. In accordance with Generally Accepted Accounting Principles (GAAP), \$9,649,939 of capital asset depreciation was expensed, which does not represent cash funding for capital assets in the current period. The District reconciliation from budgetary basis to GAAP basis, which includes depreciation expense, can be found on page E3 of the financial statements. The net result was an increase in net position of \$9,394,238 for 2023, compared to a \$5,619,950 increase in 2022.

In 2023, total revenues were \$53,431,020, which was an increase of \$9,886,508 over 2022 levels. Service fees revenue increased \$3,183,848. This was a result of a increases in water usage and service rates. Additional details can be found on page E1 – E3 of the financial statements.

In 2023, total expenses were \$44,041,782, which was an increase of \$5,826,385 over 2022 levels. The increase was largely attributable to the higher expenses associated with personnel services, distribution repairs, meters, and non-cash depreciation. Additional details can be found on page E1 – E3 of the financial statements.

The water service rate structure is designed to encourage wise use of water and is based upon the customer's Single-Family Equivalents (SFE) usage. Water service rates in 2023 were increased from 2022 rates. The water service base rate is \$22.10 per SFE. The usage rates for tier one (0 to 6,000 gallons) is \$3.59 per 1,000 gallons. The usage rates for tier two (6,001 to 12,000 gallons), tier three (12,001 to 18,000 gallons), tier four (18,001 to 24,000 gallons) and tier five (24,001 and over) are \$6.52, \$12.89, \$26.86 and \$40.30 per 1,000 gallons, respectively. The Capital Replacement Program fee was \$7.48 per month per SFE for Water and \$5.31 per month per SFE for Wastewater. The Debt Service base rate is established to provide a reliable revenue source for repayment of the 2017 Wastewater bonds, 2017 Water bonds, 2019 Water bonds and 2020 Wastewater bonds. For 2023 the bond rates were established at \$2.77, \$6.44, \$2.28 and \$7.89 per month per SFE, respectively.

Water service rates in 2022 were increased from 2021 rates. The water service base rate is \$20.09 per SFE. The usage rates for tier one (0 to 7,000 gallons) is \$3.39 per 1,000 gallons. The usage rates for tier two (7,001 to 14,000 gallons), tier three (14,001 to 21,000 gallons), tier four (21,001 to 28,000 gallons), and tier five (28,001 and over) are \$5.93 and \$11.72, \$22.02 and \$33.03 per 1,000 gallons, respectively. The Capital Replacement Program fee was \$6.23 per month per SFE for Water and \$2.95 per month per SFE for Wastewater. The Debt Service base rate is established to provide a reliable revenue source for repayment of the 2017 Wastewater bonds, 2017 Water bonds, 2019 Water bonds and 2020 Wastewater bonds. For 2022 the bond rates were established at \$2.77, \$6.44, \$2.28 and \$7.89 per month per SFE, respectively.

**Eagle River Water and Sanitation District  
Management's Discussion and Analysis  
December 31, 2023  
(continued)**

**Overview of the Financial Statements**

The financial statements of the District are presented as a special purpose government engaged only in business type activities - providing water and sewer utility services.

The *Statements of Net Position* present information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statements of Revenues, Expenses and Changes in Net Position* present information that reflects how the District's net position changed during the past year. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

The *Statements of Cash Flows* report the District's cash flows from operating, capital and related financing, and investing activities.

These financial statements distinguish functions of the District that will be principally supported by service charges and Taxes. The functions of the District include effective and economical operation of water and wastewater sanitation systems within the jurisdictional boundaries of the District. The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

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**Eagle River Water and Sanitation District  
Management's Discussion and Analysis  
December 31, 2023  
(continued)**

**NET POSITION**

	2023			2022		
	Water	Sanitation	Total	Water (restated)	Sanitation (restated)	Total (restated)
<b>Assets:</b>						
Current and other assets	12,588,454	68,127,200	80,715,654	10,212,483	35,826,690	46,039,173
Capital assets, net	38,219,404	184,837,749	223,057,153	37,946,202	168,214,003	206,160,205
<b>Total Assets</b>	<b>50,807,858</b>	<b>252,964,949</b>	<b>303,772,807</b>	<b>48,158,685</b>	<b>204,040,693</b>	<b>252,199,378</b>
<b>Deferred Outflow of Resources:</b>						
Deferred charge on refunding	855,061	-	855,061	926,551	-	926,551
<b>Total Deferred Outflow of Resources</b>	<b>855,061</b>	<b>-</b>	<b>855,061</b>	<b>926,551</b>	<b>-</b>	<b>926,551</b>
<b>Liabilities</b>						
Other liabilities	408,352	7,918,797	8,327,149	342,840	11,300,783	11,643,623
Long-term liabilities	18,893,452	145,601,224	164,494,676	20,139,662	99,213,648	119,353,310
<b>Total Liabilities</b>	<b>19,301,804</b>	<b>153,520,021</b>	<b>172,821,825</b>	<b>20,482,502</b>	<b>110,514,431</b>	<b>130,996,933</b>
<b>Deferred Inflow of Resources:</b>						
Unavailable property tax revenue	1,402,632	2,209,245	3,611,877	1,361,249	1,962,819	3,324,068
<b>Total Deferred Inflow of Resources</b>	<b>1,402,632</b>	<b>2,209,245</b>	<b>3,611,877</b>	<b>1,361,249</b>	<b>1,962,819</b>	<b>3,324,068</b>
<b>Net Position:</b>						
Net investment in capital assets	22,589,846	70,690,891	93,280,737	21,444,386	84,722,877	106,167,263
Restricted:						
Debt	1,773,472	5,851,312	7,624,784	1,836,096	5,851,312	7,687,408
Capital projects	-	25,316,875	25,316,875	-	-	-
Unrestricted	6,595,165	(4,623,395)	1,971,770	3,961,003	989,254	4,950,257
<b>Total Net Position</b>	<b>30,958,483</b>	<b>97,235,683</b>	<b>128,194,166</b>	<b>27,241,485</b>	<b>91,563,443</b>	<b>118,804,928</b>

As noted earlier, net position may serve, over time, as a useful indicator of the District's financial position. In the case of the District, assets exceeded liabilities by \$30,958,483 and \$97,235,683 for water and sanitation, respectively, as of December 31, 2023 and \$27,241,485 and \$91,563,443 for water and sanitation, respectively, as of December 31, 2022.

The largest portion of the District's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding, excluding unspent bond proceeds. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Eagle River Water and Sanitation District  
Management's Discussion and Analysis  
December 31, 2023  
(continued)**

**NET POSITION (continued)**

During 2023, overall net position increased \$9,389,238. Overall assets increased \$51,573,429.

As of December 31, 2023, total net capital assets are \$223,057,153, which is an increase of \$16,896,948 from the 2022 amount of \$206,160,205. The change in net capital assets of \$16,896,948 is net of the current year additions, deletions, and depreciation. Capital asset details can be found on pages D13 – D14.

During 2023, total liabilities increased \$41,819,892. The increase in total liabilities is related to the issuance of Series 2023 Wastewater Improvement Bonds.

During 2022, overall net position increased \$5,329,112. In 2022, current and other assets decreased \$20,584,466. The decrease was due to construction activity.

Capital asset additions net of deletions in 2022 of \$20,898,282 and depreciation were part of the District's long term capital improvement program.

During 2022, total liabilities decreased \$4,932,173. The decrease in liabilities is related to ongoing payments of existing debt.

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**Eagle River Water and Sanitation District  
Management's Discussion and Analysis  
December 31, 2023  
(continued)**

**REVIEW OF REVENUES**

	2023			2022		
	Water	Sanitation	Total	Water (restated)	Sanitation (restated)	Total (restated)
<b>Revenues:</b>						
Operating revenues:						
Service fees	8,641,929	20,431,809	29,073,738	7,614,996	18,274,894	25,889,890
Contract services	-	8,518,900	8,518,900	-	8,459,112	8,459,112
Meter sales and rentals	-	1,711,133	1,711,133	-	1,547,177	1,547,177
Other	131,892	840,970	972,862	191,121	569,294	760,415
Non-operating revenues:						
Property taxes	1,360,180	1,967,800	3,327,980	1,516,730	1,970,193	3,486,923
Specific ownership taxes	78,032	117,749	195,781	89,120	111,354	200,474
Investment income	78,479	801,943	880,422	10,793	74,411	85,204
Gain (loss) on investments	89,912	2,582,189	2,672,101	5,689	43,523	49,212
Technology subscription issuances	-	-	-	-	-	-
Transfer of EPRC stock	-	-	-	-	-	-
Interest credit - Build America Bonds	-	-	-	-	-	-
Other	1,525,121	178,641	1,703,762	53,785	161,354	215,139
Capital contributions:						
Tap fees	151,035	2,679,006	2,830,041	259,212	2,437,698	2,696,910
Contributed assets	670,594	674,287	1,344,881	-	154,056	154,056
Other	32,068	167,351	199,419	-	-	-
<b>Total Revenues</b>	<b>12,759,242</b>	<b>40,671,778</b>	<b>53,431,020</b>	<b>9,741,446</b>	<b>33,803,066</b>	<b>43,544,512</b>

In 2023, total revenues were \$53,431,020, which is an increase of \$9,886,508 over 2022 revenues of \$43,544,512.

Service fee revenue increased \$3,183,848 in 2023. This resulted from increasing water usage and increased fees. Overall operating revenue increased \$3,620,039 in 2023. This was a result of an increase in contract services provided and increased service fees.

In 2022, total revenues were \$43,544,512, which is an increase of \$8,861,290 over 2021 levels.

Service fee revenue in 2022 increased \$2,700,059. This was a result of increased water usage and increased fees. Overall operating revenue increased \$4,147,683. This was a result of an increased usage, fees, and contract services provided.



**Eagle River Water and Sanitation District  
Management's Discussion and Analysis  
December 31, 2023  
(continued)**

**REVIEW OF EXPENSES**

	2023			2022		
	Water	Sanitation	Total	Water (restated)	Sanitation (restated)	Total (restated)
<b>Expenses:</b>						
Operating Expenses:						
Maintenance	1,139,228	2,988,852	4,128,080	863,261	2,674,156	3,537,417
Water operations	3,080,133	1,446,237	4,526,370	3,258,220	1,513,960	4,772,180
Utility services	414,930	2,043,623	2,458,553	765,105	1,396,122	2,161,227
Wastewater treatment	-	9,794,319	9,794,319	-	8,449,451	8,449,451
Engineering	451,633	1,565,623	2,017,256	495,654	1,348,429	1,844,083
Laboratory	182,463	729,852	912,315	186,305	558,914	745,219
Employee housing	137	472,407	472,544	-	348,580	348,580
General and administrative	2,858,810	11,003,358	13,862,168	3,242,407	9,405,149	12,647,556
Non-operating expenses:						
Interest expense	680,166	4,602,177	5,282,343	718,714	2,886,258	3,604,972
Refund of contributions	-	-	-	-	-	-
Bond issuance costs	-	487,885	487,885	-	-	-
Treasurer's fees	40,849	59,100	99,949	45,543	59,169	104,712
<b>Total Expenses</b>	<b>8,848,349</b>	<b>35,193,433</b>	<b>44,041,782</b>	<b>9,575,209</b>	<b>28,640,188</b>	<b>38,215,397</b>
<b>Change in Net Position</b>	3,910,893	5,478,345	9,389,238	166,237	5,162,878	5,329,115
<b>Net Position - Beginning of Year</b>	<b>27,047,590</b>	<b>91,757,338</b>	<b>118,804,928</b>	<b>27,075,248</b>	<b>86,400,565</b>	<b>113,475,813</b>
<b>Net Position - End of Year</b>	<b>30,958,483</b>	<b>97,235,683</b>	<b>128,194,166</b>	<b>27,241,485</b>	<b>91,563,443</b>	<b>118,804,928</b>

In 2023, total expenses were \$44,041,782, which was an increase of \$5,826,385 over 2022 expenses of \$38,215,397.

Operating expenses increased \$3,665,892 in 2023. The increase was largely attributable to the higher expenses associated with personnel services, distribution repairs, and meters.

In 2022, total expenses were \$38,215,397, which was an increase of \$1,999,556 over 2021 levels.

Operating expenses increased \$2,005,508 in 2022. The increase was largely attributable to the higher expenses associated with utility services and engineering costs.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

The District's investment in capital assets at December 31, 2023 and 2022 amounted to \$223,057,153 and \$206,160,205 (net of accumulated depreciation), respectively. This investment in capital assets includes land and easements, water rights, treatment plants, distribution systems, employee housing, computers, equipment and vehicles. Capital assets are shown on the Statement of Net Position at the cost on the day of acquisition.

**Eagle River Water and Sanitation District  
Management's Discussion and Analysis  
December 31, 2023  
(continued)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)**

Most of the water and storage rights currently used by the District were provided by previous government water providers at no cost to the District. In accordance with Governmental Accounting Standards Board (GASB), only owned water and storage rights are shown on the District's Statement of Net Position at historic cost, totaling \$1,496,416. This cost represents mostly legal expenditures to establish the District's ability to use these rights to provide water to its customers and some additional acquisitions of new rights. Also in accordance with GASB, the investment in Eagle Park Reservoir Company Stock, which provides a valuable source of raw water supply, is not reflected in capital assets, but is shown in Other Assets at the historic cost of \$3,453,442. Management of the District believes the actual value of these water and storage rights used by the District to be much greater than historical cost at December 31, 2023. See the Schedule of Water and Storage Rights in the Statistical Section (pages F10-13) for additional information. The change in capital assets in 2023 is as follows:

	<b>Water</b>			<b>12/31/23 Ending Balance</b>
	<b>1/1/23 Beginning Balance (restated)</b>	<b>Additions</b>	<b>Retirements</b>	
Capital assets, not being depreciated:				
Water rights	1,496,416	-	-	1,496,416
Construction in progress	2,716,621	1,673,238	(422,884)	3,966,975
Total capital assets, not being depreciated	4,213,037	1,673,238	(422,884)	5,463,391
Capital assets, being depreciated and amortized:				
Treatment plants	4,684,615	17,965	-	4,702,580
Distribution systems	56,273,895	778,030	-	57,051,925
Computers, equipment and vehicles	4,218,799	275,646	-	4,494,445
Leased assets	190,052	(2,000)	(36,011)	152,041
Total capital assets being depreciated and amortized	65,367,361	1,069,641	(36,011)	66,400,991
Less accumulated depreciation and amortization for:				
Treatment plants	(2,781,979)	(162,387)	-	(2,944,366)
Distribution systems	(25,890,659)	(1,617,224)	-	(27,507,883)
Computers, equipment and vehicles	(2,899,790)	(237,876)	9,555	(3,128,111)
Leased assets	(61,768)	(2,850)	-	(64,618)
Total accumulated depreciation and amortization	(31,634,196)	(2,020,337)	9,555	(33,644,978)
Total capital assets, being depreciated and amortized, net	33,733,165	(950,696)	(26,456)	32,756,013
<b>Total capital assets, net</b>	<b>37,946,202</b>	<b>722,542</b>	<b>(449,340)</b>	<b>38,219,404</b>

**Eagle River Water and Sanitation District  
Management's Discussion and Analysis  
December 31, 2023  
(continued)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)**

	Sanitation			12/31/23 Ending Balance
	1/1/23 Beginning Balance (restated)	Additions	Retirements	
Capital assets, not being depreciated:				
Land and easements	3,553,680	90,951	-	3,644,631
Construction in progress	67,281,945	23,740,666	(66,359,566)	24,663,045
Total capital assets, not being depreciated	70,835,625	23,831,617	(66,359,566)	28,307,676
Capital assets, being depreciated and amortized:				
Treatment plants	122,967,546	63,620,721	-	186,588,267
Distribution systems	58,196,886	1,499,934	-	59,696,820
Computers, equipment and vehicles	12,656,396	1,152,369	(39,968)	13,768,797
Employee housing	20,793,313	476,508	(4,500)	21,265,321
Leased assets	570,152	38,011	-	608,163
Total capital assets being depreciated and amortized	215,184,293	66,787,543	(44,468)	281,927,368
Less accumulated depreciation and amortization for				
Treatment plants	(73,188,956)	(4,515,312)	-	(77,704,268)
Distribution systems	(32,347,000)	(1,470,925)	-	(33,817,925)
Computers, equipment and vehicles	(8,699,371)	(951,507)	38,221	(9,612,657)
Employee housing	(3,385,290)	(618,686)	-	(4,003,976)
Leased assets	(185,299)	(73,170)	-	(258,469)
Total accumulated depreciation and amortization	(117,805,916)	(7,629,600)	38,221	(125,397,295)
Total capital assets, being depreciated and amortized, net	97,378,377	59,157,943	(6,247)	156,530,073
<b>Total capital assets, net</b>	<b>168,214,002</b>	<b>82,989,560</b>	<b>(66,365,813)</b>	<b>184,837,749</b>

Additional information on the District's capital assets can be found on pages D13 –D14 in Note III in the Notes to Financial Statements.

**Eagle River Water and Sanitation District  
Management's Discussion and Analysis  
December 31, 2023  
(continued)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)**

**Long-term Debt**

At December 31, 2023, the District loans payable to the water loan for Eagle Park Reservoir shares from the Colorado Water Conservation Board (CWCB) had \$558,818 outstanding. Also, the Water General Obligation Bonds issued in 2012 for water system improvements had an outstanding balance at December 31, 2023 of \$3,905,000. The 2017 Water Revenue Refunding Bonds had outstanding principal of \$9,780,000. The 2019 Water Revenue bonds had outstanding principal of \$3,270,000. The 2012, 2017 and 2020 Sanitation District Revenue Bonds had principal outstanding of \$68,960,000. The 2016 Sanitation District General Obligation Bonds had principal outstanding of \$19,365,000. Other changes in debt in the current year are representative of scheduled reductions on long term obligations.

Additional detail on debt is in Note III in the Notes to Financial Statements.

**BUDGET VARIANCES AND FUTURE CONSIDERATIONS**

**Budget Variances**

In 2023, budgeted revenues were \$32,902,687. Revenues came in over budget expectations by \$68,669,049. The variance is mostly due to the proceeds on bond issuances. The expenditure original budget was \$61,021,094, which was amended to \$69,206,581 for capital projects and bond refunding payments carried forward from previous years. Actual expenditures of \$63,789,836 were \$5,416,745 under budget, mainly due to multi-year capital project spending projects being carried forward.

**2024 Budget Considerations**

The District will continue to promote wise use of water and support a comprehensive water conservation program. Additionally, the District will explore opportunities to develop or acquire new water resources.

In 2024, the approved revenue budget is \$63,852,105 and the approved expenditure budget is \$62,135,986, including \$20,545,273 of new capital additions.

**REQUESTS FOR INFORMATION**

This report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Jim Cannava, Finance Manager, Eagle River Water and Sanitation District, 846 Forest Road, Vail, Colorado 81657.

**DRAFT**

**BASIC FINANCIAL STATEMENTS**



**EAGLE RIVER  
WATER & SANITATION  
DISTRICT**

**Eagle River Water and Sanitation District**  
**Statement of Net Position**  
**December 31, 2023**  
**(With Comparative Totals for 2022)**

	2023			2022 (Restated)
	Water	Sanitation	Total	Total
<b>Assets:</b>				
<b>Current Assets:</b>				
Cash and cash equivalents - Unrestricted	1,338,917	7,666,422	9,005,339	15,923,513
Cash and cash equivalents - Restricted	1,773,472	-	1,773,472	6,784,614
Investments - Unrestricted	673,057	17,620,645	18,293,702	2,486,313
Investments - Restricted	-	31,168,187	31,168,187	903,107
Receivables, net of allowance for uncollectibles:				
Service	803,815	3,215,261	4,019,076	3,814,653
Property taxes	1,402,632	2,209,245	3,611,877	3,324,068
Current portion of notes receivable	-	6,470	6,470	4,413
Interest	26,956	370,875	397,831	12,142
Other	1,908,479	2,632,270	4,540,749	5,006,031
Inventory	786,683	677,538	1,464,221	1,663,659
Prepaid expenses	151,961	632,044	784,005	384,195
<b>Total Current Assets</b>	<b>8,865,972</b>	<b>66,198,957</b>	<b>75,064,929</b>	<b>40,306,708</b>
<b>Non-current Assets:</b>				
<b>Other Assets:</b>				
Notes receivable - Due in more than one year	-	734,145	734,145	638,350
Patronage dividend receivable	140,081	418,510	558,591	547,009
Other receivables	89,596	-	89,596	124,179
Intangible subscription assets, net	193,897	775,588	969,485	969,485
Investment in Eagle Park Reservoir Company	3,298,908	-	3,298,908	3,453,442
<b>Total Other Assets</b>	<b>3,722,482</b>	<b>1,928,243</b>	<b>5,650,725</b>	<b>5,732,465</b>
<b>Capital Assets:</b>				
Land and easements	-	3,644,631	3,644,631	3,553,680
Water rights	1,496,416	-	1,496,416	1,496,416
Construction in progress	3,966,975	24,663,045	28,630,020	69,998,566
Treatment plants	4,702,580	186,588,267	191,290,847	127,652,160
Distribution systems	57,051,925	59,696,820	116,748,745	114,470,782
Computers, equipment, and vehicles	4,494,445	13,768,797	18,263,242	16,875,195
Employee housing	-	21,265,321	21,265,321	20,793,313
Leased assets	152,041	608,163	760,204	760,204
Less: Accumulated depreciation and amortization	(33,644,978)	(125,397,295)	(159,042,273)	(149,440,111)
<b>Total Capital Assets</b>	<b>38,219,404</b>	<b>184,837,749</b>	<b>223,057,153</b>	<b>206,160,205</b>
<b>Total Non-current Assets</b>	<b>41,941,886</b>	<b>186,765,992</b>	<b>228,707,878</b>	<b>211,892,670</b>
<b>Total Assets</b>	<b>50,807,858</b>	<b>252,964,949</b>	<b>303,772,807</b>	<b>252,199,378</b>
<b>Deferred Outflows of Resources:</b>				
Deferred charge on refunding	855,061	-	855,061	926,551
<b>Total Deferred Outflows of Resources</b>	<b>855,061</b>	<b>-</b>	<b>855,061</b>	<b>926,551</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>51,662,919</b>	<b>252,964,949</b>	<b>304,627,868</b>	<b>253,125,929</b>

The accompanying notes are an integral part of these financial statements.

**Eagle River Water and Sanitation District**  
**Statement of Net Position**  
**December 31, 2023**  
**(With Comparative Totals for 2022)**  
**(Continued)**

	<b>2023</b>			<b>2022</b>
	<b>Water</b>	<b>Sanitation</b>	<b>Total</b>	<b>(Restated)</b>
<b>Liabilities:</b>				
<b>Current Liabilities:</b>				
Accounts payable	332,355	4,534,939	4,867,294	7,653,932
Service fees payable	-	2,811,804	2,811,804	3,470,947
Accrued payroll and related liabilities	14,792	59,168	73,960	108,084
Interest payable	61,205	427,468	488,673	327,456
Loans, bonds and leases payable - Due within one year	1,314,009	3,211,347	4,525,356	3,625,564
Deposits	-	85,418	85,418	83,204
<b>Total Current Liabilities</b>	<b>1,722,361</b>	<b>11,130,144</b>	<b>12,852,505</b>	<b>15,269,187</b>
<b>Non-current Liabilities:</b>				
Compensated absences - Due in more than one year	158,968	635,872	794,840	739,897
Loans, bonds and leases payable - Due in more than one year	17,415,475	141,754,005	159,169,480	114,987,849
<b>Total Non-current Liabilities</b>	<b>17,574,443</b>	<b>142,389,877</b>	<b>159,964,320</b>	<b>115,727,746</b>
<b>Total Liabilities</b>	<b>19,296,804</b>	<b>153,520,021</b>	<b>172,816,825</b>	<b>130,996,933</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable property tax revenue	1,402,632	2,209,245	3,611,877	3,324,068
<b>Total Deferred Inflows of Resources</b>	<b>1,402,632</b>	<b>2,209,245</b>	<b>3,611,877</b>	<b>3,324,068</b>
<b>Net Position:</b>				
Net investment in capital assets	22,589,846	70,690,891	93,280,737	106,167,263
Restricted for:				
Debt	1,773,472	5,851,312	7,624,784	7,687,408
Capital projects	-	25,316,875	25,316,875	-
Unrestricted	6,600,165	(4,623,395)	1,976,770	4,950,257
<b>Total Net Position</b>	<b>30,963,483</b>	<b>97,235,683</b>	<b>128,199,166</b>	<b>118,804,928</b>

**Eagle River Water and Sanitation District**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**For the Year Ended December 31, 2023**  
**(With Comparative Totals for 2022)**

	2023			2022 (Restated)
	Water	Sanitation	Total	Total
<b>Operating Revenues:</b>				
Service fees	8,641,929	20,431,809	29,073,738	25,889,890
Contract services	-	8,518,900	8,518,900	8,459,112
Meter sales and rental income	-	1,711,133	1,711,133	1,547,177
Other charges for services	136,892	840,970	977,862	760,415
<b>Total Operating Revenues</b>	<b>8,778,821</b>	<b>31,502,812</b>	<b>40,281,633</b>	<b>36,656,594</b>
<b>Operating Expenses:</b>				
Maintenance	1,139,228	2,988,852	4,128,080	3,537,417
Water operations	3,080,133	1,446,237	4,526,370	4,772,180
Utility services	414,930	2,043,623	2,458,553	2,161,227
Wastewater treatment	-	9,794,319	9,794,319	8,449,451
Engineering	451,633	1,565,623	2,017,256	1,844,083
Laboratory	182,463	729,852	912,315	745,219
Employee housing	137	472,407	472,544	348,580
General and administrative	3,052,687	11,778,930	14,831,617	12,647,556
<b>Total Operating Expenses</b>	<b>8,321,211</b>	<b>30,819,843</b>	<b>39,141,054</b>	<b>34,505,713</b>
<b>Operating Income (Loss)</b>	<b>457,610</b>	<b>682,969</b>	<b>1,140,579</b>	<b>2,150,881</b>
<b>Non-operating Revenues (Expenses):</b>				
Property taxes	1,360,180	1,967,800	3,327,980	3,486,923
Specific ownership taxes	78,032	117,749	195,781	200,474
Investment income	78,479	801,943	880,422	85,204
Gain (loss) on investments	89,912	2,582,189	2,672,101	49,212
Gain (loss) on disposal of capital assets	1,496,831	77,863	1,574,694	80,401
Other non-operating revenues	28,290	100,778	129,068	134,738
Interest expense, net of amortization expense	(680,166)	(4,602,177)	(5,282,343)	(3,604,972)
Treasurer's fees	(40,849)	(59,100)	(99,949)	(104,712)
Subscription issuances	193,877	775,572	969,449	290,835
Bond issuance costs	-	(487,885)	(487,885)	-
<b>Total Non-operating Revenues (Expenses)</b>	<b>2,604,586</b>	<b>1,274,732</b>	<b>3,879,318</b>	<b>618,103</b>
<b>Income (Loss) Before Capital Contributions</b>	<b>3,062,196</b>	<b>1,957,701</b>	<b>5,019,897</b>	<b>2,768,984</b>
<b>Capital Contributions:</b>				
Tap fees	151,035	2,679,006	2,830,041	2,696,910
Contributed assets - physical assets	670,594	674,287	1,344,881	154,056
Fees in lieu of water and sewer lines	-	89,600	89,600	-
Contributed assets - cash	32,068	77,751	109,819	-
<b>Total Capital Contributions</b>	<b>853,697</b>	<b>3,520,644</b>	<b>4,374,341</b>	<b>2,850,966</b>
<b>Change in Net Position</b>	<b>3,915,893</b>	<b>5,478,345</b>	<b>9,394,238</b>	<b>5,619,950</b>
<b>Net Position - Beginning of Year (restated)</b>	<b>27,047,590</b>	<b>91,757,338</b>	<b>118,804,928</b>	<b>113,184,978</b>
<b>Net Position - End of Year</b>	<b>30,963,483</b>	<b>97,235,683</b>	<b>128,199,166</b>	<b>118,804,928</b>

The accompanying notes are an integral part of these financial statements.



**Eagle River Water and Sanitation District**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2023**  
**(With Comparative Totals for the Year Ended 2022)**

	2023			2022
	Water	Sanitation	Total	Total
<b>Cash Flows From Operating Activities:</b>				
Cash received from customers and others	7,972,806	32,604,271	40,577,077	34,395,402
Cash payments for goods and services	(2,772,035)	(9,917,192)	(12,689,227)	(10,833,495)
Cash payments to employees and for benefits	(3,174,055)	(14,290,745)	(17,464,800)	(15,552,449)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>2,026,716</b>	<b>8,396,334</b>	<b>10,423,050</b>	<b>8,009,458</b>
<b>Cash Flows From Non-capital Financing Activities:</b>				
Property taxes levied for operations, net	597,455	576,353	1,173,808	1,038,566
Specific ownership taxes received	35,337	35,556	70,893	61,664
Patronage dividend received	9,954	27,874	37,828	41,582
Other cash receipts	15,932	63,726	79,658	83,306
<b>Net Cash Provided (Used) by Non-capital Financing Activities</b>	<b>658,678</b>	<b>703,509</b>	<b>1,362,187</b>	<b>1,225,118</b>
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Proceeds from bond issuance, including premium	-	49,553,099	49,553,099	-
Property taxes levied for debt service, net	721,876	1,332,347	2,054,223	2,343,644
Specific ownership taxes received	42,695	82,193	124,888	138,810
Cash received from tap fees	151,035	2,679,006	2,830,041	2,696,910
Proceeds from sale of capital assets	1,496,004	279,981	1,775,985	106,460
Cash received (paid) related to capital asset deposit	-	2,214	2,214	(452)
Fees in lieu of water and sewer lines	32,068	167,351	199,419	-
Cash paid for principal on debt	(1,262,676)	(2,362,888)	(3,625,564)	(3,706,253)
Cash paid for interest on debt	(705,845)	(4,707,092)	(5,412,937)	(3,972,766)
Cash paid for debt issuance costs	-	(487,885)	(487,885)	-
Cash paid for capital acquisitions	(1,780,527)	(26,098,552)	(27,879,079)	(30,035,120)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(1,305,370)</b>	<b>20,439,774</b>	<b>19,134,404</b>	<b>(32,428,767)</b>
<b>Cash Flows From Investing Activities:</b>				
Interest income received	139,567	1,173,167	1,312,734	352,336
Proceeds from sales and maturities of investments	15,535	25,661,303	25,676,838	4,088,024
Principal received on notes receivable	-	-	-	4,413
(Purchase) sale of stock in Eagle Park Reservoir Company	154,533	-	154,533	-
Purchase of investments	(540,643)	(69,354,564)	(69,895,207)	(1,170,545)
Issuance of notes receivable	-	(97,855)	(97,855)	(511,615)
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>(231,008)</b>	<b>(42,617,949)</b>	<b>(42,848,957)</b>	<b>2,762,613</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>1,149,016</b>	<b>(13,078,332)</b>	<b>(11,929,316)</b>	<b>(20,431,578)</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>1,963,373</b>	<b>20,744,754</b>	<b>22,708,127</b>	<b>43,139,705</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>3,112,389</b>	<b>7,666,422</b>	<b>10,778,811</b>	<b>22,708,127</b>
<b>Represented by Balance Sheet captions:</b>				
Cash and cash equivalents - Unrestricted	1,338,917	7,666,422	9,005,339	15,923,513
Cash and cash equivalents - Restricted	1,773,472	-	1,773,472	6,784,614
<b>Cash and Cash Equivalents - End of Year</b>	<b>3,112,389</b>	<b>7,666,422</b>	<b>10,778,811</b>	<b>22,708,127</b>

The accompanying notes are an integral part of these financial statements.

**Eagle River Water and Sanitation District**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2023**  
**(With Comparative Totals for the Year Ended 2022)**  
**(Continued)**

	2023			2022
	Water	Sanitation	Total	Total
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	457,610	682,969	1,140,579	2,150,879
<b>Adjustments:</b>				
Depreciation and amortization	2,020,338	7,629,601	9,649,939	8,720,742
(Increase) decrease in accounts receivable	(806,015)	1,101,458	295,443	(2,261,188)
(Increase) decrease in inventory	86,759	112,680	199,439	(702,852)
(Increase) decrease in deposits	-	-	-	-
(Increase) decrease in prepaid expenses	(64,512)	(335,298)	(399,810)	332,557
Increase (decrease) in accounts payable	370,771	(194,987)	175,784	(1,588,922)
Increase (decrease) in service fees payable	-	(659,143)	(659,143)	1,286,160
Increase (decrease) in payroll liabilities	(12,229)	(21,895)	(34,124)	14,353
Increase (decrease) in accrued compensated absences	(26,006)	80,949	54,943	57,729
<b>Total Adjustments</b>	<u>1,569,106</u>	<u>7,713,365</u>	<u>9,282,471</u>	<u>5,858,579</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>2,026,716</u>	<u>8,396,334</u>	<u>10,423,050</u>	<u>8,009,458</u>
<b>Non-cash Investing, Capital, and Financing Activities:</b>				
Contribution of capital assets from developers	670,594	674,287	1,344,881	154,056
Unrealized gain (loss) on investments	4,886	750,070	754,956	(288,770)
Receipt of note receivable in exchange for water rights	-	-	-	-
<b>Total non-cash Investing, Capital and Financing Activities:</b>	<u>675,480</u>	<u>1,424,357</u>	<u>2,099,837</u>	<u>(134,714)</u>

The accompanying notes are an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**



**EAGLE RIVER  
WATER & SANITATION  
DISTRICT**

**Eagle River Water and Sanitation District  
Notes to the Financial Statements  
December 31, 2023**

**I. Summary of Significant Accounting Policies**

Eagle River Water and Sanitation District (the “District”) was formed July 1, 1996, pursuant to an agreement to consolidate the sanitation functions of the Upper Eagle Valley Consolidated Sanitation District and the water service functions of the Vail Valley Consolidated Water District, both of which are located in Eagle County, Colorado. The District, a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District was established to ensure a more effective and economical operation of water and sanitation systems within the jurisdictional boundaries of the District. Seven elected board members govern the District.

The 1996 consolidation of Upper Eagle Valley Consolidated Sanitation District and Vail Valley Consolidated Water District was accomplished pursuant to Colorado law which specifically provides that a separate ad valorem tax be levied against the area comprising the consolidating districts which, together with any other special rates, tolls, fees or charges for service within the consolidating District area, will be sufficient to pay the principal and interest on the consolidating Districts' outstanding bonds.

The District's financial statements are prepared in accordance with generally accepted accounting principles (“GAAP”). The Governmental Accounting Standards Board (“GASB”) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the District are discussed below.

**A. Reporting Entity**

The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations, which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity. Based upon these criteria, the District is not a component unit of any other government. The District has three blended component units and while they are legally separate entities they are in substance part of the District's operations:

**Eagle River Water and Sanitation District Water Subdistrict** - The Eagle River Water and Sanitation District Water Subdistrict (the “Water Subdistrict”) was incorporated in 2002 and formed for the purpose of creating a separate taxing district pursuant to the Special District Act. The boundaries of the Subdistrict are generally identical to the boundaries of the Town, but include some properties which are not within the Town. The Subdistrict issued bonds in 2002, 2004, 2009, 2011, 2012, 2017 and 2019 for the construction of various facilities. The financial data of the Subdistrict is reported as part of the primary government because it is fiscally dependent upon the District and provides financing solely to the District. Although the Subdistrict is a separate legal entity, for financial reporting purposes, it is part of the District and is included in the Water Fund.

**Wolcott Water and Sewer Subdistrict** – During 2013, the District incorporated the Wolcott Water and Sewer Subdistrict (the “Wolcott Subdistrict”) for the purpose of creating a separate taxing district pursuant to the Special District Act near the town of Wolcott, Colorado. Although the Subdistrict is a separate legal entity, for financial reporting purposes, it is part of the District and is included in the Sanitation Fund.

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2023**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**A. Reporting Entity (continued)**

**Bighorn Terrace Sewer Subdistrict** – During 2018, the District incorporated the Bighorn Terrace Sewer Subdistrict (the “Bighorn Terrace Subdistrict”) for the purpose of creating a separate taxing district pursuant to the Special District Act. Although the Subdistrict is a separate legal entity, for financial reporting purposes, it is part of the District and is included in the Sanitation Fund.

**B. Fund Accounting**

The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions and activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The District uses a proprietary fund-type, an enterprise fund, to account for its activities, providing water and wastewater treatment services to taxpayers within the District's boundaries. Enterprise funds are used to account for operations (a) which are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

**1. Long-term Economic Focus and Accrual Basis**

Proprietary funds use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

**2. Financial Statement Presentation**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Eagle River Water and Sanitation District  
Notes to the Financial Statements  
December 31, 2023  
(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts and Accounting Policies**

**1. Cash, Cash Equivalents and Investments**

For purposes of the Statements of Cash Flows, the District considers cash on hand, demand deposits, U.S. government obligations and other highly liquid with maturities of three months or less when purchased to be cash equivalents.

Investments are stated at fair value or net asset value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

The District's investment policy is detailed at note III.A.

**2. Receivables**

Receivables are reported net of an allowance for uncollectible accounts. An allowance for doubtful accounts in the amount of \$24,285 and \$80,256 had been established at December 31, 2023 and 2022, respectively, to estimate uncollectible accounts.

**3. Property Taxes**

Property taxes are assessed in one year as a lien on the property, but not collected by governmental units until the subsequent year. In accordance with GAAP, the assessed but uncollected property taxes have been recorded as a receivable and as unavailable property tax revenue.

**4. Inventory**

Inventory is determined at the lower of cost (determined on the first-in, first-out basis) or market.

**5. Capital Assets**

Capital assets, which include land and easements, water rights, construction in progress, treatment plants, distribution systems, computers, equipment, vehicles, and employee housing, are reported in the financial statements. The District defines capital assets as assets with an initial cost of \$5,000 or more. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of water rights includes acquisition cost, legal, and engineering costs related to the development and augmentation of those rights. Since the rights have a perpetual life, they are not depreciated. All other costs, including costs incurred for the protection of those rights, are expensed. See the Schedule of Water and Storage Rights in the Statistical Section (pages F10-F13) for additional information.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is expensed as incurred.

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2023**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts and Accounting Policies (continued)**

**5. Capital Assets (continued)**

Treatment plants, distribution systems, computers, equipment, leased assets, vehicles, and employee housing are depreciated or amortized using the straight-line method over the following estimated useful lives or length of the lease:

<u>Assets</u>	<u>Years</u>
Treatment plants	5 - 40
Distribution systems	5 - 40
Computers, equipment, and vehicles	2 - 10
Employee housing	40

**6. Net Position**

Net position represents the difference between assets, liabilities, and deferred inflows (outflows) of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets and increased by any unspent proceeds from related borrowings. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

**7. Compensated Absences**

Earned but unused vacation and sick leave benefits are accrued when incurred in the financial statements.

**8. Long-term Obligations**

Long-term debt and other long-term obligations are reported as liabilities in Statement of Net Position. Bond premiums and discounts are deferred and amortized over the respective life of the respective debt using a combination of the effective-interest and straight-line methods. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period incurred. The deferred cost on bond refunding is being amortized over the lesser of the life of the new bond or the remaining life of the refunded bonds using the straight-line method which approximates the effective interest method. The amortization amount is a component of interest expense and the unamortized deferred cost is reflected as a deferred outflow of resources.

**9. Leases**

Lessee – The District is lessee for noncancellable leases of office space. The District recognizes a lease liability and an intangible right-to-use lease asset. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term.

**Eagle River Water and Sanitation District  
Notes to the Financial Statements  
December 31, 2023  
(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts and Accounting Policies (continued)**

**9. Leases (continued)**

Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines the following:

**Discount Rate:** The District uses the interest rate charged by the lessor as the discount rate to discount the expected lease payments to present value. When the interest rate charged by the lessor is not provided, the District uses its incremental rate of borrowing.

**Lease Term:** The lease term includes the noncancellable period of the lease and extended term(s) that the District is reasonably certain to exercise.

**Lease Payments:** Lease payments included in the measurement of the lease liability are composed of fixed increasing payments, and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

**10. Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item that qualifies for reporting in this category. It is unavailable revenue that is deferred and recognized as an inflow of resources in the period that the amounts become available.



**Eagle River Water and Sanitation District  
Notes to the Financial Statements  
December 31, 2023  
(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts and Accounting Policies (continued)**

**11. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires the District's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

**12. Restricted and Unrestricted Resources**

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**13. Comparative Data**

The financial statements include certain prior year comparative information in total, but not by segment. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended December 31, 2022, from which comparative totals were derived.

**II. Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

In the fall of each year, the District's Board of Directors formally adopts a budget with appropriations for the ensuing year pursuant to the Colorado Local Budget Law. The budget is adopted on a non-GAAP basis and is reconciled to GAAP in Section E of this report. Expenditures may not legally exceed appropriations at the fund level and all appropriations lapse at year-end.

As required by Colorado statutes, the District followed the required timetable noted below in preparing, approving, and enacting its budget for 2023.

1. For the 2023 budget year, prior to August 25, 2022, the County Assessor sent to the District an assessed valuation of all taxable property within the District's boundaries. The County Assessor may change the assessed valuation on or before December 10 only once by a single notification to the District.
2. The District submitted, on or before October 15, 2022, a recommended budget that detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.
3. Prior to December 15, 2022, after a required publication of "Notice of Proposed Budget" and a public hearing, the District certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the District adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.

**Eagle River Water and Sanitation District  
Notes to the Financial Statements  
December 31, 2023  
(Continued)**

**II. Stewardship, Compliance, and Accountability (continued)**

**A. Budgetary Information (continued)**

4. After adoption of the budget resolution, the District may make the following changes: a) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; b) approve emergency appropriations; and c) reduce appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2022 were collected in 2023 and taxes certified in 2023 will be collected in 2024. Taxes are due on January 1 in the year of collection; however, they may be paid in either one installment (no later than April 30) or two equal installments (not later than February 28 and June 15) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16.

**B. TABOR Amendment**

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments.

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from state and local governments, are excluded from the provisions of TABOR. The District's management believes its operations qualify for this exclusion.

The District believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits and qualification as an enterprise, will require judicial interpretation.

**Eagle River Water and Sanitation District  
Notes to the Financial Statements  
December 31, 2023  
(Continued)**

**III. Detailed Notes on All Funds**

**A. Deposits and Investments**

The District's deposits are entirely covered by the Federal Deposit Insurance Corporation ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures depositors up to \$250,000 for all accounts. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amounts of the District's petty cash, demand deposits and investments were \$60,240,700 and \$26,097,547 as of December 31, 2023 and 2022, respectively.

*Fair Value of Investments*

The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

At December 31, 2023, the District had the following recurring fair value measurements:

<u>Investments Measured at Fair Value</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
United States Treasury notes	40,565,320	-	40,565,320	-
Federal agency securities	6,700,626	-	6,700,626	-
United States Corporate bonds	1,412,439	-	1,412,439	-
Commercial Paper	783,504	-	783,504	-
<u>Investments Measured at Net Asset Value</u>	<u>Total</u>			
Money Market	2,433,581			
Colotrust	4,467,947			

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Corporate and Municipal Bonds: quoted prices for similar securities in active markets;

The investment pool represents investments in the Colorado Government Liquid Asset Trust ("COLOTRUST") which is a 2a7-like pool. The fair value of the pools is determined by the pool's share price. The District has no regulatory oversight for the pool.

**Interest Rate Risk.** As a means of limiting its exposure to interest rate risk, the District coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date. The investment policy also limits types of investments to specific maturity dates. Finally, the policy requires the District, at all times, to maintain 10% of its total investment portfolio in instruments maturing in 120 days or less.

**Eagle River Water and Sanitation District  
Notes to the Financial Statements  
December 31, 2023  
(Continued)**

**III. Detailed Notes on All Funds (continued)**

**A. Deposits and Investments (continued)**

**Credit Risk.** Colorado statutes and the District investment policy specify instruments in which local governments may invest, including:

- Obligations of the U.S. and certain U.S. governmental agency securities
- Certain international agency securities
- General obligation and revenue bonds for U.S. local governmental entities
- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The District's investment policy has further restricted the investment of District funds to U.S. Treasury obligations, Federal agency securities, commercial paper, U. S. Corporate securities, eligible banker's acceptances, written repurchase agreements collateralized by certain authorized securities, local government investment pools, time certificates of deposit, and certain money market funds. The District's investment policy requires all investments to be highly rated by nationally recognized statistical rating agencies as follows:

	<b>Required Ratings</b>
Federal agency securities	AAA
Commercial paper	A-1
United States Treasury notes	AAA
Eligible bankers acceptances	A-1
Local government investment pools	AAAm
Money market mutual funds	AAAm

In addition, the District's investment policy requires that approved counterparties to repurchase agreements have at least a short-term debt rating of A-1 and a long-term debt rating of A.

At December 31, 2023, unrealized gains were \$754,956, which reflects changes in the fair market value of investments. At December 31, 2023, the District had the following cash and investments with the following maturities:

	<b>Standard &amp; Poors Rating</b>	<b>Carrying Amounts</b>	<b>Maturities</b>	
			<b>Less than one year</b>	<b>One to five years</b>
<i>Petty cash</i>	Not rated	-	-	-
<i>Deposits:</i>				
Checking	Not rated	3,877,283	3,877,283	-
Money market	AAA	2,433,581	2,433,581	-
Certificates of deposit	Not rated	-	-	-
<i>Investments:</i>				
Investment pools	AAAm	4,467,947	4,467,947	-
Commercial Paper	A-1/A-1+/AA+	783,504	783,504	-
United States Corporate bonds	AA+/AA-/AAA	1,412,439	-	1,412,439
United States Treasury notes	AA+	40,565,320	24,432,180	16,133,140
Federal agency securities	AA+	6,700,626	573,003	6,127,623
<b>Total</b>		60,240,700	36,567,498	23,673,202

**Eagle River Water and Sanitation District  
Notes to the Financial Statements  
December 31, 2023  
(Continued)**

**III. Detailed Notes on All Funds (continued)**

**A. Deposits and Investments (continued)**

**Concentration of Credit Risk.** The District's investment policy requires its portfolio to be adequately diversified to avoid incurring unreasonable risks inherent in overinvesting in specific instruments, individual financial institutions or maturities. The District may invest to the following maximum limits:

	<b>Maximum Percentage</b>
U.S. Treasury obligations	100%
Federal agency securities	100%
Repurchase agreements	100%
Certificates of deposit	50%
Local government investment pools	50%
Combined total in bankers acceptances and commercial paper	30%

Investments in any one issuer (other than U.S. Treasury obligations, mutual funds, and external investment pools) that represented 5% or more of the total District investments at December 31, 2023 were as follows:

<b>Issuer</b>	<b>Reported Amount</b>	<b>Percentage of Investment Portfolio</b>
Federal agency securities	6,700,626	12%
Colotrust	4,467,947	8%

**B. Restricted Cash, Cash Equivalents and Investments**

At December 31, 2023, cash has been restricted for the following purposes:

	<b>Water</b>	<b>Sanitation</b>	<b>Total</b>
Restricted for capital projects	-	25,316,875	25,316,875
Debt service reserves	1,173,472	5,251,313	6,424,785
Rate stabilization funds	600,000	600,000	1,200,000
Refunding proceeds in escrow	-	-	-
<b>Total</b>	1,773,472	31,168,188	32,941,660

**Eagle River Water and Sanitation District  
Notes to the Financial Statements  
December 31, 2023  
(Continued)**

**III. Detailed Notes on All Funds (continued)**

**C. Summary of Cash and Investments**

The District's cash and cash equivalents are disclosed in the following financial statement captions:

	<b>Water</b>	<b>Sanitation</b>	<b>Total</b>
Cash and cash equivalents - Unrestricted	1,338,917	7,666,422	9,005,339
Cash and cash equivalents - Restricted	1,773,472	-	1,773,472
Investments - Unrestricted	673,057	17,620,645	18,293,702
Investments - Restricted	-	31,168,187	31,168,187
<b>Total</b>	3,785,446	56,455,254	60,240,700

**D. Notes Receivable**

The following is an analysis of changes in notes receivable for the year ended December 31, 2023:

	<b>1/1/23 Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>12/31/23 Ending Balance</b>
Employees	638,350	129,000	(26,735)	740,615
Sewer tap purchases	4,413	-	(4,413)	-
	642,763	129,000	(31,148)	740,615
Less: Current portion	(4,413)	-	(2,057)	(6,470)
Long-term portion	638,350	129,000	(33,205)	734,145

The following notes receivable were outstanding as of December 31, 2023:

**1. Employees**

The District provides down payment assistance to employees as part of its Employee Home Ownership Program. These non-interest bearing notes are secured by the related properties and will be collected over a period of fifteen years.

**2. Sewer tap purchases**

The District provides Sewer Tap deferral payment plans. These loans bear interest at 3.5% annually and are collected over a period of ten years.

**E. Patronage Dividend Receivable**

The District has a dividend receivable from Holy Cross Electric Association ("Holy Cross") which represents allocated refundable operating profits. These amounts are held by Holy Cross as working capital until the financial condition of Holy Cross permits a refund. Refunds are normally received annually approximately ten years in arrears. During the year ended December 31, 2023, the District received a refund of \$37,851 from Holy Cross. The balance due to the District at December 31, 2023 and 2022 was \$558,591 and \$547,009, respectively.

**Eagle River Water and Sanitation District  
Notes to the Financial Statements  
December 31, 2023  
(Continued)**

**III. Detailed Notes on All Funds (continued)**

**F. Investment in Eagle Park Reservoir Company**

The Eagle Park Reservoir Company (the “Reservoir Company”), a Colorado nonprofit corporation was formed May 8, 1998 to acquire water diversion, storage facilities and water rights, and operate its water storage facilities located in Eagle County, Colorado, and to direct releases of water from the reservoir on behalf of its stockholders. An investment in the Reservoir Company allows the owner to augment its existing water rights.

In 1998, the District acquired 3,300 Class A Shares (approximately 16.4%) and 125 Class B shares of the stock in the Reservoir Company for \$1,909,732 and the contribution/pledge of certain water rights. The \$1,909,732 was financed through an assessment obligation payable to the Reservoir Company, which is explained in Note III.H.1, and is recorded as an investment in Eagle Park Reservoir Company, along with \$130,000 of legal costs related to the issuance of the assessment payable. Since 1998, the District has acquired additional shares of the Reservoir Company through various transactions. As of December 31, 2022, the District held 4,345 Class A Shares, 125 Class B Series 1 and 125 Class B Series 2 shares of the stock in the Reservoir Company at a cost of \$3,466,756.

During 2011 through 2017, the District’s investment in the Reservoir Company was unchanged.

In March 2018, the District transferred 16.8789 Class A, Series 2 shares to Upper Eagle Regional Water Authority, which had a historical cost of \$13,314.

As of December 31, 2023, the District held 4,078.1211 Class A Shares (approximately 16.7%), 125 Class B Series 1 and 125 Class B Series 2 shares of the stock in the Reservoir Company at a cost of \$3,298,908. See the Schedule of Water and Storage Rights in the Statistical Section (pages F10-F13) for additional information.

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**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2023**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**G. Capital Assets**

Capital asset activity related to water services for 2023 was as follows:

	<b>1/1/23 Beginning Balance (restated)</b>	<b>Additions</b>	<b>Retirements and Transfers</b>	<b>12/31/23 Ending Balance</b>
<b>Water</b>				
Capital assets, not being depreciated:				
Water rights	1,496,416	-	-	1,496,416
Construction in progress	2,716,621	1,673,238	(422,884)	3,966,975
Total capital assets, not being depreciated	<u>4,213,037</u>	<u>1,673,238</u>	<u>(422,884)</u>	<u>5,463,391</u>
Capital assets, being depreciated and amortized:				
Treatment plants	4,684,615	17,965	-	4,702,580
Distribution systems	56,273,895	778,030	-	57,051,925
Computers, equipment and vehicles	4,218,799	275,646	-	4,494,445
Employee housing	-	-	-	-
Leased assets	190,052	(2,000)	(36,011)	152,041
Total capital assets being depreciated and amortized	<u>65,367,361</u>	<u>1,069,641</u>	<u>(36,011)</u>	<u>66,400,991</u>
Less accumulated depreciation and amortization for:				
Treatment plants	(2,781,979)	(162,387)	-	(2,944,366)
Distribution systems	(25,890,659)	(1,617,224)	-	(27,507,883)
Computers, equipment and vehicles	(2,899,790)	(237,876)	9,555	(3,128,111)
Employee housing	-	-	-	-
Leased assets	(61,768)	(2,850)	-	(64,618)
Total accumulated depreciation and amortization	<u>(31,634,196)</u>	<u>(2,020,337)</u>	<u>9,555</u>	<u>(33,644,978)</u>
Total capital assets, being depreciated and amortized, net	<u>33,733,165</u>	<u>(950,696)</u>	<u>(26,456)</u>	<u>32,756,013</u>
<b>Total capital assets, net - Water</b>	<u><b>37,946,202</b></u>	<u><b>722,542</b></u>	<u><b>(449,340)</b></u>	<u><b>38,219,404</b></u>

Fully depreciated assets totaled \$9,265,640 for the year ended December 31, 2023.



**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2023**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**G. Capital Assets (continued)**

Capital asset activity related to sanitation services for 2023 was as follows:

	<b>1/1/23 Beginning Balance (restated)</b>	<b>Additions</b>	<b>Retirements and Transfers</b>	<b>12/31/23 Ending Balance</b>
<b>Sanitation</b>				
Capital assets, not being depreciated:				
Land and easements	3,553,680	90,951	-	3,644,631
Construction in progress	67,281,945	23,740,666	(66,359,566)	24,663,045
<b>Total capital assets, not being depreciated</b>	<b>70,835,625</b>	<b>23,831,617</b>	<b>(66,359,566)</b>	<b>28,307,676</b>
Capital assets, being depreciated and amortized:				
Treatment plants	122,967,546	63,620,721	-	186,588,267
Distribution systems	58,196,886	1,499,934	-	59,696,820
Computers, equipment and vehicles	12,656,396	1,152,369	(39,968)	13,768,797
Employee housing	20,793,313	476,508	(4,500)	21,265,321
Leased assets	570,152	38,011	-	608,163
<b>Total capital assets being depreciated and amortized</b>	<b>215,184,293</b>	<b>66,787,543</b>	<b>(44,468)</b>	<b>281,927,368</b>
Less accumulated depreciation and amortization for:				
Treatment plants	(73,188,956)	(4,515,312)	-	(77,704,268)
Distribution systems	(32,347,000)	(1,470,925)	-	(33,817,925)
Computers, equipment and vehicles	(8,699,371)	(951,507)	38,221	(9,612,657)
Employee housing	(3,385,290)	(618,686)	-	(4,003,976)
Leased assets	(185,299)	(73,170)	-	(258,469)
<b>Total accumulated depreciation and amortization</b>	<b>(117,805,916)</b>	<b>(7,629,600)</b>	<b>38,221</b>	<b>(125,397,295)</b>
<b>Total capital assets, being depreciated and amortized, net</b>	<b>97,378,377</b>	<b>59,157,943</b>	<b>(6,247)</b>	<b>156,530,073</b>
<b>Total capital assets, net - Sanitation</b>	<b>168,214,002</b>	<b>82,989,560</b>	<b>(66,365,813)</b>	<b>184,837,749</b>

Fully depreciated assets totaled \$44,745,206 for the year ended December 31, 2023.

Depreciation and amortization expense for the year ended December 31, 2023 was charged to the following departments:

	<b>Water</b>	<b>Sanitation</b>	<b>Total</b>
Maintenance	62,207	248,827	311,034
Water operations	1,779,611	-	1,779,611
Wastewater treatment	-	5,986,238	5,986,238
General and administrative	178,520	1,394,536	1,573,056
<b>Total</b>	<b>2,020,338</b>	<b>7,629,601</b>	<b>9,649,939</b>

**Eagle River Water and Sanitation District  
Notes to the Financial Statements  
December 31, 2023  
(Continued)**

**III. Detailed Notes on All Funds (continued)**

**H. Long-Term Debt – Water**

The District has the following long-term debt outstanding related to its water operations:

**1. 1998 Assessment Obligation Note**

As previously explained in Note III.F, the District financed its 1998 investment in the Reservoir Company through the execution of an assessment obligation note in the amount of \$1,909,842. This note bears interest at 5.45% annually. Debt service payments of \$130,683 are due annually on September 16, through 2027.

The obligation is secured by the District's ownership of common stock of the Reservoir Company and certain water rights owned by participating members and leased to the District. The agreement contains release provisions for the collateral based on the timely payment of scheduled obligations. The assessment payable is subject to annual appropriation.

The District is maintaining a reserve equal to the next fiscal year's principal and interest payments for this obligation.

**2. General Obligation Water Bonds, Series 2012A**

The District, through the Water Subdistrict, issued \$1,000,000 of general obligation water bonds in December 2012, the proceeds of which will be used to construct improvements to the District's water system and pay the costs of issuance. The interest rates on the bonds range from 2.30% to 2.50%. Interest is payable on June 1 and December 1, through 2029. The principal is payable on December 1 and matures in various increments through 2029.

Principal on the serial bonds is due beginning in 2023 through 2029 in amounts ranging from \$130,000 to \$155,000.

The bonds are not secured by the Water Subdistrict's assets and are not obligations of the District. The bonds are direct obligations and pledge the full faith and credit of the Water Subdistrict and are ultimately secured by the Water Subdistrict's general ad valorem tax collections.

Bonds maturing on or after December 1, 2023, are subject to redemption prior to maturity at the option of District at par plus accrued interest.

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2023**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**H. Long-Term Debt – Water (continued)**

**3. General Obligation Water Refunding Bonds, Series 2012B**

The District, through the Water Subdistrict, issued \$6,605,000 of general obligation water refunding bonds in December 2012, the proceeds of which were used to partially refund the aforementioned 2004 General Obligation Water Bonds (Note III.H.2) and pay the costs of issuance. The interest rates on the bonds range from 2.00% to 3.00%. Interest is payable on June 1 and December 1, through 2029. The principal is payable on December 1 and matures in various increments through 2029.

Principal on the serial bonds is due beginning in 2013 through 2029 in amounts ranging from \$25,000 to \$555,000.

The District realized a present value savings on the refunding of \$801,658.

The bonds are not secured by the Water Subdistrict's assets and are not obligations of the District. The bonds are direct obligations and pledge the full faith and credit of the Water Subdistrict and are ultimately secured by the Water Subdistrict's general ad valorem tax collections.

Bonds maturing on or after December 1, 2023, are subject to redemption prior to maturity at the option of District at par plus accrued interest.

**4. Water Enterprise Revenue Refunding Bonds, Series 2017**

The District, through the Water Subdistrict, issued \$12,545,000 of water enterprise revenue bonds in May 2017, with annual interest rates ranging from 3.00% to 5.00%. Interest is payable June 1 and December, through 2039. The principal is payable on December 1 and matures in various increments through 2039. The proceeds were used to retire the 2009 water enterprise revenue bonds and pay the costs of issuance. The 2009 bonds are considered defeased and have been removed from long-term debt.

**Eagle River Water and Sanitation District  
Notes to the Financial Statements  
December 31, 2023  
(Continued)**

**III. Detailed Notes on All Funds (continued)**

**H. Long-Term Debt – Water (continued)**

**4. Water Enterprise Revenue Refunding Bonds, Series 2017 (continued)**

Principal on the bonds is due beginning in 2017 through 2039 in amounts ranging from \$345,000 to \$780,000.

Only bonds maturing on and after December 1, 2028, are subject to redemption prior to maturity; these bonds are subject to redemption prior to maturity at the option of the District at par.

In conjunction with the issuance of these bonds, the District is required to maintain a Rate Stabilization Fund of \$600,000; the Rate Stabilization Fund was created to help offset or reduce any increase in fees, rates, and other charges to the users of the water system which was created by the Rate Maintenance Covenant.

These bonds are secured by a Reserve Fund equal to the least of 1) 10% of the principal amount of the bonds, 2) the maximum annual principal and interest on the bonds, or 3) 125% of average principal and interest on the bonds which will become due in any fiscal year. The District has purchased a bond reserve insurance policy to provide reserve funds if needed; therefore, no reserve has been reflected in these financial statements for this purpose.

The bond documents include a Rate Maintenance Covenant, which requires the District to establish service rates at a level sufficient to cover operating and maintenance expenses, as well as 115% of each fiscal year's debt service requirements of outstanding District bonds.

A bond insurance policy, which guarantees the scheduled payment of principal and interest on the bonds, was issued by Assured Guaranty Corporation concurrently with the issuance of these bonds.

The District realized a present value savings on the refunding of \$1,096,697.

**5. Water Enterprise Revenue Bonds, Series 2019**

The District, through the Water Subdistrict, issued \$3,825,000 of water revenue bonds in December 2019, the proceeds of which will be used to construct improvements to the District's water system and pay the costs of issuance. The interest rate on the bonds are 4.00%. Interest is payable on June 1 and December 1, through 2039. The principal is payable on December 1 and matures in various increments through 2039.

Principal on the serial bonds is due beginning in 2020 through 2039 in amounts ranging from \$125,000 to \$255,000.

Only bonds maturing on and after December 1, 2029, are subject to redemption prior to maturity; these bonds are subject to redemption prior to maturity at the option of the District at par.

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2023**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**H. Long-Term Debt – Water (continued)**

**6. Water Enterprise Revenue Bonds, Series 2019 (continued)**

In conjunction with the issuance of these bonds, the District is required to maintain a Rate Stabilization Fund of \$600,000; the Rate Stabilization Fund was created to help offset or reduce any increase in fees, rates, and other charges to the users of the water system which was created by the Rate Maintenance Covenant.

These bonds are secured by a Reserve Fund equal to the least of 1) 10% of the principal amount of the bonds, 2) the maximum annual principal and interest on the bonds, or 3) 125% of average principal and interest on the bonds which will become due in any fiscal year. The District has purchased a bond reserve insurance policy to provide reserve funds if needed; therefore, no reserve has been reflected in these financial statements for this purpose.

The bond documents include a Rate Maintenance Covenant, which requires the District to establish service rates at a level sufficient to cover operating and maintenance expenses, as well as 115% of each fiscal year's debt service requirements of outstanding District bonds.

A bond insurance policy, which guarantees the scheduled payment of principal and interest on the bonds, was issued by Assured Guaranty Corporation concurrently with the issuance of these bonds.

**I. Long-Term Debt – Sanitation**

**1. Enterprise Wastewater Revenue Bonds, Series 2012**

The District issued \$28,060,000 of wastewater revenue bonds in December 2012, with annual interest rates ranging from 2.00% to 5.00%. Interest is payable June 1 and December 1, through 2042. The principal is payable on December 1 and matures in various increments through 2042. The proceeds of these bonds were used to finance improvements to the wastewater system.

As special, limited obligations of the District, principal and interest on the bonds are payable solely from Net Pledged Revenues, as defined in the bond documents. Such net revenue includes income from the operation and use of the wastewater treatment facilities and other legally available revenue after the payment of operation and maintenance expenses of the system. In connection with the issuance of these bonds, the District has adopted a resolution imposing a new Sewer Debt Service Rate which is collected monthly from each equivalent ("SFE") in the system.

The bond documents include a Rate Maintenance Covenant, which requires the District to establish service rates at a level sufficient to cover operating and maintenance expenses, as well as 110% of each fiscal year's debt service requirements of outstanding District bonds.

**Eagle River Water and Sanitation District  
Notes to the Financial Statements  
December 31, 2023  
(Continued)**

**III. Detailed Notes on All Funds (continued)**

**I. Long-Term Debt – Sanitation (continued)**

**1. Enterprise Wastewater Revenue Bonds, Series 2012 (continued)**

These bonds are secured by a common Reserve Fund equal to the minimum of: a) 10% of the principal amount of the bonds, b) the maximum annual debt service in any calendar year, or c) 125% of the average annual debt service of the bonds.

In conjunction with the issuance of the 2012 Bonds, the District is required to maintain a Rate Stabilization Fund of \$600,000; the Rate Stabilization Fund was created to help offset or reduce any increase in fees, rates, and other charges to the users of the water system which was created by the Rate Maintenance Covenant.

Bonds maturing on and before December 1, 2022, are not subject to optional prior redemption. Bonds maturing on or after December 1, 2023, are subject to redemption prior to maturity at the option of District at par plus accrued interest.

**2. General Obligation Wastewater Bonds, Series 2016**

The District, through the Wastewater Subdistrict, issued \$23,295,000 of general obligation wastewater bonds in March 2016, the proceeds of which will be used to construct improvements to the District's wastewater system and pay the costs of issuance. The interest rates on the bonds range from 2.00% to 5.00%. Interest is payable on June 1 and December 1, through 2045. The principal is payable on December 1 and matures in various increments through 2045.

Principal on the serial bonds is due beginning in 2016 through 2045 in amounts ranging from \$315,000 to \$1,305,000.

The bonds are not secured by the Wastewater Subdistrict's assets and are not obligations of the District. The bonds are direct obligations and pledge the full faith and credit of the Wastewater Subdistrict and are ultimately secured by the Wastewater Subdistrict's general ad valorem tax collections.

Bonds maturing on or after December 1, 2027, are subject to redemption prior to maturity at the option of District at par plus accrued interest.

**3. Enterprise Wastewater Revenue Crossover Refunding Bonds, Series 2017**

The District issued \$12,430,000 of enterprise wastewater revenue crossover refunding bonds in December 2017, with annual interest rates ranging from 3.00% to 5.00%. Interest is payable June 1 and December 1, through 2039. The principal is payable on December 1 and matures in various increments through 2039. The proceeds were used to retire the 2009B wastewater enterprise revenue bonds on the crossover date December 1, 2019. The 2009B bonds are considered defeased and have been removed from long-term debt.

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2023**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**I. Long-Term Debt – Sanitation (continued)**

**3. Enterprise Wastewater Revenue Crossover Refunding Bonds, Series 2017 (continued)**

The proceeds from the issuance are held in an escrow account until the crossover date. Principal on the bonds is due beginning in 2020 through 2039 in amounts ranging from \$440,000 to \$840,000.

Only bonds maturing on and after December 1, 2028, are subject to redemption prior to maturity; these bonds are subject to redemption prior to maturity at the option of the District.

In conjunction with the issuance of these bonds, the District is required to maintain a Rate Stabilization Fund of \$600,000; the Rate Stabilization Fund was created to help offset or reduce any increase in fees, rates, and other charges to the users of the water system which was created by the Rate Maintenance Covenant.

These bonds are secured by a Reserve Fund equal to the least of 1) 10% of the principal amount of the bonds, 2) the maximum annual principal and interest on the bonds, or 3) 125% of average principal and interest on the bonds which will become due in any fiscal year. The District has purchased a bond reserve insurance policy to provide reserve funds if needed; therefore, no reserve has been reflected in these financial statements for this purpose.

The bond documents include a Rate Maintenance Covenant, which requires the District to establish service rates at a level sufficient to cover operating and maintenance expenses, as well as 115% of each fiscal year's debt service requirements of outstanding District bonds.

A bond insurance policy, which guarantees the scheduled payment of principal and interest on the bonds, was issued by Assured Guaranty Corporation concurrently with the issuance of these bonds.

**4. Enterprise Wastewater Revenue Bonds, Series 2020A**

The District issued \$35,220,000 of wastewater revenue bonds in June 2020, with annual interest rates ranging from 3.00% to 4.00%. Interest is payable June 1 and December 1, through 2049. The principal is payable on December 1 and matures in various increments through 2049. The proceeds of these bonds were used to finance improvements to the wastewater system.

As special, limited obligations of the District, principal and interest on the bonds are payable solely from Net Pledged Revenues, as defined in the bond documents. Such net revenue includes income from the operation and use of the wastewater treatment facilities and other legally available revenue after the payment of operation and maintenance expenses of the system. In connection with the issuance of these bonds, the District has adopted a resolution imposing a new Sewer Debt Service Rate which is collected monthly from each single family equivalent ("SFE") in the system.

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2023**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**I. Long-Term Debt – Sanitation (continued)**

**4. Enterprise Wastewater Revenue Bonds, Series 2020A (continued)**

The bond documents include a Rate Maintenance Covenant, which requires the District to establish service rates at a level sufficient to cover operating and maintenance expenses, as well as 110% of each fiscal year's debt service requirements of outstanding District bonds.

As previously discussed, these bonds are secured by a common Reserve Fund equal to the minimum of: a) 10% of the principal amount of the bonds, b) the maximum annual debt service in any calendar year, or c) 125% of the average annual debt service of the bonds.

In conjunction with the issuance of the 2012 Bonds, and subsequently with the 2020A Bonds, the District is required to maintain a Rate Stabilization Fund of \$600,000; the Rate Stabilization Fund was created to help offset or reduce any increase in fees, rates, and other charges to the users of the water system which was created by the Rate Maintenance Covenant.

Bonds maturing on and before December 1, 2029, are not subject to optional prior redemption. Bonds maturing on or after December 1, 2030, are subject to redemption prior to maturity at the option of District at par plus accrued interest.

**5. Enterprise Wastewater Revenue Refunding Bonds, Series 2020B**

The District issued \$24,930,000 of wastewater enterprise revenue bonds in June 2020, with annual interest rates ranging from 0.82% to 2.42%. Interest is payable June 1 and December 1, through 2039. The principal is payable on December 1 and matures in various increments through 2042. The proceeds were used to partially refund the 2012 wastewater enterprise revenue bonds. The 2012 bonds are considered partially defeased and have been partially removed from long-term debt.

Principal on the bonds is due through 2042 in amounts ranging from \$185,000 to \$1,575,000.

Only bonds maturing on and after December 1, 2030, are subject to redemption prior to maturity; these bonds are subject to redemption prior to maturity at the option of the District at par plus accrued interest.

The bond documents include a Rate Maintenance Covenant, which requires the District to establish service rates at a level sufficient to cover operating and maintenance expenses, as well as 110% of each fiscal year's debt service requirements of outstanding District bonds.

As previously discussed, these bonds are secured by a common Reserve Fund equal to the minimum of: a) 10% of the principal amount of the bonds, b) the maximum annual debt service in any calendar year, or c) 125% of the average annual debt service of the bonds.



**Eagle River Water and Sanitation District  
Notes to the Financial Statements  
December 31, 2023  
(Continued)**

**III. Detailed Notes on All Funds (continued)**

**I. Long-Term Debt – Sanitation (continued)**

**5. Enterprise Wastewater Revenue Refunding Bonds, Series 2020B (continued)** In conjunction with the issuance of the 2012 Bonds, and subsequently with the 2020A and 2020B Bonds, the District is required to maintain a Rate Stabilization Fund of \$600,000; the Rate Stabilization Fund was created to help offset or reduce any increase in fees, rates, and other charges to the users of the water system which was created by the Rate Maintenance Covenant.

The District realized a present value savings on the refunding of \$3,147,296.

**6. Enterprise Wastewater Revenue Bonds, Series 2023**

The District issued \$45,720,000 of 2023 Wastewater Revenue Bonds in January 2023, with interest rates ranging from 4.0% to 5.0%. Interest is payable June 1 and December 1, through 2052. The bonds were issued to finance a portion of its capital improvement program primarily relating to the Avon Wastewater Treatment Facilities Master Plan

Principal on the bonds is due through 2042 in amounts ranging from \$760,000 to \$2,710,000.

Only bonds maturing on and after December 1, 2033, are subject to redemption prior to maturity; these bonds are subject to redemption prior to maturity at the option of the District at par plus accrued interest.

The bond documents include a Rate Maintenance Covenant, which requires the District to establish service rates at a level sufficient to cover operating and maintenance expenses, as well as 110% of each fiscal year's debt service requirements of outstanding District bonds.

**II. Long-term Lease Liability – Water and Sanitation**

The District executed an office lease on August 13, 2019. The lease term expires in September 2029. Payments under the lease include interest at 1.70%. Total lease expenses under this agreement were \$70,517 including \$8,979 of interest.

**Eagle River Water and Sanitation District  
Notes to the Financial Statements  
December 31, 2023  
(Continued)**

**K. Long-term Liability Activity Schedule**

Long-term liability activity for 2023 was as follows:

	<b>1/1/23 Beginning Balance (restated)</b>	<b>Additions</b>	<b>Reductions</b>	<b>12/31/23 Ending Balance</b>	<b>Due Within One Year</b>
<b>Water</b>					
1998 assessment obligation note	653,865	-	(95,047)	558,818	100,227
2012A general obligation bonds	1,000,000	-	(130,000)	870,000	135,000
2012B general obligation refunding bonds	3,470,000	-	(440,000)	3,030,000	460,000
2017 revenue refunding bonds	10,210,000	-	(430,000)	9,780,000	445,000
2019 revenue bonds	3,420,000	-	(150,000)	3,270,000	155,000
Unamortized bond premiums	1,060,799	-	(93,690)	967,109	-
Lease payable	140,023	-	(17,630)	122,393	18,782
Technology subscriptions	193,897	-	(62,733)	131,164	64,613
Accrued compensated absences	184,974	-	(26,006)	158,968	-
Subtotal - Water	<u>20,333,558</u>	<u>-</u>	<u>(1,445,106)</u>	<u>18,888,452</u>	<u>1,378,622</u>
<b>Sanitation</b>					
2012 wastewater revenue bonds	735,000	-	(735,000)	-	-
2016 general obligation bonds	19,920,000	-	(555,000)	19,365,000	585,000
2017 wastewater revenue refunding bonds	11,075,000	-	(480,000)	10,595,000	495,000
2020A wastewater revenue bonds	34,715,000	-	(260,000)	34,455,000	265,000
2020B wastewater revenue refunding bonds	24,190,000	-	(280,000)	23,910,000	1,050,000
2023 wastewater revenue bonds	-	45,720,000	-	45,720,000	760,000
Unamortized bond premiums	6,634,173	3,833,099	(438,757)	10,028,515	-
Lease payable	420,069	-	(52,887)	367,182	56,347
Technology subscriptions	775,588	-	(250,933)	524,655	254,453
Accrued compensated absences	554,923	80,949	-	635,872	-
Subtotal - Sanitation	<u>99,019,753</u>	<u>49,634,048</u>	<u>(3,052,577)</u>	<u>145,601,224</u>	<u>3,465,800</u>
<b>Total</b>	<u>119,353,311</u>	<u>49,634,048</u>	<u>(4,497,683)</u>	<u>164,489,676</u>	<u>4,844,422</u>

**Eagle River Water and Sanitation District  
Notes to the Financial Statements  
December 31, 2023  
(Continued)**

**III. Detailed Notes on All Funds (continued)**

**L. Debt Service Schedules**

Debt service requirements at December 31, 2023, were as follows for water operations:

<b>Water</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	1,295,228	659,331	1,954,559
2025	1,350,689	601,819	1,952,508
2026	1,401,449	541,759	1,943,208
2027	1,467,524	479,184	1,946,708
2028	1,528,928	413,430	1,942,358
2029 - 2033	4,725,000	1,373,875	6,098,875
2034 - 2038	4,705,000	660,050	5,365,050
2039 - 2043	1,035,000	34,950	1,069,950
2044	-	-	-
<b>Total water debt service</b>	<b>17,508,818</b>	<b>4,764,398</b>	<b>22,273,216</b>

Debt service requirements at December 31, 2023, were as follows for sanitation operations:

<b>Sanitation</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	3,155,000	5,129,616	8,284,616
2025	3,240,000	5,041,874	8,281,874
2026	3,335,000	4,947,205	8,282,205
2027	3,450,000	4,833,817	8,283,817
2028	3,585,000	4,654,982	8,239,982
2029 - 2033	20,010,000	21,405,848	41,415,848
2034 - 2038	23,925,000	17,500,923	41,425,923
2039 - 2043	28,605,000	12,800,326	41,405,326
2044 - 2048	30,570,000	6,745,650	37,315,650
2049 - 2049	14,170,000	1,201,000	15,371,000
<b>Total sanitation debt service</b>	<b>134,045,000</b>	<b>84,261,241</b>	<b>218,306,241</b>

Aggregate debt service requirements at December 31, 2023, were as follows for the District:

<b>Combined</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	4,450,228	5,788,947	10,239,175
2025	4,590,689	5,643,693	10,234,382
2026	4,736,449	5,488,964	10,225,413
2027	4,917,524	5,313,001	10,230,525
2028	5,113,928	5,068,412	10,182,340
2029 - 2033	24,735,000	22,779,723	47,514,723
2034 - 2038	28,630,000	18,160,973	46,790,973
2039 - 2043	29,640,000	12,835,276	42,475,276
2044 - 2048	30,570,000	6,745,650	37,315,650
2045 - 2049	14,170,000	1,201,000	15,371,000
<b>Total combined debt service</b>	<b>151,553,818</b>	<b>89,025,639</b>	<b>240,579,457</b>

The District is compliant in ongoing disclosure requirements to the secondary bond market in accordance with the Securities and Exchange Commission's Rule 15c2-12.

**Eagle River Water and Sanitation District  
Notes to the Financial Statements  
December 31, 2023  
(Continued)**

**III. Detailed Notes on All Funds (continued)**

**L. Debt Service Schedules**

Lease payments at December 31, 2023, were as follows for water operations:

<b>Water</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	18,782	1,936	20,718
2025	19,991	1,608	21,599
2026	21,259	1,258	22,517
2027	22,340	887	23,227
2028	22,723	504	23,227
2029 - 2029	17,298	123	17,421
<b>Minimum lease payments</b>	<b>122,393</b>	<b>6,316</b>	<b>128,709</b>

Lease payments at December 31, 2023, were as follows for sanitation operations:

<b>Sanitation</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	56,347	5,809	62,156
2025	59,974	4,823	64,797
2026	63,777	3,774	67,551
2027	67,021	2,660	69,681
2028	68,170	1,512	69,682
2029 - 2029	51,893	368	52,261
<b>Minimum lease payments</b>	<b>367,182</b>	<b>18,946</b>	<b>386,128</b>

Aggregate lease payments at December 31, 2023, were as follows for the District:

<b>Combined</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	75,129	7,745	82,874
2025	79,965	6,431	86,396
2026	85,036	5,032	90,068
2027	89,361	3,547	92,908
2028	90,893	2,016	92,909
2029 - 2029	69,191	491	69,682
<b>Minimum lease payments</b>	<b>489,575</b>	<b>25,262</b>	<b>514,837</b>

**Eagle River Water and Sanitation District**  
**Notes to the Financial Statements**  
**December 31, 2023**  
**(Continued)**

**IV. Other Information**

**A. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has joined together with other special districts in the State to form the Colorado Special Districts Property and Liability Pool (“the Pool”), a public entity risk pool currently operating as a common risk management and insurance program for member special districts. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, public officials’ liability and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**B. Pension Plans**

**1. Defined Contribution Pension Plan - Section 401(a)**

Full-time, year-round employees of the District participate in a defined contribution pension plan which was established by the District and is maintained and administered by the Principal Financial Group. Additional plan oversight and advisory services are provided by Morton and Company. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees participate in the District's plan upon employment. Under this plan, 5% of the employees' compensation is withheld and remitted to the Plan Administrator. Following six months of the participant’s employment, the District contributes a matching 5% of all eligible employees' compensation. In addition, the District contributes 6.2% of compensation for all eligible participants hired after March 31, 1986, or 7.65% of compensation for participants hired prior to March 31, 1986. This contribution begins upon employment.

The District's contributions, plus earnings, become vested at a rate of 20% for each year of participation in the plan. District contributions for employees who leave employment before five years of participation are used to reduce the District's future contribution requirement. There is no liability for benefits under the plan beyond the District's required contributions. Plan provisions and contribution requirements are established and may be amended by the District. The District's 2023 covered payroll was \$12,823,897. Contributions actually made, which equaled the required contributions, were \$641,652 for plan members and \$594,966 for the District for the year ended December 31, 2023. Forfeitures totaled \$79,658 and for the year ended December 31, 2023. As of December 31, 2023, there were no outstanding contribution liabilities.

**2.**

**Eagle River Water and Sanitation District  
Notes to the Financial Statements  
December 31, 2023  
(Continued)**

**IV. Other Information (continued)**

**B. Pension Plans (continued)**

**2. Deferred Compensation Plan**

The District has a deferred compensation plan created in accordance with Internal Revenue Code Section 457 for full-time, year-round employees. This plan is administered by Principal Financial Group. Additional plan oversight and advisory services are provided by Morton and Company. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergencies. During 2011, the District amended the plan to offer a Roth contribution option.

**C. Employee Housing Program**

The District operates a housing program that benefits its employees by providing affordable housing options as real estate prices in the Vail area are high. The objective of the program is to retain current employees and to attract new employees to the area. There are certain specified individuals who are not District employees who are also allowed to participate in the housing program depending on availability and whether they meet eligibility criteria established by the Board.

The District offers rental properties to employees as well as home buyers assistance options. The rental properties consist of condos, apartments and homes that are either built or purchased by the District. For employees using the housing program for rental properties, the District will set up a payroll deduction as a means to collect the rent. This is also done for employees using the home buyers' assistance option.

**D. Intergovernmental Agreements**

**1. Interconnect**

The District and Upper Eagle Regional Water Authority (the "Authority") entered into an intergovernmental agreement ("IGA") in 1994 to construct an interconnect between their two water systems to enable the transfer of water between the parties for the purposes of achieving operational flexibility. In accordance with the IGA, the deliveries between the two systems are to be measured daily (net distribution of water) with the net amount owed by either party to the other to be recorded by the owing party at a rate equal to 75 percent of the then current water rate charges by the owing party. The intent of the parties is to provide long-term service to each other through the availability of peak use season and emergency supplemental water supply. The agreement provides for a payment calculation year of May 1 to April 30. If at the end of the payment year there is a net distribution of water to one of the parties that party shall make payment to the other party. It should be noted that historically towards the end of each payment year (April 30) the system is run to create a zero balance outstanding, such that no payment is due to or from either party. For the payment years ended April 30, 2023 and 2022, the balance outstanding was \$0.

The value of water distributed by the District through the interconnect was \$89,596 and \$124,179 during the year ended December 31, 2023 and 2022, respectively. As the system is brought to a zero balance by the end of each payment year (April 30), the District has chosen to forgo immediate payment and carry this receivable forward. The District reserves the right to request payment from the Authority at any time in the future.

**Eagle River Water and Sanitation District  
Notes to the Financial Statements  
December 31, 2023  
(Continued)**

**IV. Other Information (continued)**

**D. Intergovernmental Agreements (continued)**

**2. Contract for Water Services**

Through an agreement, the District provides administration, operations, customer billing, system maintenance and capital program management services to the Authority. The District bills customers for the water service provided and collects and remits the monies to the Authority. The water service monies are not recognized as revenue of the District. In addition to the contract fees, the District bills the Authority for maintenance and supplies which are recognized as revenue. The District earned \$8,518,900 and \$8,459,112 of contract fees from the Authority during 2023 and 2022, respectively. The District has outstanding management fees due from the Authority as of December 31, 2023 and 2022 totaling \$4,213,158 and \$4,630,024, respectively, included in other receivables. There were other outstanding receivables, for operations services, due from the Authority as of December 31, 2023 and 2022 totaling \$3,315,428 and \$4,474,452, respectively, included in other accounts receivables. As of December 31, 2023 and 2022 there was \$2,091,167 and \$930,172 for water service billed, due to the Authority included in accounts payable, respectively. The District earned \$36,156 and \$16,313 of contract fees from other governments which it has similar agreements (i.e. Town of Minturn and Eagle Park Reservoir Company) during 2023 and 2022, respectively.

**DI. Commitments and Contingencies - Federal and State Grants and Financial Sources**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

**SUPPLEMENTARY INFORMATION**



**EAGLE RIVER  
WATER & SANITATION  
DISTRICT**



**Eagle River Water and Sanitation District**  
**Schedule of Revenues, Expenditures, and Funds Available**  
**Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis**  
**For the Year Ended December 31, 2023**  
**(With Comparative Totals for the Year Ended 2022)**

	2023			2022	
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
<b>Revenues:</b>					
<b>Water:</b>					
Service fees	8,679,654	8,679,654	8,641,929	(37,725)	7,614,996
Other charges for services	75,432	75,432	172,326	96,894	84,401
Property taxes	1,568,946	1,568,946	1,360,180	(208,766)	1,516,730
Specific ownership taxes	57,542	57,542	78,032	20,490	89,120
Investment income	4,038	4,038	78,479	74,441	10,793
Gain (loss) on investment	-	-	89,912	89,912	5,689
Proceeds from sale of assets	-	-	1,497,042	1,497,042	26,432
Tap fees	188,220	188,220	151,035	(37,185)	259,212
Contributed assets	-	-	32,068	32,068	-
Other	25,078	25,078	25,886	808	31,748
<b>Total Water Revenues</b>	<b>10,598,910</b>	<b>10,598,910</b>	<b>12,126,889</b>	<b>1,527,979</b>	<b>9,639,121</b>
<b>Sanitation:</b>					
Service fees	19,951,692	19,951,692	20,431,809	480,117	18,274,894
Contract services	7,425,000	7,425,000	8,518,900	1,093,900	8,459,112
Rental income	846,372	846,372	771,092	(75,280)	711,746
Meter sales	1,005,000	1,005,000	940,041	(64,959)	835,431
Other charges for services	463,193	463,193	845,427	382,234	569,294
Property taxes	2,024,675	2,024,675	1,967,800	(56,875)	1,970,192
Specific ownership taxes	64,807	64,807	117,749	52,942	111,354
Investment income	20,100	20,100	801,943	781,843	74,411
Gain (loss) on investment	-	-	2,582,189	2,582,189	43,523
Proceeds from sale of assets	-	-	77,652	77,652	80,028
Tap fees	448,556	448,556	2,679,006	2,230,450	2,437,698
Fees in lieu of sewer lines	-	-	89,600	89,600	-
Contributed assets	-	-	77,751	77,751	-
Proceeds from bond issue	-	45,720,000	45,720,000	-	-
Premium (discount) on debt issuance	-	3,833,099	3,833,099	-	-
Net loan (advances) repayments	-	-	(102,265)	(102,265)	(507,202)
Other	74,806	74,806	98,054	23,248	93,141
<b>Total Sanitation Revenues</b>	<b>32,324,201</b>	<b>81,877,300</b>	<b>89,449,847</b>	<b>7,572,547</b>	<b>33,153,622</b>
<b>Total Revenues</b>	<b>42,923,111</b>	<b>92,476,210</b>	<b>101,576,736</b>	<b>9,100,526</b>	<b>42,792,743</b>
<b>Expenditures - Water:</b>					
<b>Water Operations:</b>					
Salaries and benefits	3,877,676	3,938,529	3,165,691	772,838	3,488,772
Supplies and materials	606,080	590,015	464,012	126,003	611,184
Telephone and radio service	87,500	87,500	66,888	20,612	83,145
Insurance	93,919	93,919	84,508	9,411	83,229
Repairs and maintenance	246,014	243,930	508,807	(264,877)	229,897
Other	756,639	778,889	754,081	24,808	678,261
Utilities	356,834	356,834	273,180	83,654	284,958
Chemicals	90,956	90,956	99,247	(8,291)	113,080
Meter replacement	405,000	405,000	141,384	263,616	441,098
Outside services	36,250	18,750	12,183	6,567	17,162
<b>Total Water Operations</b>	<b>6,556,868</b>	<b>6,604,322</b>	<b>5,569,981</b>	<b>1,034,341</b>	<b>6,030,786</b>

The accompanying notes are an integral part of these financial statements.

**Eagle River Water and Sanitation District**  
**Schedule of Revenues, Expenditures, and Funds Available**  
**Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis**  
**For the Year Ended December 31, 2023**  
**(With Comparative Totals for the Year Ended 2022)**  
**(Continued)**

	2023			2022	
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
<b>Expenditures - Water (continued):</b>					
<b>General and Administrative:</b>					
Legal	30,000	30,000	43,640	(13,640)	85,165
Accounting and audit	22,103	22,103	20,910	1,193	33,224
Engineering	25,000	25,000	7,609	17,391	3,089
Management and consulting	184,708	223,587	264,625	(41,038)	338,635
Benefit administration	15,000	15,000	12,967	2,033	16,193
Community relations	31,003	67,003	78,300	(11,297)	36,412
Directors fees and expenses	39,375	14,375	5,476	8,899	6,884
Maintenance contracts	37,500	37,500	29,122	8,378	50,539
Water quality	138,544	138,544	111,038	27,506	129,708
Treasurer's fees	44,650	44,650	40,849	3,801	45,543
<b>Total General and Administrative</b>	<b>567,883</b>	<b>617,762</b>	<b>614,536</b>	<b>3,226</b>	<b>745,392</b>
<b>Debt Service:</b>					
Principal	-	-	1,245,047	(1,245,047)	1,390,135
Interest	717,616	717,616	702,366	15,250	749,800
<b>Subtotal - Debt Service</b>	<b>717,616</b>	<b>717,616</b>	<b>1,947,413</b>	<b>(1,229,797)</b>	<b>2,139,935</b>
<b>Capital Outlay</b>	-	-	1,539,172	(1,539,172)	3,384,453
<b>Total Water Expenditures</b>	<b>7,842,367</b>	<b>7,939,700</b>	<b>9,671,102</b>	<b>(1,731,402)</b>	<b>12,300,566</b>
<b>Expenditures - Sanitation:</b>					
<b>Sanitation Operations:</b>					
Salaries and benefits	13,781,488	14,036,672	14,643,402	(606,730)	12,370,505
Supplies and materials	2,032,770	1,995,475	2,002,191	(6,716)	1,951,450
Telephone and radio service	262,500	262,500	267,552	(5,052)	249,434
Insurance	281,758	281,758	338,031	(56,273)	249,688
Repairs and maintenance	589,923	583,669	651,306	(67,637)	634,763
Other	1,254,839	1,213,089	1,337,636	(124,547)	1,345,362
Utilities	1,284,447	1,284,447	1,233,066	51,381	1,070,309
Meter replacement	1,005,000	1,005,000	950,678	54,322	424,239
Permits	45,727	45,727	43,963	1,764	44,367
Outside services	108,750	56,250	48,732	7,518	51,486
<b>Total Sanitation Operations</b>	<b>20,647,202</b>	<b>20,764,587</b>	<b>21,516,557</b>	<b>(751,970)</b>	<b>18,391,603</b>
<b>General and Administrative:</b>					
Legal	220,800	220,800	298,402	(77,602)	142,895
Accounting and audit	62,558	62,558	76,039	(13,481)	41,741
Engineering	22,500	22,500	23,604	(1,104)	9,267
Management and consulting	107,750	104,350	72,618	31,732	18,904
Benefit administration	45,000	45,000	51,867	(6,867)	48,579
Community relations	25,808	25,808	26,360	(552)	16,631
Directors fees and expenses	118,125	43,125	21,904	21,221	20,652
Maintenance contracts	162,500	112,962	123,882	(10,920)	166,041
Sanitation quality	220,250	220,250	167,119	53,131	182,106
Treasurer's fees	59,100	59,100	59,100	-	59,168
Debt issuance costs	-	-	487,885	(487,885)	-
<b>Total General and Administrative</b>	<b>1,044,391</b>	<b>916,453</b>	<b>1,408,780</b>	<b>(492,327)</b>	<b>705,984</b>

The accompanying notes are an integral part of these financial statements.

**Eagle River Water and Sanitation District**  
**Schedule of Revenues, Expenditures, and Funds Available**  
**Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis**  
**For the Year Ended December 31, 2023**  
**(With Comparative Totals for the Year Ended 2022)**  
**(Continued)**

	2023			2022	
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
<b>Expenditures - Sanitation (continued):</b>					
<b>Debt Service:</b>					
Principal	-	-	2,310,000	(2,310,000)	2,250,000
Interest	3,154,690	3,154,690	5,040,933	(1,886,243)	3,212,821
<b>Subtotal - Debt Service</b>	3,154,690	3,154,690	7,350,933	(4,196,243)	5,462,821
<b>Capital Outlay</b>	-	-	23,842,464	(23,842,464)	26,130,880
<b>Total Sanitation Expenditures</b>	24,846,283	24,835,730	54,118,734	(29,283,004)	50,691,288
<b>Total District Expenditures</b>	32,688,650	32,775,430	63,789,836	(31,014,406)	62,991,854
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	10,234,461	59,700,780	37,786,900	(21,913,880)	(20,199,111)
<b>Funds Available - Beginning of Year</b>	31,375,088	31,375,088	25,339,003	(6,036,085)	45,538,114
<b>Funds Available - End of Year</b>	41,609,549	91,075,868	63,125,903	(27,949,965)	25,339,003
<b>Funds available at year-end is computed as follows:</b>					
	<b>Water</b>	<b>Sanitation</b>	<b>Total</b>		<b>Total</b>
Current assets	8,865,972	66,198,957	75,064,929		40,306,709
Current liabilities and unavailable property tax revenue	(3,124,993)	(13,339,389)	(16,464,382)		(18,593,270)
Current portion of long-term obligations	1,314,009	3,211,347	4,525,356		3,625,564
	7,054,988	56,070,915	63,125,903		25,339,003
	-	(2)	-		-

**Reconciliation to GAAP Basis**

	<b>Water</b>	<b>Sanitation</b>	<b>Total</b>	<b>Total</b>
Excess (deficiency) of revenues over expenditures	2,455,787	35,331,113	37,786,900	(20,199,111)
Net loan receivable advances (repayments)	-	95,795	95,795	507,202
Change in patronage dividends receivable	2,404	9,178	11,582	9,849
Change in other long-term receivables	(34,583)	-	(34,583)	106,720
Increase (decrease) in investment in Eagle Park Reservoir C	(154,534)	-	(154,534)	-
Purchase (amortization) of technology subscription assets	193,897	775,588	969,485	290,837
Capitalized assets	1,551,457	23,579,046	25,130,503	29,491,027
Contributed assets	670,594	674,287	1,344,881	154,056
Gain (loss) on disposition of property	-	-	-	(26,059)
Depreciation and amortization	(2,020,338)	(7,629,601)	(9,649,939)	(8,720,742)
Change in compensated absences	26,006	(80,949)	(54,943)	(57,729)
Proceeds from bond issue	-	(45,720,000)	(45,720,000)	-
(Premium) discount on debt issuance	-	(3,833,099)	(3,833,099)	-
Amortization of bond premiums, discounts, and refunding cc	93,690	438,755	532,445	357,648
Debt principal payments	1,245,047	2,310,000	3,555,047	3,640,135
Lease principal payments	17,630	52,887	70,517	66,117
Technology subscription issuances (payments)	(131,164)	(524,655)	(655,819)	-
<b>Change in Net Position - GAAP Basis</b>	3,915,893	5,478,345	9,394,238	5,619,950

The accompanying notes are an integral part of these financial statements.

Eagle River Water and Sanitation District  
Schedule of Debt Service Requirements to Maturity - Water  
December 31, 2023

1998 Assessment Obligation Note  
Payable to Eagle Park Reservoir Company  
Original Principal - \$1,909,842  
Interest Rate - 5.45%

<u>Year Ending December 31,</u>	<u>Principal Due September 16</u>	<u>Interest Due September 16</u>	<u>Total</u>
2024	100,227	30,456	130,683
2025	105,689	24,994	130,683
2026	111,449	19,234	130,683
2027	117,524	13,159	130,683
2028	123,929	6,754	130,683
	<u>558,818</u>	<u>94,597</u>	<u>653,415</u>

The accompanying notes are an integral part of these financial statements.

**Eagle River Water and Sanitation District  
Schedule of Debt Service Requirements to Maturity - Water  
December 31, 2023**

<b>2012 Water General Obligation Bonds</b>			
<b>Original Principal - \$1,000,000</b>			
<b>Interest Rate - 2.30% to 2.50%</b>			
<b>Year Ending December 31,</b>	<b>Principal Due December 1</b>	<b>Interest Due June 1 and December 1</b>	<b>Total</b>
2024	135,000	35,000	170,000
2025	140,000	29,800	169,800
2026	145,000	24,400	169,400
2027	145,000	18,600	163,600
2028	150,000	12,600	162,600
2029	155,000	6,400	161,400
	<u>870,000</u>	<u>126,800</u>	<u>996,800</u>

The accompanying notes are an integral part of these financial statements.

**Eagle River Water and Sanitation District  
Schedule of Debt Service Requirements to Maturity - Water  
December 31, 2023**

**2012 General Obligation Water Refunding Bonds  
Original Principal - \$6,605,000  
Interest Rate - 2.00% to 3.00%**

<b>Year Ending December 31,</b>	<b>Principal Due December 1</b>	<b>Interest Due June 1 and December 1</b>	<b>Total</b>
2024	460,000	121,200	581,200
2025	475,000	102,800	577,800
2026	490,000	83,800	573,800
2027	515,000	64,200	579,200
2028	535,000	43,600	578,600
2029	555,000	22,200	577,200
	<u>3,030,000</u>	<u>437,800</u>	<u>3,467,800</u>

The accompanying notes are an integral part of these financial statements.

**Eagle River Water and Sanitation District  
Schedule of Debt Service Requirements to Maturity - Water  
December 31, 2023**

**2017 Water Revenue Refunding Bonds**

**Original Principal - \$12,545,000**

**Interest Rate - 2.00% to 5.00%**

<b>Year Ending December 31,</b>	<b>Principal Due December 1</b>	<b>Interest Due June 1 and December 1</b>	<b>Total</b>
2024	445,000	364,325	809,325
2025	470,000	342,075	812,075
2026	490,000	318,575	808,575
2027	515,000	294,075	809,075
2028	540,000	268,325	808,325
2029	560,000	246,725	806,725
2030	585,000	224,325	809,325
2031	600,000	206,775	806,775
2032	620,000	188,775	808,775
2033	640,000	170,175	810,175
2034	660,000	149,375	809,375
2035	685,000	127,925	812,925
2036	705,000	103,950	808,950
2037	730,000	79,275	809,275
2038	755,000	53,725	808,725
2039	780,000	27,300	807,300
	<u>9,780,000</u>	<u>3,165,700</u>	<u>12,945,700</u>

The accompanying notes are an integral part of these financial statements.

Eagle River Water and Sanitation District  
Schedule of Debt Service Requirements to Maturity - Water  
December 31, 2023

Year Ending December 31,	2019 Water Revenue Bonds Original Principal - \$3,825,000 Interest Rate - 3.00% to 4.00%		
	Principal Due December 1	Interest Due June 1 and December 1	Total
2024	155,000	108,350	263,350
2025	160,000	102,150	262,150
2026	165,000	95,750	260,750
2027	175,000	89,150	264,150
2028	180,000	82,150	262,150
2029	190,000	74,950	264,950
2030	195,000	67,350	262,350
2031	200,000	61,500	261,500
2032	210,000	55,500	265,500
2033	215,000	49,200	264,200
2034	220,000	42,750	262,750
2035	225,000	36,150	261,150
2036	235,000	29,400	264,400
2037	240,000	22,350	262,350
2038	250,000	15,150	265,150
2039	255,000	7,650	262,650
	<u>3,270,000</u>	<u>939,500</u>	<u>4,209,500</u>

The accompanying notes are an integral part of these financial statements.



**Eagle River Water and Sanitation District**  
**Schedule of Debt Service Requirements to Maturity - Sanitation**  
**December 31, 2023**

**2016 Wastewater General Obligation Bonds**

**Principal - \$23,295,000**

**Interest Rate - 2.00% - 5.00%**

<b>Year Ending December 31,</b>	<b>Principal Due December 1</b>	<b>Interest Due June 1 and December 1</b>	<b>Total</b>
2024	585,000	787,150	1,372,150
2025	595,000	772,525	1,367,525
2026	610,000	757,650	1,367,650
2027	630,000	740,875	1,370,875
2028	660,000	709,375	1,369,375
2029	695,000	676,375	1,371,375
2030	720,000	648,575	1,368,575
2031	750,000	619,775	1,369,775
2032	775,000	597,275	1,372,275
2033	795,000	574,025	1,369,025
2034	830,000	538,250	1,368,250
2035	870,000	500,900	1,370,900
2036	910,000	461,750	1,371,750
2037	950,000	420,800	1,370,800
2038	980,000	387,550	1,367,550
2039	1,015,000	353,250	1,368,250
2040	1,050,000	317,725	1,367,725
2041	1,085,000	280,975	1,365,975
2042	1,125,000	243,000	1,368,000
2043	1,185,000	186,750	1,371,750
2044	1,245,000	127,500	1,372,500
2045	1,305,000	65,250	1,370,250
	<u>19,365,000</u>	<u>10,767,300</u>	<u>30,132,300</u>

The accompanying notes are an integral part of these financial statements.

**Eagle River Water and Sanitation District**  
**Schedule of Debt Service Requirements to Maturity - Sanitation**  
**December 31, 2023**

**2017 Wastewater Revenue Crossover Refunding Bonds**  
**Original Principal - \$12,430,000**  
**Interest Rate - 3.00% to 5.00%**

<b>Year Ending December 31,</b>	<b>Principal Due December 1</b>	<b>Interest Due June 1 and December 1</b>	<b>Total</b>
2024	495,000	373,769	868,769
2025	510,000	358,919	868,919
2026	525,000	343,619	868,619
2027	550,000	317,369	867,369
2028	580,000	289,869	869,869
2029	605,000	260,869	865,869
2030	635,000	230,619	865,619
2031	655,000	211,569	866,569
2032	675,000	191,919	866,919
2033	695,000	171,669	866,669
2034	720,000	149,950	869,950
2035	740,000	127,450	867,450
2036	765,000	104,325	869,325
2037	790,000	79,463	869,463
2038	815,000	53,788	868,788
2039	840,000	27,296	867,296
	<u>10,595,000</u>	<u>3,292,462</u>	<u>13,887,462</u>

The accompanying notes are an integral part of these financial statements.

**Eagle River Water and Sanitation District**  
**Schedule of Debt Service Requirements to Maturity - Sanitation**  
**December 31, 2023**

**2020A Wastewater Reveune Improvement Bonds**

**Original Principal - \$35,220,000**

**Interest Rate - 3.00% to 4.00%**

<b>Year Ending December 31,</b>	<b>Principal Due December 1</b>	<b>Interest Due June 1 and December 1</b>	<b>Total</b>
2024	265,000	1,336,700	1,601,700
2025	275,000	1,328,750	1,603,750
2026	285,000	1,317,750	1,602,750
2027	300,000	1,306,350	1,606,350
2028	310,000	1,294,350	1,604,350
2029	325,000	1,281,950	1,606,950
2030	340,000	1,268,950	1,608,950
2031	350,000	1,255,350	1,605,350
2032	365,000	1,241,350	1,606,350
2033	380,000	1,226,750	1,606,750
2034	395,000	1,211,550	1,606,550
2035	410,000	1,199,700	1,609,700
2036	415,000	1,187,400	1,602,400
2037	425,000	1,174,950	1,599,950
2038	445,000	1,162,200	1,607,200
2039	455,000	1,148,850	1,603,850
2040	1,340,000	1,135,200	2,475,200
2041	1,375,000	1,095,000	2,470,000
2042	1,430,000	1,040,000	2,470,000
2043	3,110,000	982,800	4,092,800
2044	3,235,000	858,400	4,093,400
2045	3,365,000	729,000	4,094,000
2046	3,500,000	594,400	4,094,400
2047	3,640,000	454,400	4,094,400
2048	3,785,000	308,800	4,093,800
2049	3,935,000	157,400	4,092,400
	<u>34,455,000</u>	<u>27,298,300</u>	<u>61,753,300</u>

The accompanying notes are an integral part of these financial statements.

**Eagle River Water and Sanitation District**  
**Schedule of Debt Service Requirements to Maturity - Sanitation**  
**December 31, 2023**

**2020B Wastewater Revenue Refunding Bonds**  
**Original Principal - \$24,930,000**  
**Interest Rate - 0.82% to 2.42%**

<b>Year Ending December 31,</b>	<b>Principal Due December 1</b>	<b>Interest Due June 1 and December 1</b>	<b>Total</b>
2024	1,050,000	573,347	1,623,347
2025	1,060,000	561,030	1,621,030
2026	1,075,000	547,536	1,622,536
2027	1,090,000	530,573	1,620,573
2028	1,110,000	511,738	1,621,738
2029	1,130,000	490,481	1,620,481
2030	1,150,000	468,277	1,618,277
2031	1,175,000	445,104	1,620,104
2032	1,200,000	420,018	1,620,018
2033	1,230,000	393,198	1,623,198
2034	1,255,000	364,724	1,619,724
2035	1,285,000	335,043	1,620,043
2036	1,320,000	304,010	1,624,010
2037	1,360,000	264,278	1,624,278
2038	1,395,000	223,342	1,618,342
2039	1,440,000	181,353	1,621,353
2040	1,480,000	138,009	1,618,009
2041	1,530,000	93,461	1,623,461
2042	1,575,000	47,407	1,622,407
	<u>23,910,000</u>	<u>6,892,929</u>	<u>30,802,929</u>

The accompanying notes are an integral part of these financial statements.

**Eagle River Water and Sanitation District**  
**Schedule of Debt Service Requirements to Maturity - Sanitation**  
**December 31, 2023**

**2023 Wastewater Revenue Bonds**

**Original Principal - \$45,720,000**

**Interest Rate - 4.0% to 5.0%**

<b>Year Ending December 31,</b>	<b>Principal Due December 1</b>	<b>Interest Due June 1 and December 1</b>	<b>Total</b>
2024	760,000	2,058,650	2,818,650
2025	800,000	2,020,650	2,820,650
2026	840,000	1,980,650	2,820,650
2027	880,000	1,938,650	2,818,650
2028	925,000	1,849,650	2,774,650
2029	970,000	1,848,400	2,818,400
2030	1,020,000	1,799,900	2,819,900
2031	1,070,000	1,748,900	2,818,900
2032	1,125,000	1,695,400	2,820,400
2033	1,180,000	1,639,150	2,819,150
2034	1,240,000	1,580,150	2,820,150
2035	1,300,000	1,518,150	2,818,150
2036	1,365,000	1,453,150	2,818,150
2037	1,435,000	1,384,900	2,819,900
2038	1,510,000	1,313,150	2,823,150
2039	1,585,000	1,237,650	2,822,650
2040	1,645,000	1,174,250	2,819,250
2041	1,710,000	1,108,450	2,818,450
2042	1,780,000	1,040,050	2,820,050
2043	1,850,000	968,850	2,818,850
2044	1,925,000	894,850	2,819,850
2045	2,005,000	817,850	2,822,850
2046	2,085,000	737,650	2,822,650
2047	2,185,000	633,400	2,818,400
2048	2,295,000	524,150	2,819,150
2049	2,410,000	409,400	2,819,400
2050	2,505,000	313,000	2,818,000
2051	2,610,000	212,800	2,822,800
2052	2,710,000	108,400	2,818,400
	<u>45,720,000</u>	<u>36,010,250</u>	<u>81,730,250</u>

The accompanying notes are an integral part of these financial statements.

Eagle River Water and Sanitation District  
Schedule of Debt Service Requirements to Maturity  
December 31, 2023

Year Ending December 31,	Office Lease		
	Original Principal - \$190,052		
	Interest Rate - 1.70%		
	Water	Water	
	Principal Due	Interest Due	
	Monthly	Monthly	Total
2024	18,782	1,936	20,718
2025	19,991	1,608	21,599
2026	21,259	1,258	22,517
2027	22,340	887	23,227
2028	22,725	504	23,229
2029	17,298	123	17,421
	<u>122,395</u>	<u>6,316</u>	<u>128,711</u>

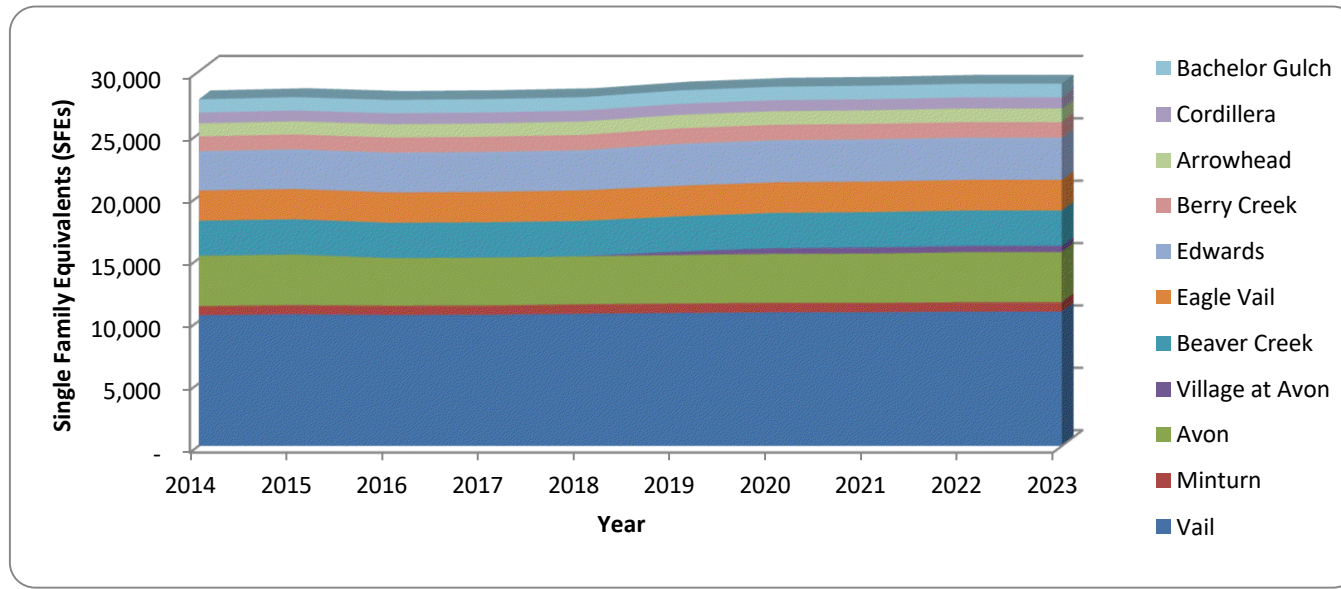
Year Ending December 31,	Office Lease		
	Original Principal - \$570,152		
	Interest Rate - 1.70%		
	Sanitation	Sanitation	
	Principal Due	Interest Due	
	Monthly	Monthly	Total
2024	56,347	5,809	62,156
2025	59,974	4,823	64,797
2026	63,777	3,774	67,551
2027	67,021	2,660	69,681
2028	68,170	1,512	69,682
2029	51,892	368	52,260
	<u>367,181</u>	<u>18,946</u>	<u>386,127</u>

STATISTICAL SECTION



**EAGLE RIVER**  
**WATER & SANITATION**  
**DISTRICT**

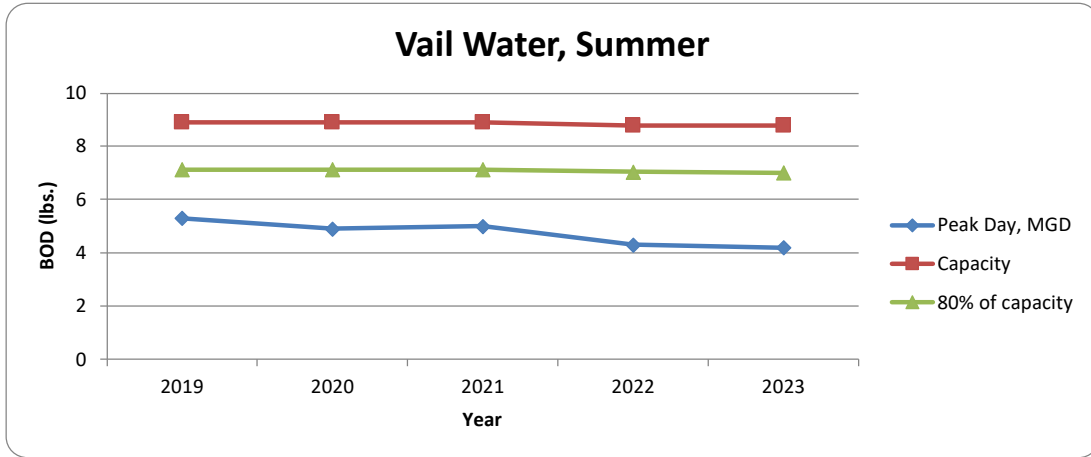
**Eagle River Water and Sanitation District  
Single Family Equivalents (SFEs) in Service  
Ten Year Comparison  
December 31, 2023  
(Unaudited)**



	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Vail	10,474	10,551	10,494	10,509	10,595	10,650	10,703	10,706	10,757	10,876
Minturn	724	726	732	733	748	752	751	741	747	752
Avon	4,038	4,062	3,823	3,847	3,855	3,890	3,934	3,955	4,016	3,973
Village at Avon	-	-	-	-	-	268	447	494	495	501
Beaver Creek	2,807	2,823	2,824	2,829	2,829	2,831	2,834	2,834	2,846	2,864
Eagle Vail	2,414	2,425	2,427	2,433	2,441	2,446	2,446	2,447	2,450	2,451
Edwards	3,150	3,174	3,197	3,202	3,220	3,366	3,375	3,382	3,386	3,406
Berry Creek	1,190	1,195	1,211	1,220	1,231	1,239	1,239	1,241	1,245	1,330
Arrowhead	1,040	1,050	1,062	1,063	1,071	1,079	1,082	1,088	1,091	1,089
Cordillera	862	868	880	877	882	884	886	888	897	604
Bachelor Gulch	1,069	1,076	1,072	1,076	1,075	1,079	1,083	1,090	1,091	1,097
<b>Total SFEs</b>	<u>27,768</u>	<u>27,948</u>	<u>27,722</u>	<u>27,789</u>	<u>27,947</u>	<u>28,484</u>	<u>28,780</u>	<u>28,866</u>	<u>29,021</u>	<u>29,243</u>
Percent increase	<u>0.32%</u>	<u>0.65%</u>	<u>-0.81%</u>	<u>0.24%</u>	<u>0.57%</u>	<u>1.92%</u>	<u>1.04%</u>	<u>0.30%</u>	<u>0.54%</u>	<u>0.77%</u>

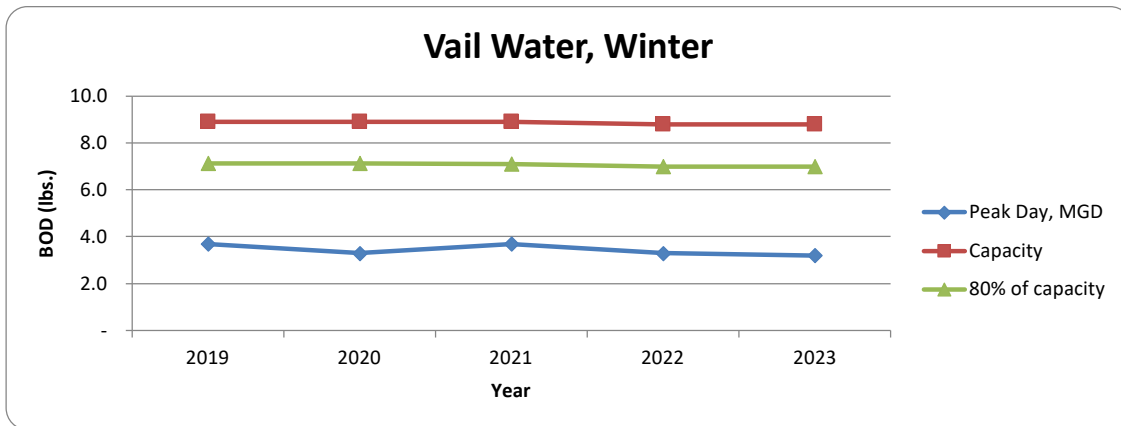


**Eagle River Water and Sanitation District  
Water Demand Compared To Capacity  
Five Year Comparison  
December 31, 2023  
(Unaudited)**



**Vail Water, Summer**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Peak Day, MGD	5.3	4.9	5.0	4.3	4.2
Capacity	8.9	8.9	8.9	8.8	8.8
80% of capacity	7.1	7.1	7.1	7.0	7.0
Flow, MGD as a % Capacity	60%	55%	56%	49%	49%

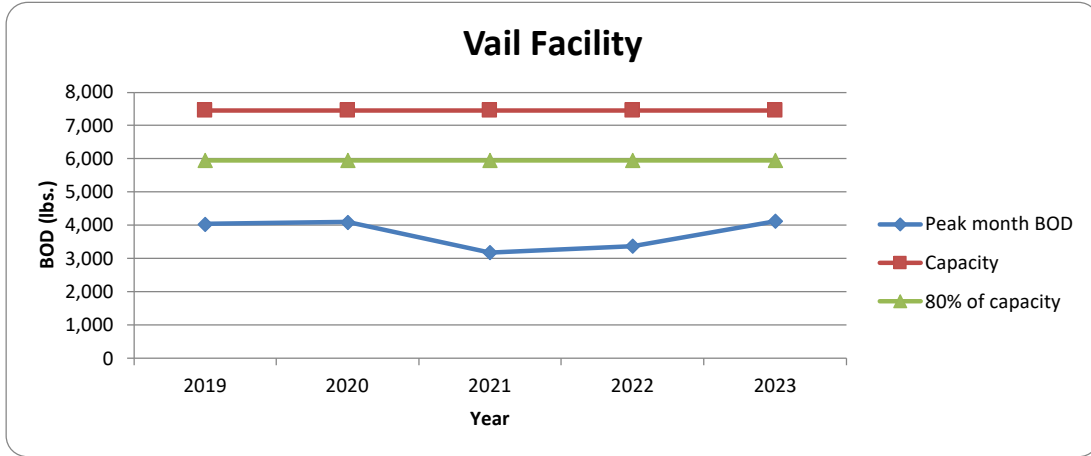


**Vail Water, Winter**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Peak Day, MGD	3.7	3.3	3.7	3.3	3.2
Capacity	8.9	8.9	8.9	8.8	8.8
80% of capacity	7.1	7.1	7.1	7.0	7.0
Flow, MGD as a % Capacity	42%	37%	42%	38%	36%

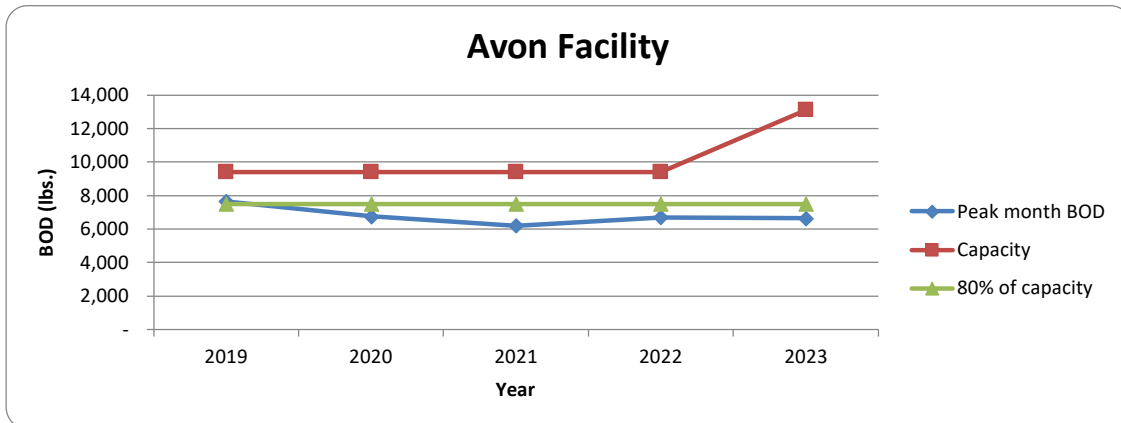
**Eagle River Water and Sanitation District  
Wastewater Loadings Compared to Facility Capacity  
Five Year Comparison  
December 31, 2023  
(Unaudited)**

Biochemical Oxygen Demand ("BOD") is the rate in which organisms use oxygen in wastewater while stabilizing decomposable organic matter under aerobic conditions. In decomposition, organic matter serves as food for the bacteria and energy results from its oxidation. BOD measurements are used as a surrogate measure of the organic strength of wastes in water.



**Vail Facility**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Peak month BOD	4,039	4,094	3,180	3,373	4,124
Capacity	7,450	7,450	7,450	7,450	7,450
80% of capacity	5,960	5,960	5,960	5,960	5,960
Peak month BOD as % of capacity	54%	55%	43%	45%	55%

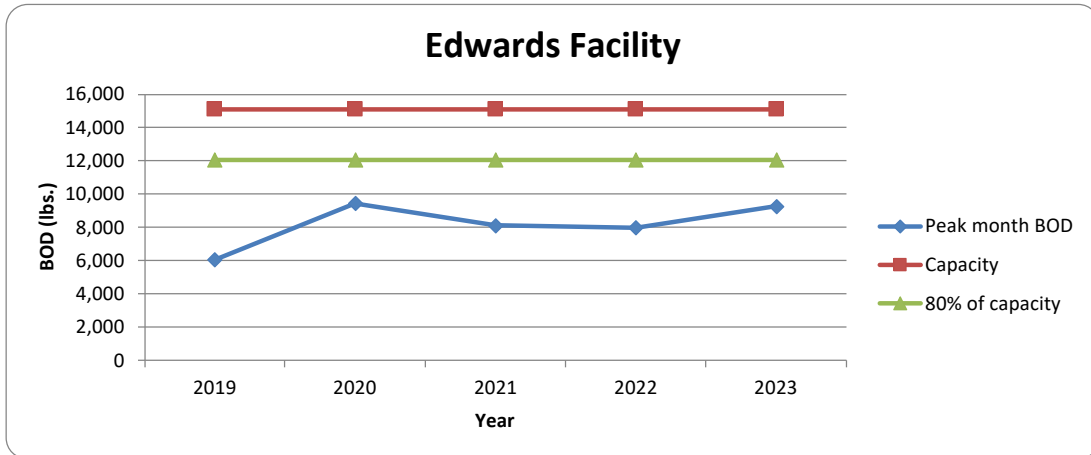


**Avon Facility**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Peak month BOD	7,659	6,755	6,201	6,701	6,643
Capacity	9,400	9,400	9,400	9,400	13,100
80% of capacity	7,520	7,520	7,520	7,520	7,520
Peak month BOD as % of capacity	81%	72%	66%	71%	51%

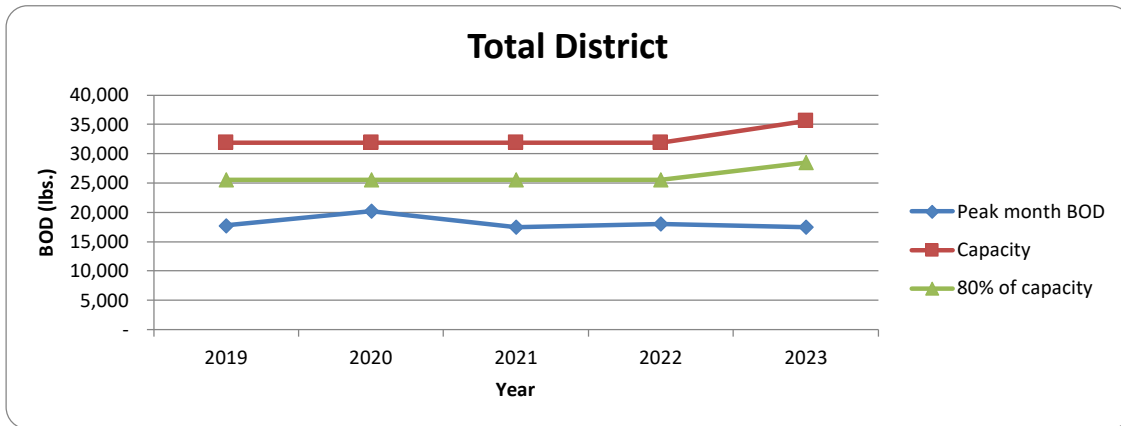
**Eagle River Water and Sanitation District  
Wastewater Loadings Compared to Facility Capacity  
Five Year Comparison  
December 31, 2023  
(Continued)  
(Unaudited)**

Biochemical Oxygen Demand ("BOD") is the rate in which organisms use oxygen in wastewater while stabilizing decomposable organic matter under aerobic conditions. In decomposition, organic matter serves as food for the bacteria and energy results from its oxidation. BOD measurements are used as a surrogate measure of the organic strength of wastes in water.



**Edwards Facility**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Peak month BOD	6,057	9,426	8,102	7,972	9,267
Capacity	15,100	15,100	15,100	15,100	15,100
80% of capacity	12,080	12,080	12,080	12,080	12,080
Peak month BOD as % of capacity	40%	62%	54%	53%	61%



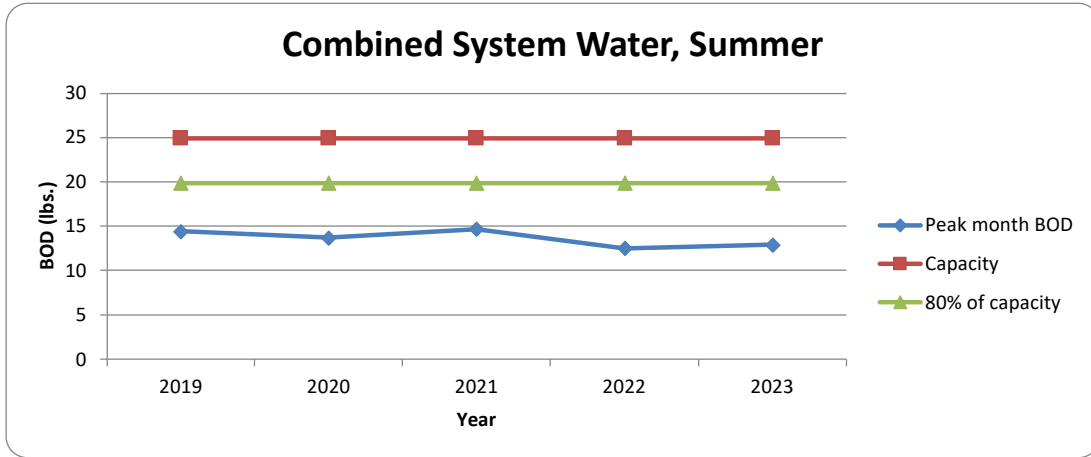
**Total District**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Peak month BOD	17,755	20,275	17,483	18,046	17,486
Capacity	31,950	31,950	31,950	31,950	35,650
80% of capacity	25,560	25,560	25,560	25,560	28,520
Peak month BOD as % of capacity	56%	63%	55%	56%	49%

**Eagle River Water and Sanitation District  
Top 10 Customers  
Five Year Comparison  
December 31, 2023  
(Unaudited)**

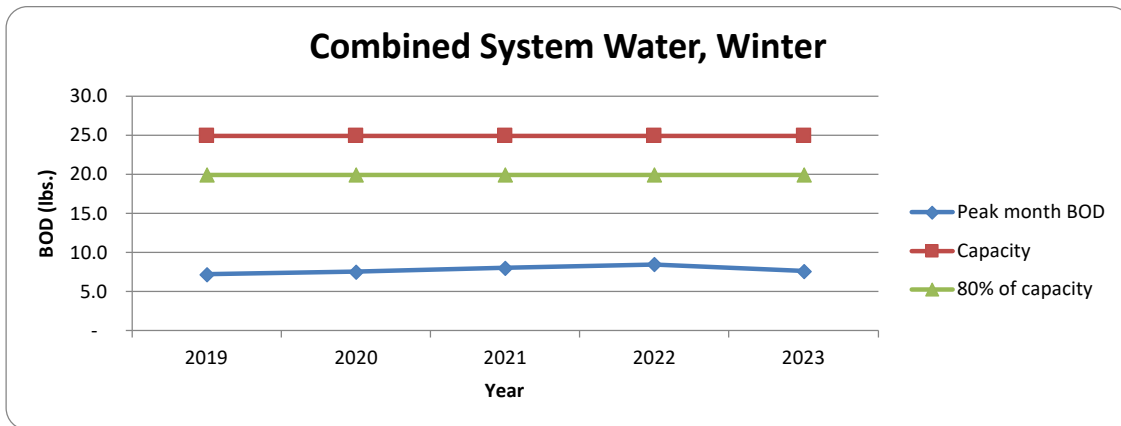
<b>Customer Type</b>	<b>1,000 Gallons</b>	<b>Sales Dollar Amount</b>	<b>% of Total Sales Dollars</b>
<b><u>Vail Water Sales</u></b>			
Ski Company/Resort	31,781	174,832	2.0%
Hotel/Resort	17,355	160,473	1.9%
Hotel/Resort	20,082	160,226	1.9%
Town of Vail	19,487	155,238	1.8%
Condominiums/Resort	8,469	117,193	1.4%
Hotel/Resort	11,742	96,615	1.1%
Hotel/Resort	12,335	92,768	1.1%
Hospital	17,943	90,125	1.0%
Hotel/Resort	11,420	81,594	0.9%
Condominiums/Resort	11,121	80,262	0.9%
<b>Total - Top 10 Customers</b>	<b>161,735</b>	<b>\$ 1,209,326</b>	<b>14.0%</b>
<b>Total - All Other Customers</b>	<b>419,390</b>	<b>7,432,603</b>	<b>86.0%</b>
<b>Total Service Fees</b>	<b>581,125</b>	<b>\$ 8,641,929</b>	<b>100.0%</b>
<b><u>Wastewater Sales</u></b>			
Ski Company/Resort		\$ 341,089	1.7%
Mobile Home Park		243,389	1.2%
Hotel/Resort		229,893	1.1%
Hotel/Resort		192,417	0.9%
Hospital		148,275	0.7%
Apartment Complex		134,187	0.7%
Condominiums/Resort		133,381	0.7%
Condominiums/Resort		131,235	0.6%
Apartment Complex		126,465	0.6%
Condominiums/Resort		125,759	0.6%
<b>Total - Top 10 Customers</b>		<b>\$ 1,806,090</b>	<b>8.8%</b>
<b>Total - All Other Customers</b>		<b>18,625,719</b>	<b>91.2%</b>
<b>Total Service Fees</b>		<b>\$ 20,431,809</b>	<b>100.0%</b>

**Eagle River Water and Sanitation District  
Water Demand Compared to Capacity  
Five Year Comparison  
December 31, 2023  
(Continued)**



**Combined System Water, Summer**

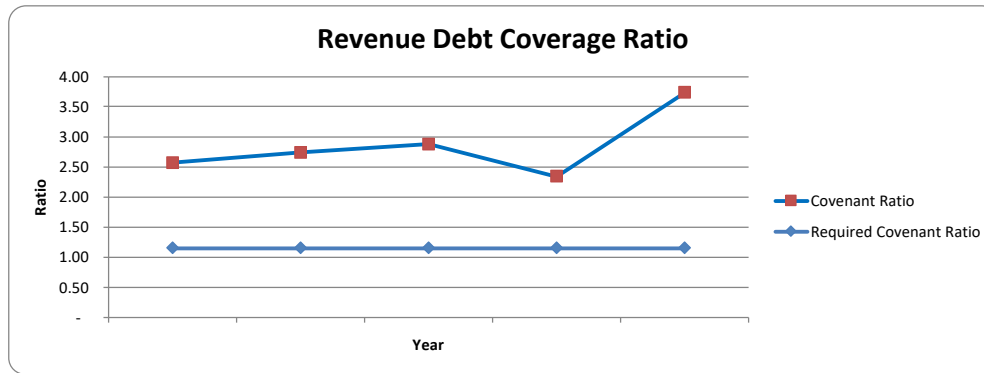
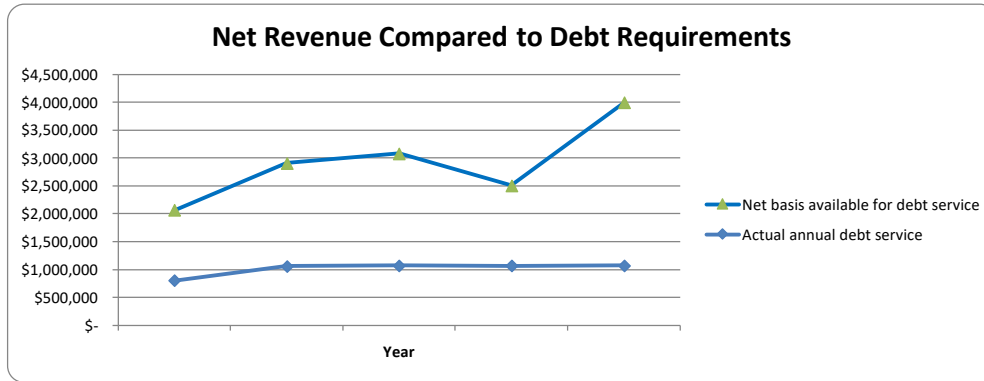
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Peak month BOD	14.4	13.7	14.7	12.5	12.9
Capacity	24.9	24.9	24.9	24.9	24.9
80% of capacity	19.9	19.9	19.9	19.9	19.9
Peak month BOD as % of capacity	58%	55%	59%	50%	52%



**Combined System Water, Summer**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Peak month BOD	7.2	7.5	8.0	8.5	7.6
Capacity	24.9	24.9	24.9	24.9	24.9
80% of capacity	19.9	19.9	19.9	19.9	19.9
Peak month BOD as % of capacity	29%	30%	32%	34%	31%

**Eagle River Water and Sanitation District  
Rate Maintenance Covenant - Water  
Five Year Comparison  
December 31, 2023  
(Unaudited)**



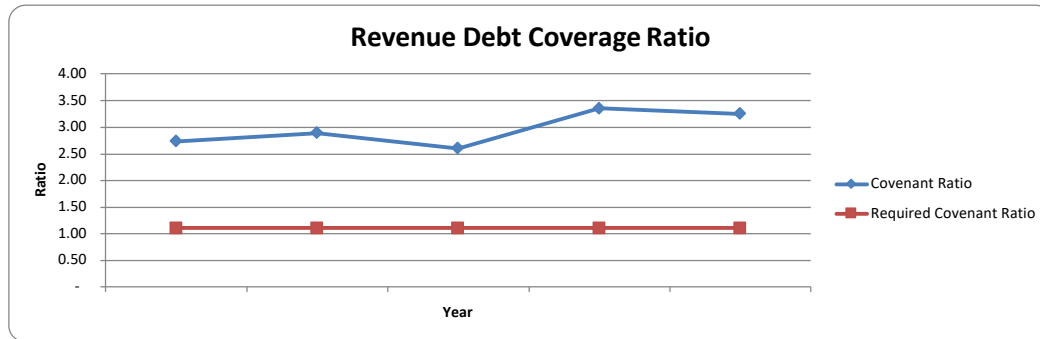
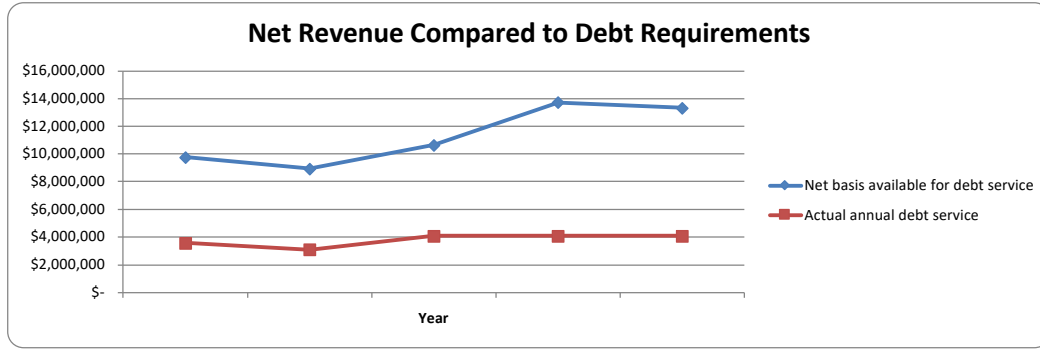
Per the bond covenants, the District is to assess a fee to cover operations and maintenance and 115% of water debt service.

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Operating revenue	5,711,618	6,589,015	7,038,240	7,806,117	8,778,821
Plus:					
Tap fees and other contributed cash	143,987	307,504	677,841	259,212	151,035
Investment income	66,762	66,067	(991)	10,793	78,479
Property taxes for general operating	509,210	518,481	533,141	543,099	651,290
Other non-operating revenues	12,137	19,734	29,817	33,664	28,290
Rate stabilization funds	600,000	600,000	600,000	600,000	600,000
Total revenues available for debt service	<u>7,043,714</u>	<u>8,100,801</u>	<u>8,878,048</u>	<u>9,252,885</u>	<u>10,287,915</u>
Operating expenses	7,853,847	8,201,005	8,545,226	8,810,952	8,321,211
Amortization of BIC	-	-	-	718,714	-
Interest expense	-	-	-	718,714	680,166
Expenses	<u>7,853,847</u>	<u>8,201,005</u>	<u>8,545,226</u>	<u>9,529,666</u>	<u>9,001,377</u>
Less:					
Interest expense	(762,740)	(808,026)	(764,891)	(718,714)	(680,166)
Depreciation	(1,982,937)	(1,979,712)	(1,980,544)	(2,073,977)	(2,020,338)
Life cycle capital expenses	-	-	-	-	-
Non-reoccurring or replacement expenses	(136,937)	(228,434)	(6,999)	-	(11,420)
Total expenses available for debt service	<u>4,971,233</u>	<u>5,184,833</u>	<u>5,792,792</u>	<u>6,736,975</u>	<u>6,289,453</u>
<b>Net basis available for debt service</b>	<u>2,072,481</u>	<u>2,915,968</u>	<u>3,085,256</u>	<u>2,515,910</u>	<u>3,998,462</u>
<b>Actual annual debt service (excluding general obligation debt)</b>	<u>805,600</u>	<u>1,065,263</u>	<u>1,071,600</u>	<u>1,073,900</u>	<u>1,070,500</u>
<b>Covenant Ratio</b>	<u>2.57</u>	<u>2.74</u>	<u>2.88</u>	<u>2.34</u>	<u>3.74</u>
<b>Required Covenant Ratio</b>	<u>1.15</u>	<u>1.15</u>	<u>1.15</u>	<u>1.15</u>	<u>1.15</u>

**Rate Maintenance Covenant:** The District's Water Enterprise Series 2017 and 2019 bonds include a Rate Maintenance Covenant sufficient revenues to pay: (i) Operation and Maintenance Expenses, (ii) 115% of each Fiscal Year's Bond Requirements of the Bonds, (iii) any amounts required to pay all Policy Costs then due and owing and all sums, (iv) any amounts required to meet then existing deficiencies pertaining to any fund or account relating to the Gross Pledged Revenues or any securities payable there from.

The above Rate Maintenance Covenant is tested annually. It is the District's policy to use unrestricted cash and investments (\$1,712,067 at December 31, 2023) to meet the Rate Maintenance Covenant if necessary.

**Eagle River Water and Sanitation District  
Rate Maintenance Covenant - Sanitation  
Five Year Comparison  
December 31, 2023  
(Unaudited)**



Per the bond covenants, the District is to assess a fee to cover operations and maintenance and 110% of sewer debt service.

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Operating revenue	20,474,799	22,407,469	25,470,671	28,850,477	31,502,812
Plus:					
Tap fees and other contributed cash	2,147,390	668,867	1,297,552	2,437,698	2,756,757
Investment income	1,015,644	334,133	(18,024)	74,411	801,943
Interest credit - Build America Bonds	275,490	-	-	-	-
Property taxes for general operating	563,588	581,078	587,406	589,286	629,754
Other non-operating revenues	36,410	53,250	89,451	101,053	100,778
Rate stabilization funds	600,000	600,000	600,000	600,000	600,000
Total revenues available for debt service	<u>25,113,321</u>	<u>24,644,797</u>	<u>28,027,056</u>	<u>32,652,925</u>	<u>36,392,044</u>
Operating expenses	26,313,016	23,571,659	24,701,778	28,581,021	30,819,843
Amortization of BIC	-	-	-	-	-
Interest expense	-	2,532,808	2,847,190	-	4,602,177
Expenses	<u>26,313,016</u>	<u>26,104,467</u>	<u>27,548,968</u>	<u>28,581,021</u>	<u>35,422,020</u>
Less:					
Interest expense	(3,162,889)	(2,532,808)	(2,847,190)	(2,886,258)	(4,602,177)
Depreciation	(7,539,257)	(7,679,104)	(7,115,752)	(6,646,765)	(7,629,601)
Life cycle capital expenses	-	-	-	-	-
Non-recurring or replacement expenses	(253,368)	(211,190)	(207,358)	(135,687)	(116,145)
Major capital additions	(253,368)	(211,190)	(207,358)	(135,687)	(116,145)
Total expenses available for debt service	<u>15,357,502</u>	<u>15,681,365</u>	<u>17,378,668</u>	<u>18,912,311</u>	<u>23,074,097</u>
<b>Net basis available for debt service</b>	<u>9,755,819</u>	<u>8,963,432</u>	<u>10,648,388</u>	<u>13,740,614</u>	<u>13,317,947</u>
<b>Actual annual debt service (excluding general obligation debt)</b>	<u>3,563,477</u>	<u>3,102,063</u>	<u>4,094,691</u>	<u>4,096,083</u>	<u>4,093,364</u>
<b>Covenant Ratio</b>	<u>2.74</u>	<u>2.89</u>	<u>2.60</u>	<u>3.35</u>	<u>3.25</u>
<b>Required Covenant Ratio</b>	<u>1.10</u>	<u>1.10</u>	<u>1.10</u>	<u>1.10</u>	<u>1.10</u>

**Rate Maintenance Covenant:** The District's Wastewater Revenue Bonds, Series 2009, 2012, 2017 and 2020 include a Rate Maintenance Covenant sufficient revenues to pay: (i) Operation and Maintenance Expenses, (ii) 110% of each Fiscal Year's Bond Requirements of the Bonds, (iii) any amounts required to pay all Policy Costs then due and owing and all sums, (iv) any amounts required to meet then existing deficiencies pertaining to any fund or account relating to the Gross Pledged Revenues or any securities payable there from.

The above Rate Maintenance Covenant is tested annually. It is the District's policy to use unrestricted cash and investments to meet the Rate Maintenance Covenants, if necessary.

**Eagle River Water and Sanitation District**  
**Assessed Valuation, Property Taxes Levied and Collected - Water**  
**Five Year Comparison**  
**December 31, 2023**  
**(Unaudited)**

<b>Calendar Year Ended December 31</b>	<b>Prior Year Assessed Valuation for Current Year Property Tax Levy</b>	<b>Total Mills Levied</b>		<b>Total Property Tax</b>		<b>% Collected to Levied</b>
		<b>Operating Mills Levied</b>	<b>Debt Service Mills Levied</b>	<b>Levied</b>	<b>Collected</b>	
2019	1,227,930,380	0.418	0.775	1,464,920	1,453,306	99.2%
2020	1,232,671,960	0.444	0.765	1,490,300	1,486,928	99.8%
2021	1,229,467,670	0.471	0.764	1,518,392	1,516,730	99.9%
2022	1,211,075,770	0.509	0.615	1,361,246	1,360,180	99.9%
2023	1,640,505,630	0.400	0.455	1,402,632		

Note: Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years. Information received from the County Treasurer does not permit identification of specific year of assessment.



**Eagle River Water and Sanitation District**  
**Assessed Valuation, Property Taxes Levied and Collected - Sanitation**  
**Five Year Comparison**  
**December 31, 2023**  
**(Unaudited)**

<b>Calendar Year Ended December 31</b>	<b>Prior Year Assessed Valuation for Current Year Property Tax Levy</b>	<b>Total Mills Levied</b>		<b>Total Property Tax</b>		<b>% Collected to Levied</b>
		<b>Operating Mills Levied</b>	<b>Debt Service Mills Levied</b>	<b>Levied</b>	<b>Collected</b>	
2019	2,565,975,770	0.231	0.585	1,965,537	1,951,056	99.3%
2020	2,563,646,580	0.231	0.535	1,963,902	1,961,888	99.9%
2021	2,597,766,990	0.231	0.535	1,971,705	1,970,192	99.9%
2022	2,565,776,260	0.231	0.534	1,962,819	1,967,800	100.3%
2023	3,621,713,630	0.231	0.379	2,209,245		0.0%

Note: Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years. Information received from the County Treasurer does not permit identification of specific year of assessment.



## BOARD COMMITTEES

### DISTRICT

<i>Audit/Budget</i>	Dick Cleveland Steve Coyer *Sarah Smith Hymes
<i>Employee Housing</i>	Steve Coyer Rick Pylman *Robert Warner, Jr.
<i>Retirement Plans</i>	Robert Warner, Jr. Siri Roman David Norris *Dick Cleveland
<i>Organizational Development</i>	Robert Warner, Jr. Dick Cleveland *Timm Paxson
<i>Water Quality</i>	Sarah Smith Hymes Timm Paxson *Steve Coyer

### AUTHORITY

<i>Audit/Budget</i>	Geoff Dreyer George Gregory *Joanna Kerwin
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### JOINT

<i>Rules and Regulations</i>	Kim Bell Williams (A) Robert Warner, Jr. (D) *George Gregory (A) *Rick Pylman (D)
<i>Water Conservation</i>	Kevin Hillgren (A) Tamra Underwood (A) Kate Burchenal (D) Steve Coyer (D) *Geoff Dreyer (A) *Sarah Smith Hymes (D)

(A) = Authority, (D) = District

*\*Backup committee member  
(serves in the absence of a primary member)*



**UPPER EAGLE REGIONAL  
WATER AUTHORITY**

**GOVERNED BY:**

The Metropolitan  
Districts of:  
Arrowhead  
Beaver Creek  
Berry Creek  
EagleVail  
Edwards

The Town of Avon

**M E M O R A N D U M**

**TO:** Board of Directors  
**FROM:** Brian Thompson, Government Affairs Supervisor  
**DATE:** April 22, 2024  
**RE:** Summary of Authority's April 4, 2024, Board Meeting

The following is a summary of items discussed at the Authority's Apr. 4, 2024, board meeting.

Directors present and acting were Chair George Gregory, Secretary Kim Bell Williams, Treasurer Geoff Dreyer, Kevin Hillgren, Joanna Kerwin, and Tamra Underwood.

- |   |   |
|---|---|
| <b>Encroachment License Agreement</b>       | The board approved an agreement with a Cordillera property owner regarding accessing a well on an Authority easement with installed permanent fixtures.   |
| <b>Traer Creek Major Facility Agreement</b> | The board approved an agreement with Traer Creek Metropolitan District for the Authority to design and construct certain major facilities.  |
| <b>Shoshone Permanency</b>                  | The board discussed the request submitted by the Colorado River District for the Authority and District to contribute to the purchase of the Shoshone water rights. No action was taken at this meeting.  |
| <b>Eagle Park Reservoir Company (EPRC)</b>  | Siri Roman said Eagle Park Reservoir is expected to fill by snowmelt this spring. She also said the EPRC board discussed concerns regarding the proposal by Climax Mine to change the molybdenum standard for water supply uses.                |
| <b>Customer Bill Improvements</b>           | Robyn Janssen reviewed billing statement improvements, which include making terminology more consistent, clarifying account types and rate tiers, updating delinquency charge provisions, and improving branding and digital accessibility.     |
| <b>State Land Board Water Dedication</b>    | Jason Cowles said the Eagle Board of County Commissioners held a work session to discuss the water dedication for the State Land Board parcel in Dowd Junction.   |
| <b>Bolts Lake Reservoir</b>                 | Justin Hildreth provided updates on the Bolts Lake project and reviewed the Total Cost Estimate that was included in the Preliminary Design completed in February.  |
| <b>Sustainability</b>                       | Tim Friday reported on the District's sustainability program and reviewed 2023 statistics, accomplishments, and certifications.   |
| <b>Nonfunctional Turf Legislation</b>       | Diane Johnson said SB24-005 was signed into law and noted supportive committee testimony on behalf of the Authority and District.   |
| <b>Bylaw Amendments</b>                     | Brian Thompson discussed proposed amendments to the Authority bylaws. The board will consider the updated bylaws at the May 23 meeting.   |
| <b>Digital Accessibility</b>                | Brian Thompson discussed new Rules requiring all Colorado public entities to comply with digital accessibility standards and provide accommodations to anyone with a disability who submits a request. The compliance deadline is Jul. 1, 2024. |
| <b>Opting Out of PFAS Settlements</b>       | Steve Bushong confirmed the acceptance of the Authority's exclusions from the 3M and DuPont class action settlements regarding per- and polyfluoroalkyl substances.   |



## MEMORANDUM

**TO:** Boards of Directors  
**FROM:** Siri Roman, General Manager  
**DATE:** June 18, 2024  
**RE:** General Manager Report

### **Water Affordability Discussions**

On May 29, Diane Johnson facilitated a panel discussion about water affordability at the Eagle River Valley State of the River meeting. Small utilities on the western slope are experiencing the financial challenges associated with increasingly stringent (and less flexible) regulations, aging infrastructure, climate resiliency, and increased construction costs.

Local entities are collaborating on how best to meet customer and watershed/environmental needs and expectations while also considering the financial impacts to our rate payers. Given the connection to workforce housing and housing affordability we have had discussions with the Executive Directors of Colorado's Department of Local Affairs (DOLA) and the Colorado Department of Public Health and Environment (CDPHE). CDPHE senior staff will meet with local utility and town managers in mid-July to discuss specific issues related to each entity.

### **Colorado Counties, Inc.**

Eagle County Commissioner Kathy Chandler-Henry and I co-presented at the Colorado Counties, Inc. conference in Vail on May 28 during a Coordinating Land Use and Water Supply Planning session. We discussed numerous topics including knowing where your water comes from, understanding the water and wastewater connection (points of diversion and return flows), ability to serve processes, rising and underestimated costs of infrastructure, rezoning impacts, encouraging types of development, understanding the differences between indoor and outdoor water use, emergency management collaboration (knowing locations of critical assets), and collaboration and connection.



**M E M O R A N D U M**

**TO:** Board of Directors

**FROM:** Tom Borawski, People Ops Manager  
Tracy Rymph, Senior People Analyst

**DATE:** June 14, 2024

**RE:** People Operations Update

This memo presents a summary of the 2024 annual market analysis, which continues to refine the District's classification and compensation strategy as initiated by the 2022 CPS HR study. Key points include:

1. **Compensation Strategy:** Annual market evaluations are imperative to ensure the District's compensation remains competitive and aligned with market, inflationary, and local recruitment trends.
2. **Classification Processes:** Ongoing updates to classification specifications are crucial for maintaining alignment with the labor market. Changes are thoroughly vetted to ensure they meet the District's current and new operational needs.
3. **Market Analysis Methodology:** Utilizing Payfactors, the District has gathered and analyzed compensation data nationwide, particularly from markets similar to those of the District, to ensure our pay scales are appropriate.
4. **Job Matching and Labor Market Analysis:** Rigorous job matching has been conducted to ensure accuracy in compensation comparisons, supported by data from eight key labor markets. The selected labor markets reflect mountain towns, front range areas, and a national perspective, chosen to represent a balanced approach to different labor challenges.
5. **Labor Market Analysis:** Analysis of pay rates involved eight labor markets including Boulder, Breckenridge, Colorado Springs, Denver, Fort Collins, Park City, Vail, and a national market to ensure comprehensive coverage and relevance to the District's operational environment.
6. **Results and Actions:** Findings show that the District's wages are generally about 4.3% above the market average. The analysis supports no immediate changes to pay grades but prompts a subsequent compression analysis to address internal equity.
7. **Classification Broadening and Minimum Qualification Standardization:** The District has streamlined its classification system from 82 to 46 roles to improve operational efficiency and standardized minimum qualifications to ensure consistency across the organization.

Summary of overall results are below:

**Compensation:** Based on the current market evaluation, District pay grades are in line with the market rate. Following the compensation adjustments in 2022, the 2023 market analysis, and annual cost-of-living adjustment to pay grades, this market analysis will not result in any changes to pay grades.

**Compression Analysis:** Though pay grades are not changing, a compression analysis will immediately follow this market analysis to assess any internal compression issues that have arisen since our last semi-annual compression analysis due to recruiting, internal promotions or transfers, etc.

**Classification Broadening:** The consolidation of classifications from 82 to 46 has streamlined workforce management within the organization. This broadening simplifies administrative processes, enhances training efficiency, and aligns job roles more closely with core responsibilities. As a result, the workforce is more adaptable and responsive to organizational needs, facilitating strategic planning and growth by making the system more agile and integrated.

**Minimum Qualification Standardization:** This analysis continues and will ultimately result in clearer and more consistent “people management” and “technical skills” qualifications for all classifications at the District. Expected completion and rollout is prior to Fall 2024.



**OPERATIONS MONTHLY REPORT  
JUNE 2024**

**WATER**

Kailey Rosema

System production is normal for this time of year but has increased due to the start of the outdoor irrigation season.

The annual Consumer Confidence Report (CCR), which provides customers with their drinking water quality data, was mailed to all customers on Jun. 18. A single, system-wide, CCR was prepared for 2023 and reflects the administrative change approved by the Colorado Department of Public Health (CDPHE) in early 2023 to combine the District's and Authority's public water system regulatory programs.

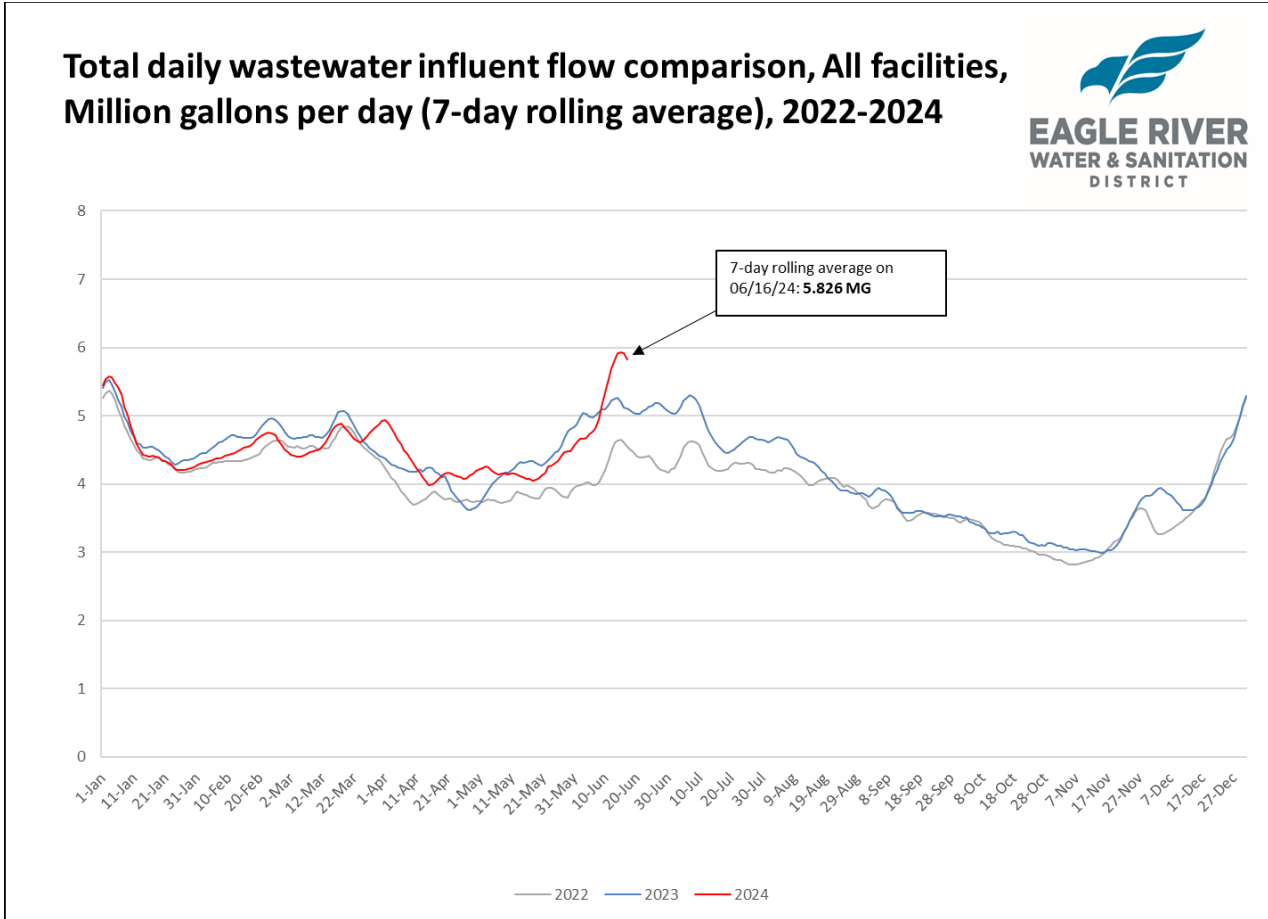
As part of the Water Production Master Plan CIP project, the District has partnered with the CDPHE to initiate a Disinfection Outreach Verification Effort (DOVE). The overarching goal of CDPHE's DOVE program is to verify that water treatment facilities are appropriately designed, operated, and monitored. As part of the DOVE effort, CDPHE engineering staff intends to perform a detailed site inspection at each of the District's and Authority's water production facilities. The site inspections will include a detailed evaluation of each unit process. Any treatment, monitoring, or equipment deficiencies that do not meet CDPHE criteria will be identified and documented. The first DOVE inspection occurred on Jun. 13 at the Avon Drinking Water Facility. The other production facilities will be inspected within the next 6 to 12 months. Any regulatory-based capital deficiencies identified through the DOVE effort will be incorporated into the ongoing master planning effort.

The Vail Well R7 casing repair and pump/motor replacement work is scheduled on Jun. 19-20. An update will be provided at the upcoming Board meeting.

**WASTEWATER**

Chris Giesting

Cumulative influent wastewater flow has increased over recent weeks, due to inflow and infiltration (I&I) during spring runoff. The flow is higher compared to previous years due to the healthy snowpack and sustained high runoff flow.



**FIELD OPERATIONS**

Niko Nemcanin

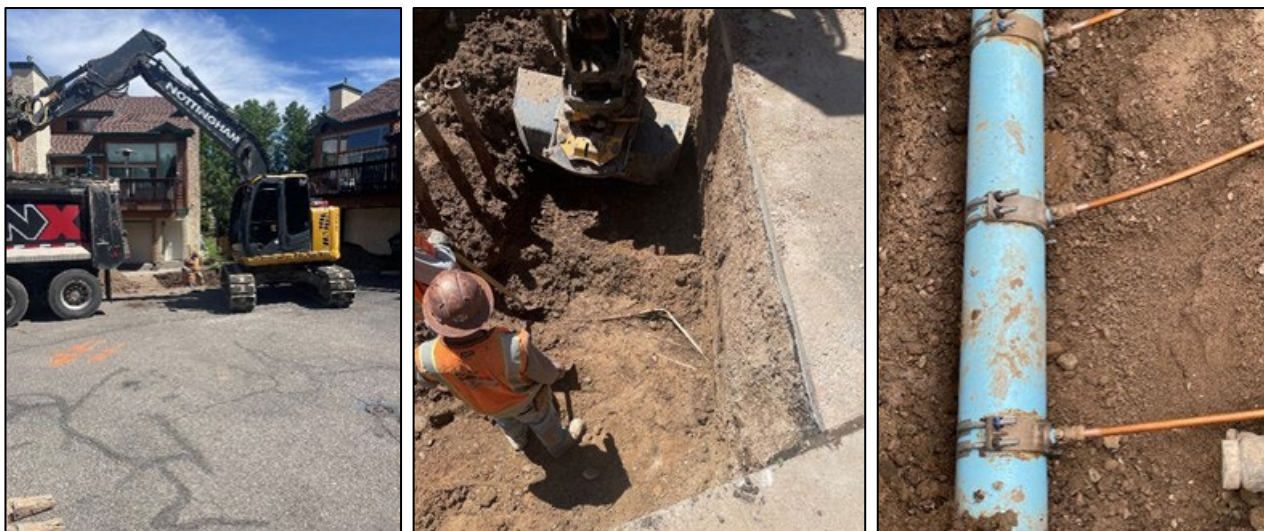
On May 24-25, Field Operations staff repaired a water main leak near Booth Falls Dr. in East Vail. The source of the leak was a service pipe that was inadvertently damaged by a private contractor that was installing underground communication cable conduit. The damaged service was removed and the water main was repaired. The District has initiated an insurance claim to recoup repair costs from the contractor that caused the damage.



*East Vail water main repair (excavation left; damaged service center, completed repair right)*



On May 31, Field Operations staff repaired a water service leak near Imperial Drive in Edwards. The source of the leak was a failed service saddle tap. The damaged service tap and two other nearby taps were removed and replaced.



*Edwards water service line repair (excavation left; damaged pipe center, new service taps right)*

On May 31, Field Operations staff repaired a water main leak near the intersection of Red Draw and Red Tail Ridge in Cordillera. The source of the leak was a hole in a corroded section of pipe. The damaged pipe was removed and replaced.



*Cordillera water main repair (damaged pipe left, repaired pipe center; completed repair right)*

Beginning the week of May 24, Field Operations responded to several emergency issues involving the sewer collection interceptor near the intersection of Highway 6 and Post Blvd in Avon. Several manholes along the interceptor line were surcharging (i.e., the water in the manhole had risen above the top of the outlet pipe). The cause of the surcharges was ultimately determined to be a combination of issues including debris from a nearby road construction project, root infiltration, grit accumulation, and high flow (due to seasonal inflow & infiltration). District operators cleaned the collections mains, removed debris, and temporarily controlled the surcharges. However, specialized equipment was needed to fully remove the roots and inspect the large interceptor pipe for structural damage. District staff has contracted with a specialized contractor and is currently in

the process of performing bypass pumping, video inspection, root removal, and insitu pipe repair of two interceptor pipe segments. A progress update will be provided at the upcoming Board meeting.



*Avon sewer collection interceptor bypass pumping and cleaning project  
(temporary bypass pipe left, jetting equipment center, bypass pumps right)*

On Jun. 14, a sanitary sewer overflow (SSO) occurred at a sewer manhole near Avondale Lane in Beaver Creek. Field Operations crews were performing preventative root control maintenance in the manhole when root cuttings became lodged in the collections pipe, resulting in a surcharge and SSO. The crew was able to dislodge the blockage and stopped the overflow within six minutes. The total estimated volume released during the SSO event was 120 gallons. Bacteriological samples collected at the time of the spill confirm that the impacts to surface waters were minimal. The SSO was reported to CDPHE on the afternoon of Jun. 14 and the required 5-day Spill Report will be submitted by the Jun. 17 deadline.

## UTILITY SERVICES

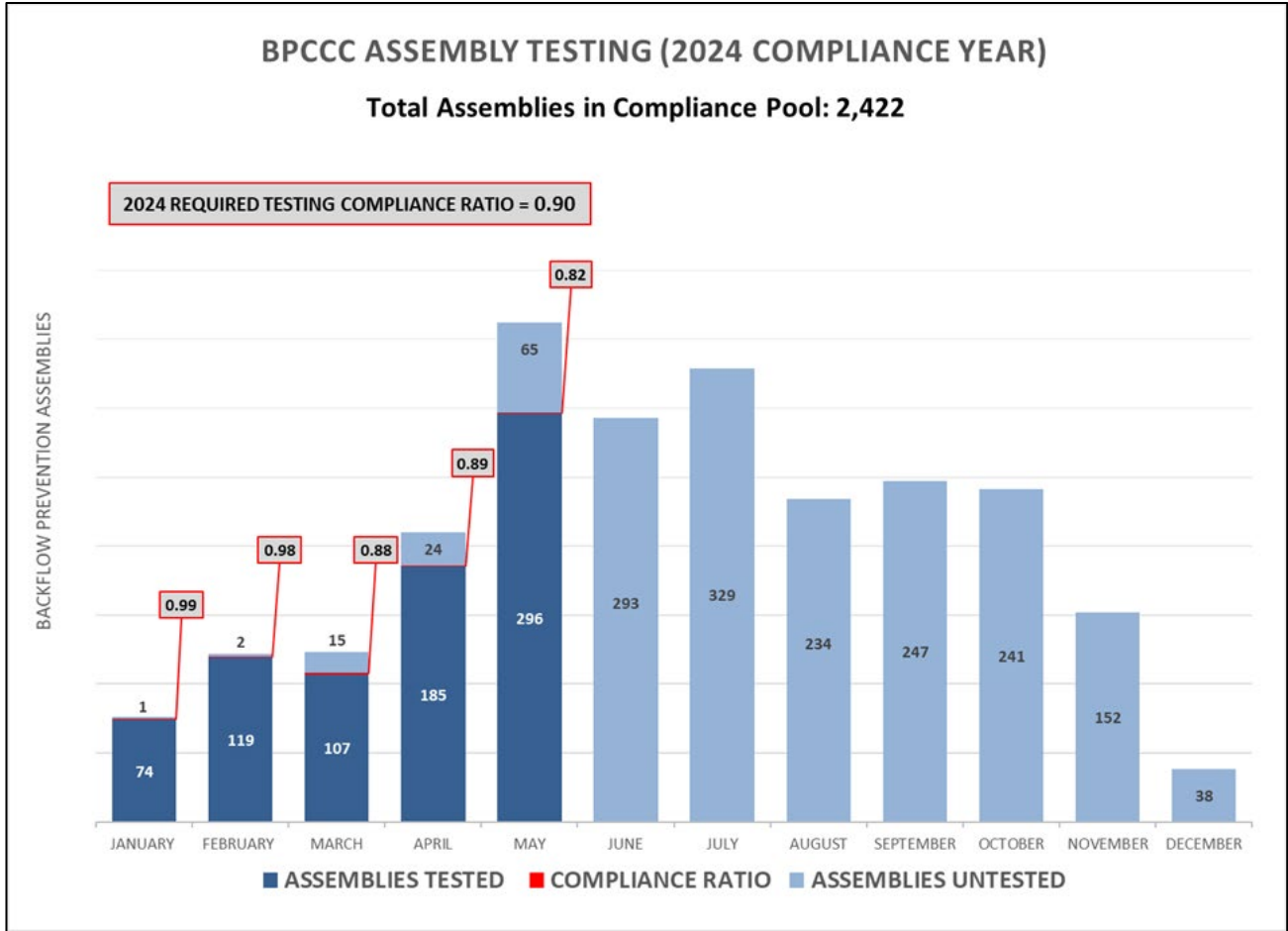
Shane Swartwout

### Meter Services

The meter services team is focused on troubleshooting issues with a subset of meters that are not communicating with the Advanced Metering Infrastructure (AMI) network. The team is also working towards 100% AMI conversion in the Authority.

### BPCCC Program

The BPCCC team is actively communicating with customers to ensure compliance with the new 2024 requirement to have all irrigation backflow prevention assemblies tested by Jul. 31. Currently, 322 irrigation backflow assemblies have been tested out of 781 irrigation assemblies in the compliance pool (~41%). If test reports are not received by the deadline, District staff will self-perform tests on the remaining untested irrigation assemblies and apply fines to the customer accounts for noncompliance, as necessary. An assembly testing progress report is provided below:



**Fleet and Facilities**

Fleet and Facilities technicians completed major repairs on the front-end loader that is used at the Biosolids Containment Facility (BCF). This type of heavy equipment repair has historically been outsourced, but the work was successfully completed in-house.

**WATER QUALITY**

Leah Cribari

The lab staff completed proficiency testing on the new Flow Injection Analyzer (FIA) for ammonia and nitrate/nitrite analysis. The new FIA instrument began being used for compliance testing in June. The FIA instrument purchase was a 2024 budget decision item and it replaces an antiquated instrument that is no longer supported by its manufacturer.

The annual Discharge Monitoring Report Quality Assurance (DMR-QA) study for 2024 has started. DMR-QA is a requirement of the National Pollutant Discharge Elimination System permit. Each year, blind proficiency tests must be performed by laboratories that self-perform tests for permitted analytes.

**CAPITAL IMPROVEMENT PROGRAM (CIP)**

Jeff Schneider

**WATER PROJECTS****Cordillera West 1 Water Storage Tank Rehabilitation**

Kevin Nelson

General Project Scope: The Cordillera West 1 Water Storage Tank is a 400,000-gallon, above-ground, steel tank. The project scope involves sandblasting and recoating the tank surfaces, installing a cathodic protection system, and various improvements to the vent, hatch, and overflow/drain systems.

Project Update: CDPHE plan review is underway. The tank was temporarily isolated and drained in late-May to allow the tank floor to be thoroughly inspected. The final scope of work is currently being finalized and the project will be advertised in July. The rehabilitation work is expected to begin in the fall, when system demands are relatively lower.



*Cordillera West Tank 1 interior inspection*

**North Frontage Road Watermain Improvements**

Kevin Nelson

General Project Scope: This project involves construction of approximately 475 linear feet of 10-inch diameter water main from just east of the culvert crossing at Middle Creek, up the hillside to Mountain Bell Road, and to the top of the Middle Creek Village complex.

Project Update: Construction is underway and approximately 250 linear feet of pipe has been installed to date. The final tie-in is expected to occur by the end of June. Site work will continue into July.



*Water main installation along Middle Creek housing access road*

### **Arrowhead Transmission Main**

Mark Mantua

General Project Scope: This project includes replacement of approximately 2,200 linear feet of 16-inch diameter water main from the base of Arrowhead Mountain to Arrowhead Tank 1. The existing pipe is badly corroded. The project also includes installation of a new valve control vault that will help optimize tank filling and balance tank levels in the low-pressure zone.

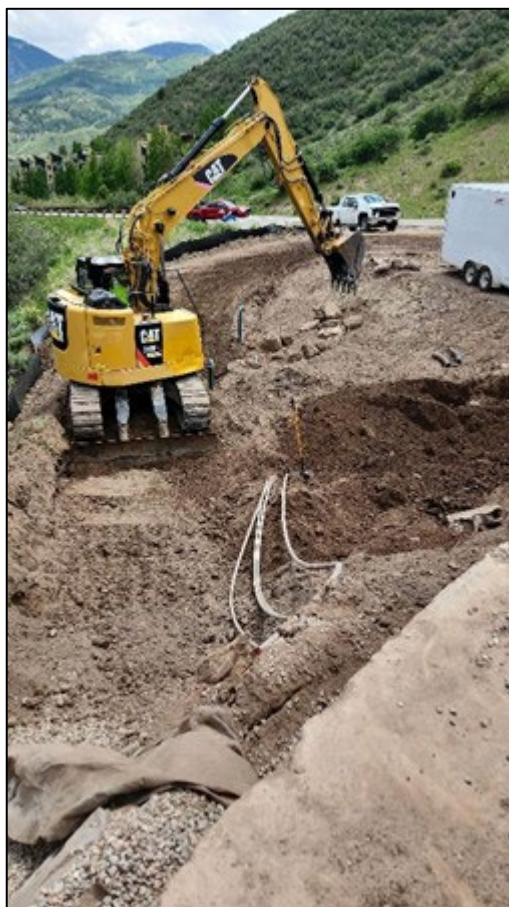
Project Update: Material procurement and stakeholder coordination is ongoing. Contactor mobilization is underway. Construction work will begin in late June.

### **Wildridge BPS, PRV, and Tank Improvements**

Carter Keller

General Project Scope: This project addresses high priority recommendations from the 2020 Distribution System Master Plan and involves improvements to the pumping, storage, and pressure regulating facilities in the Wildridge service area. The scope includes mechanical, electrical, structural, architectural, and electrical improvements at multiple sites, including installation of an on-site emergency generator at Wildridge Booster Pump Station (BPS) 1.

Project Update: Crews are currently working to upgrade the tank drain/overflow valves and pipe at Avon Tank 1.



*Avon Tank 1 overflow valve excavation*

## **Water Production and Treatment Masterplan**

General Project Scope: The masterplan will be a wholistic look at all production and treatment facilities system-wide including treatment plants and wells. The goal is to identify future capital project priorities. The project will include a detailed condition assessment of existing assets and will evaluate treatment and production threats from climate change, low stream flows, wildfires, etc.

Project Update: The project team is currently developing a groundwater asset evaluation plan. The initial focus will be collecting/analyzing baseline operational data and performing physical inspections of the most critical groundwater well equipment. The project team held interviews with three specialized groundwater engineering consulting firms and intends to partner with one of the firms to provide technical assistance during the evaluation.

## **Avon Drinking Water Facility (ADWF) PLC Upgrades**

Jenna Beirsto

General Project Scope: This project includes replacement of the programmable logic controllers (PLCs) at ADWF. Additionally, a new server room will be constructed within the facility. All existing programming and PLC logic will be reverse-engineered and updated to meet current District standards.

Project Update: The IT networking equipment was relocated to the new server room on May 13. The project team discovered during startup that the server room's dedicated HVAC air conditioning system did not provide the required cooling. Upon investigation, the design engineer determined that there was an error made by its team during the design phase and the air conditioning units were not sized correctly. The engineer is currently working to re-design the cooling system and is working with the project team to design and implement an interim solution.

## WASTEWATER PROJECTS

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### **Vail Wastewater Treatment Facility (VWW) Master Plan Improvements**

Mark Mantua

General Project Scope: A condition assessment of the VWW was conducted as part of the 2017 wastewater masterplan. The assessment identified several critical upgrades that are required to keep the facility in reliable and operable condition. The scope of this project includes installation of a new, larger diesel generator, structural repairs in the aeration basin, equalization, and clarifier rooms, replacement of the aging ultraviolet (UV) system, and construction and installation of an external facility bypass.

Project Update: The new standby generator, which was previously delayed, is scheduled to arrive on Jun. 19. The spalling concrete at the front plaza was replaced. Demolition and invasive work within the facility has been temporarily postponed while the team works with a specialized environmental consultant to safely remove and dispose of asbestos fiberboard.

### **Dowd Junction Collection System Improvements**

Jenna Bearsto

General Project Scope: The project consists of four major infrastructure improvements: the aerial interceptor crossing at Dowd Junction; Lift Station 4, which conveys all of Minturn's wastewater; the aerial interceptor crossing at the Minturn Road bridge; and the force main downstream of Lift Station 4. The new infrastructure will be sized to accommodate future growth in the service area, most notably the Minturn area.

Project Update: The new lift station is substantially complete and all facilities associated with the project are fully operational. The final painting and punch list items will be completed by the end of June.



*Exterior view of completed lift station*



*Interior view of completed lift station*



**Edwards Wastewater Treatment Facility (EWW) Nutrient Upgrade**Jenna Beairsto  
Madeleine Harris

General Project Scope: The EWW must be upgraded to meet Regulation 85 nutrient limits for final total inorganic nitrogen (TIN) and total phosphorus (TP). Expected improvements include renovation of the preliminary treatment equipment, primary bypass improvements, aeration basin modifications and expansion, blower replacements, chemical feed and storage improvements, return and waste activated sludge (RAS/WAS) pump replacements, centrate storage improvements, and HVAC and electrical upgrades. This project will also resolve existing hydraulic process constraints and address condition assessment needs identified in the Wastewater Master Plan. The project must be completed by the CDPHE compliance deadline of Jan 1, 2029.

Project Update: The District received four statements of qualifications (SOQs) from Construction Manager at Risk (CMAR) contractors. Two of the firms have been invited to submit proposals and interviews are scheduled on Jun. 25. The project team held two design workshops in May. A grit study, which will support the final grit system design, was performed at EWW by a specialty subconsultant. The preliminary design review report is scheduled to be submitted on Jul. 16.

**Cascade Skier Bridge Sewer Improvements**

Kevin Nelson

General Project Scope: The project consists of replacement and/or rehabilitation of an estimated 700 linear feet of 12-inch diameter sewer pipe crossing Gore Creek near the Cascade Skier Bridge in the West Vail sewershed. The pipe replacement project will resolve inflow and infiltration (I&I) issues and pipeline defects.

Project Update: A request for proposals (RFP) was issued in March for preliminary design engineering services and an alternatives analysis. Four proposals were received, and a firm was selected in May. A project kickoff meeting occurred on Jun. 18. Surveying, subsurface utility engineering (SUE), and geotechnical engineering work will begin in July.

**ADMINISTRATION PROJECTS**

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**101 Eagle Road Office Improvements**

Dan Duerr

General Project Scope: The project scope includes improvements to the roof, office space finishes, IT server room, and various mechanical, electrical, and plumbing (MEP) components, as well as the design and construction of a large conference room.

Project Update: Mechanical, electrical, and plumbing (MEP) and structural designs are nearly complete and permit applications will be submitted by the end of June. The roofing and flooring work is underway. Non-permitted improvements will begin in the tenant-occupied area after the tenant moves out in early July.



## MEMORANDUM

**TO:** District and Authority Boards of Directors  
**FROM:** Jason Cowles, P.E. and Justin Hildreth, P.E.  
**DATE:** June 18, 2024  
**RE:** Engineering & Water Resources Report

### **Development Report**

An updated copy of the Development Report is attached. There are no additions to the report this month that affect the unallocated water projections, but the North Road construction project in Traer Creek has been added, as we've received several questions about this project. The Traer Creek Metropolitan District is constructing a portion of the roadway that will provide access and utilities to development parcels on the hillside below I-70. Prime West Development is planning a 240-apartment project immediately to the north of the Piedmont Apartments that the roadway will provide access to. We anticipate that the Prime West Apartments will begin construction in 2025.

### **Berry Creek Water Rights Analysis**

Last month's report discussed an analysis of the Berry Creek Metropolitan District water rights that was requested by Eagle County. Staff analyzed relevant land use documents related to the Berry Creek Planned Unit Development (PUD) and the Berry Creek/Miller Ranch PUD and previous modeling. The analysis concludes that Berry Creek is effectively built out based on existing entitlements and service commitments. Any further new development requests in Berry Creek are subject to the Authority's water dedication policy, other than existing entitlements for lots that are platted for single-family and duplex residential homes in the Berry Creek PUD. As an example, this would apply to additional apartments that are planned on the Colorado Mountain College campus and Eagle County's Freedom Park campus. It would not apply to the development of a duplex residence on an existing duplex lot in the Berry Creek PUD that is currently occupied with a single-family home. A copy of the analysis is attached for your information.

### **Eagle County Land Use Regulation Reform Project**

The second meeting of the Eagle County Land Use Regulation (ECLUR) Reform Project's Advisory Committee was held at the County Building on June 5. At the meeting the Advisory Committee reviewed Module 1 of the proposed ECLUR's. This module primarily consisted of proposed zoning districts, land use tables that define which zone districts each land use is allowed in, and definitions of the land uses. The Advisory Committee was asked to consider approaches to dealing with residential lot sizes in urban, suburban, and rural areas of the County. The discussion on this topic highlighted the inherent challenge in implementing zone districts that allow for the development of higher densities in urban or urbanizing areas to create

opportunities for affordable housing while also minimizing density in more rural areas to preserve rural character and minimize the impacts of development in these areas. The ECLUR Reform Project team will synthesize the discussion and refine their proposal based upon the feedback received. The next meeting of the Advisory Committee is scheduled for August 7.

### **Bolts Lake Redevelopment Update**

Our team meets with the Program Manager bimonthly to ensure alignment and progress toward our goals. We are developing an updated project schedule including the duration of major tasks and permitting milestones. We are planning on presenting this to the Board at the July meeting. Here is a summary of our immediate key objectives and actions:

1. Permitting Plan Development:
  - a. Our primary focus is to develop a comprehensive permitting plan, including efficiently navigating the NEPA process. We will present the permitting plan to the Boards at the July meeting.
  - b. The Program Manager has drafted a Project Charter, Communication Plan, and Risk Management Plan. We are reviewing these documents which will guide the implementation of the project.
2. Request for Proposals (RFP) for Final Design Team
  - a. The selected team will provide a proposal to update and advance the preliminary design to an approximately 30% design level, a crucial milestone and level of detail that is needed before applying for the NEPA permit. If the design team completes the design satisfactorily, we intend to offer them subsequent tasks to finalize the design.
  - b. We will release the RFP on June 28<sup>th</sup>, and proposals are due on August 2nd. We intend to select a firm and have them under contract by the end of September.
3. United States Bureau of Reclamation (USBR) Feasibility Study
  - a. The feasibility study must be approved by USBR staff before we can apply for the next round of funding under the USBR's Small Storage Project Funding Program. USBR requested we include an economic and financial analysis as part of the feasibility. SLP Economics, LLC has completed the study, and it is being incorporated into the feasibility study.
  - b. We intend to submit the updated feasibility study to the USBR by July 1 for review and approval, well before the August 15 deadline. The USBR requests that the applicant's feasibility study be reviewed and approved by November 15 in time for the fall funding cycle.
4. Congressional Funding Requests
  - a. The District retained The Ferguson Group, a lobbying group based in Washington D.C., to assist with obtaining federal funding for the Bolts Lake Redevelopment project and other District projects. The federal funding will mitigate the significant financial burden on our customers.
  - b. To improve our odds of receiving federal funds, we are pursuing a Congressionally Directed Spending (CDS) request in parallel with the USBR's Small Storage Project Funding Program. We would only be able to accept one of the funding sources if awarded.
  - c. CDS requests were submitted to the offices of Senator Hickenlooper, Senator Bennet, and Representative Neguese in April for consideration of earmarks in the 2025 budget. We requested \$4,974,000 which represents 65% of the estimated remaining design and permitting costs.

- d. Senator Hickenlooper's staff reviewed our CDS request and submitted our request for consideration to the Senate Interior Subcommittee. The Subcommittee will review all the projects submitted from around the country, check for eligibility and scope, and determine the projects that the Subcommittee will include in a draft bill. From there, the bill will have to pass by the Senate either individually or in a funding package and subsequently reconciled with any bill passed by the House of Representatives. Funding amounts may be reduced or eliminated during this process as congressional delegates consider what the federal budget is able to absorb. In summary, this is the first step in a complex process to obtain congressional funding.

**Attachments:**

1. Berry Creek Metropolitan District Water Service, June 7, 2024
2. Authority Unallocated In-Basin Supply, June 2024
3. ERWSD and UERWA New Development Reports, June 2024

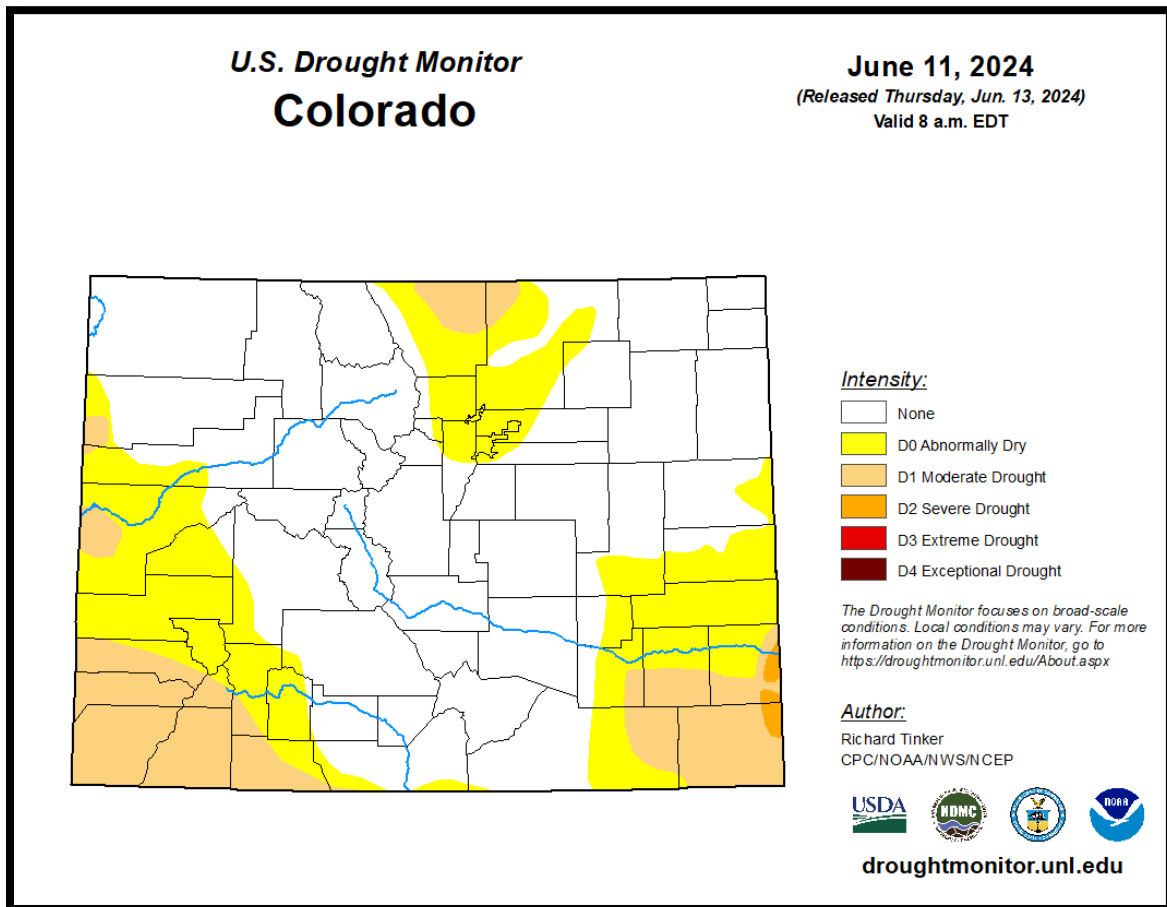
**Water Resources Report**

**Justin Hildreth**

**Drought Conditions**

On June 11, 2024, the U.S. Drought Monitor prepared by the National Drought Mitigation Center (NDMC) classified the upper Colorado River basin including Eagle County as not experiencing drought conditions. The NDMC classified the northern front range as abnormally dry and moderate drought and escalated the four corners region classification to moderate drought.

Figure 1: U.S. Drought Monitor – Colorado. June 11, 2024 (National Drought Mitigation Center)



### Temperature and Precipitation Forecasts

Figures 2 and 3 show the current National Weather Service 8-to-14-day temperature and precipitation outlooks. The 2-week outlook for Colorado indicates that the temperatures will be likely above normal, and precipitation is leaning near normal. The seasonal 3-month temperature and precipitation outlooks, which are less accurate, indicate temperatures are likely above normal and precipitation equally chanced above or below normal.

Figure 2: 8-14 Day Temperature Outlook – June 16, 2024 (NOAA/National Weather Service Climate Prediction Center)

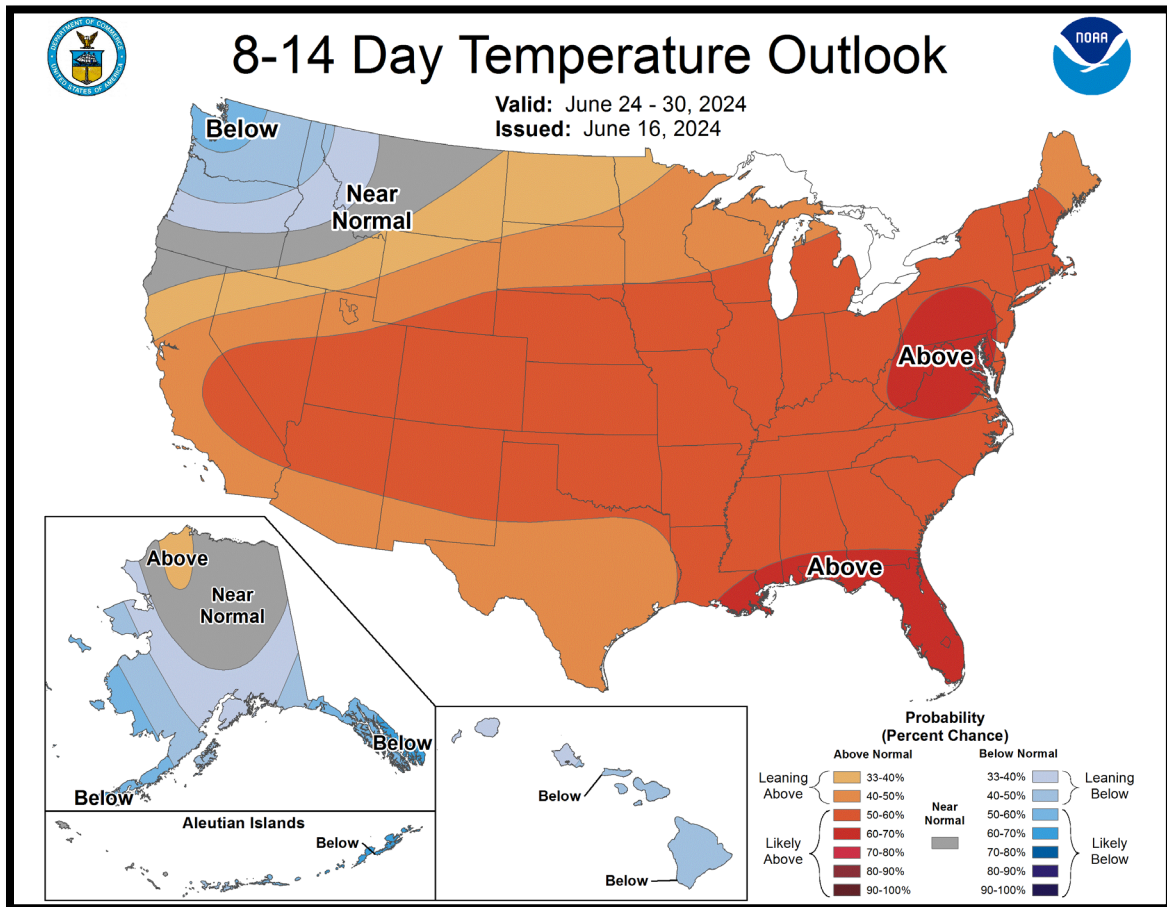
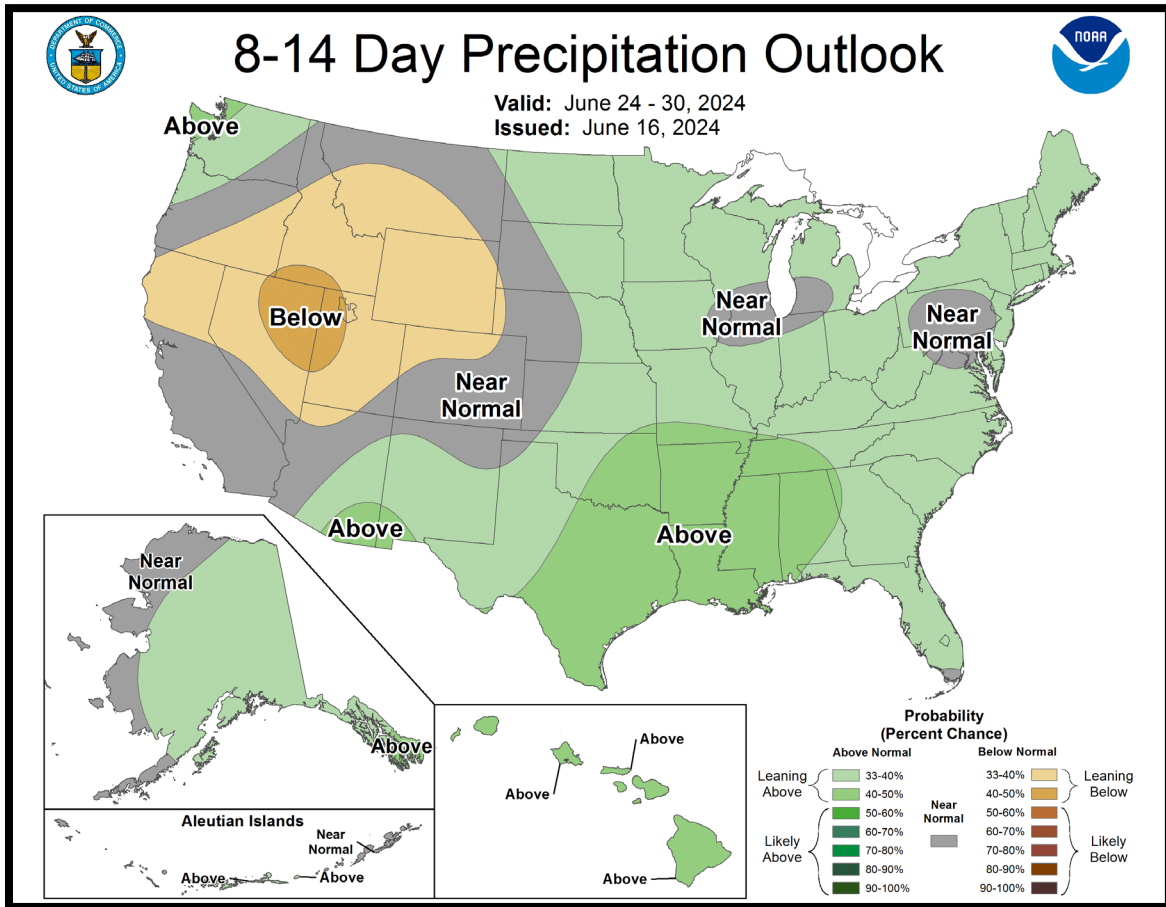


Figure 3: 8-14 Day Precipitation Outlook – June 16, 2024 (NOAA/National Weather Service Climate Prediction Center)



### Snowpack Conditions

Figures 4 and 5 display the snow water equivalent (SWE) at the Vail Mountain and Fremont Pass SNOTEL sites. The Vail Mountain site melted out on June 2<sup>nd</sup>. The Vail site peak SWE was 20.4", 96% of the 30-year median. Fremont Pass has 3.6" of SWE, 164% of the median. The Fremont station peaked at 22.2" of SWE on May 16<sup>th</sup>, 117% of the 30-year medial peak. The cool, wet weather in May contributed to the steady snowpack and delayed the spring runoff.

Figure 4: Accumulated Precipitation at Vail Mountain SNOTEL station, June 17, 2024 (USDA)

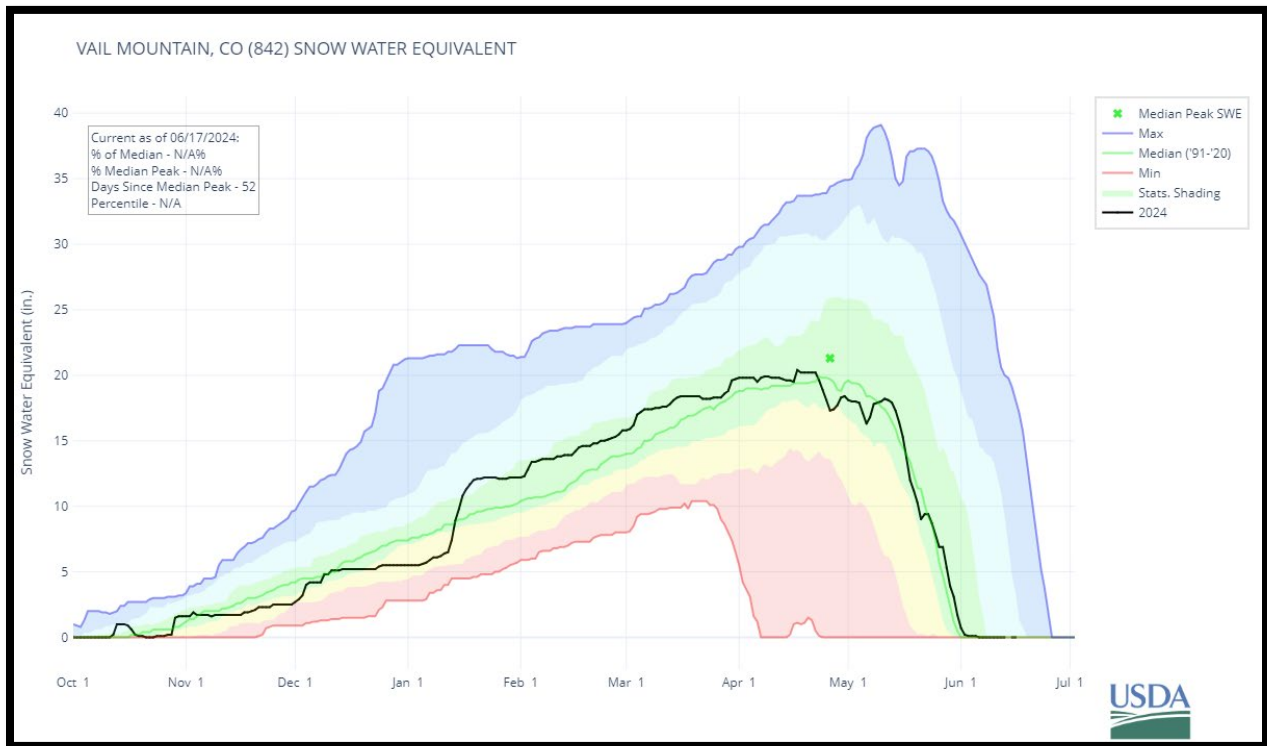
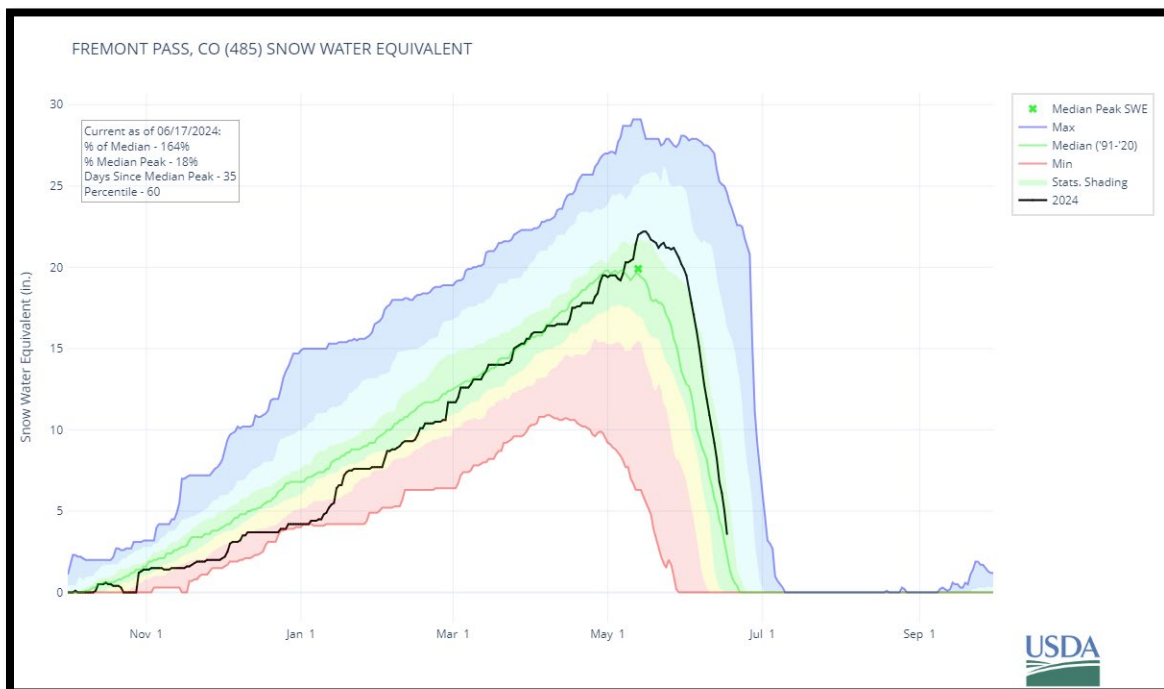




Figure 5: Accumulated Precipitation at Fremont Pass SNOTEL station, June 17, 2024 (USDA)



**Streamflow**

Figures 6, 7, and 8 include the Colorado River Basin Forecast Center hydrographs (CRBFC) for Gore Creek above Red Sandstone Creek, Eagle River at Avon, and Colorado River at Dotsero respectively. Table 1 summarizes the flow, peak flow, and historical median peak for the three gages. The peak flows were on June 8 to 10, several days later than the historical peak flows on June 5 to 9.

Table 1: Summary of Flow, Projected Flow, and historical median peak flow at critical gage stations.

Gage	Gore Creek Above Red Sandstone Creek	Eagle River at Avon	Colorado River below Dotsero
June 17 Flow (cfs)	771	2,041	9,580
2024 Peak Flow (cfs)	1491	3,438	12,041
2024 Peak Flow Date	June 8	June 8	June 10
Historical Mean Peak Flow (cfs)	730	2,090	6,960
Historical Mean Peak Flow Date	June 7	June 7	June 8

Figure 6: Forecast Hydrograph, Gore Creek above Confluence with Red Sandstone Creek

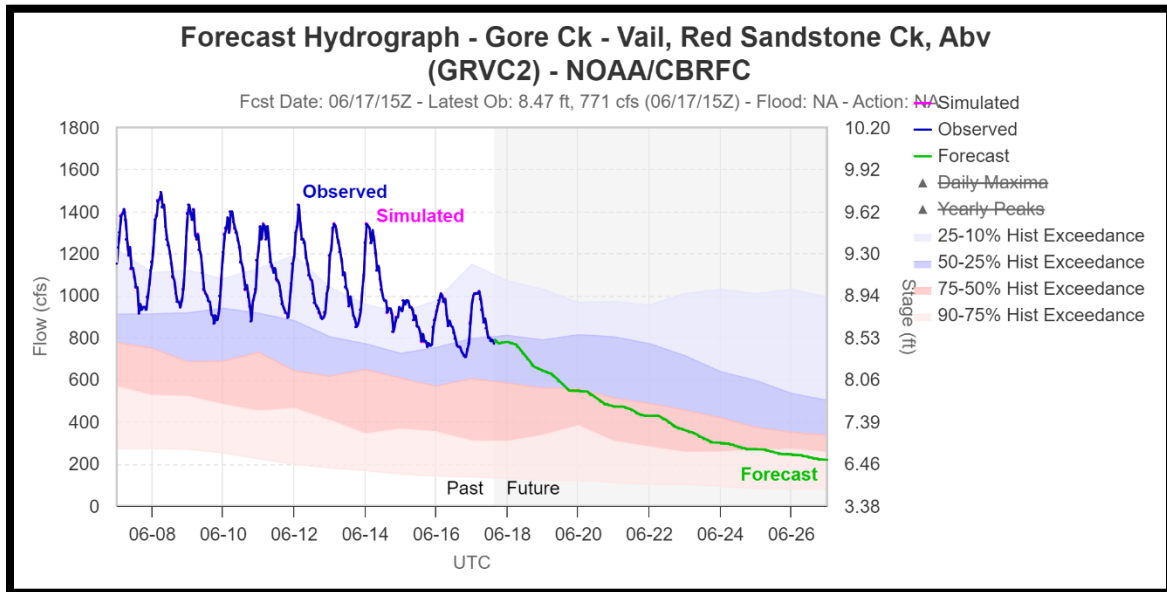


Figure 7: Forecast Hydrograph, Eagle River at Avon

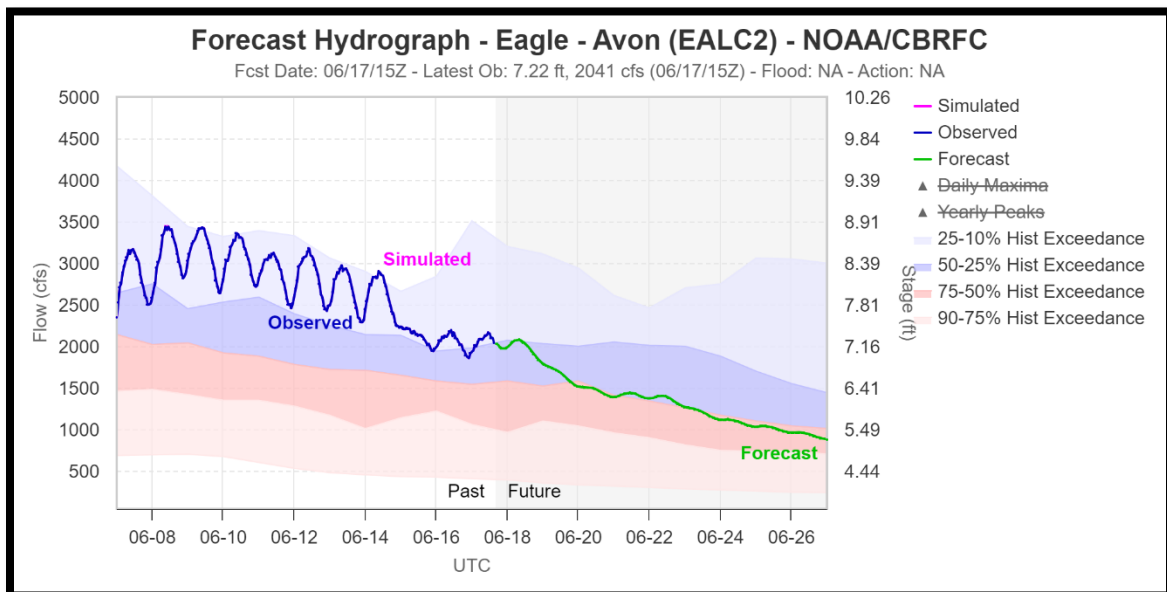
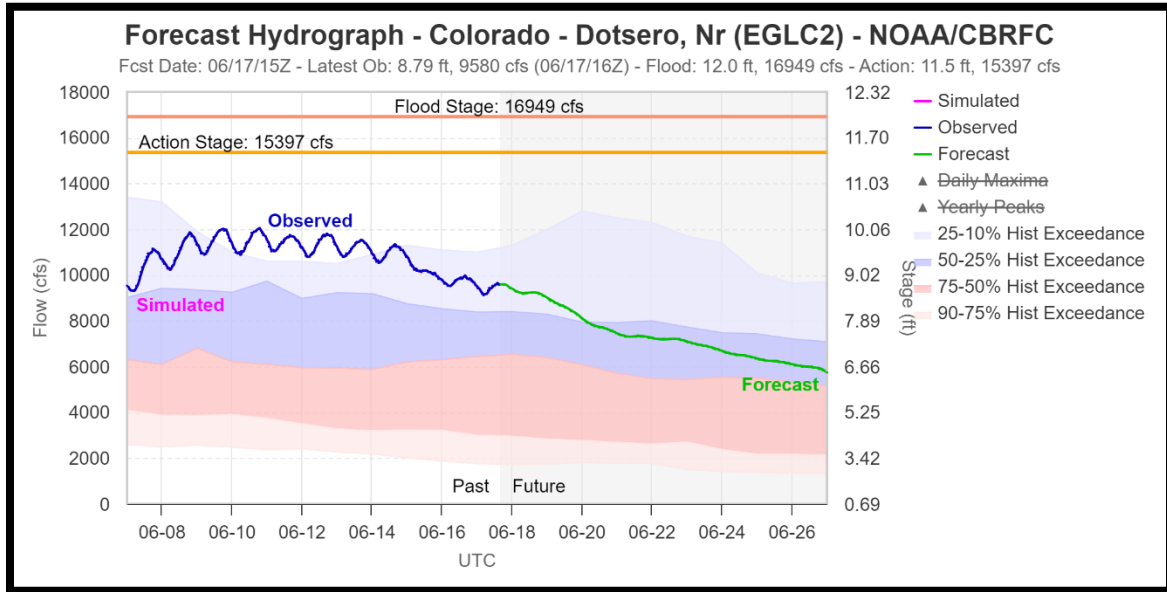


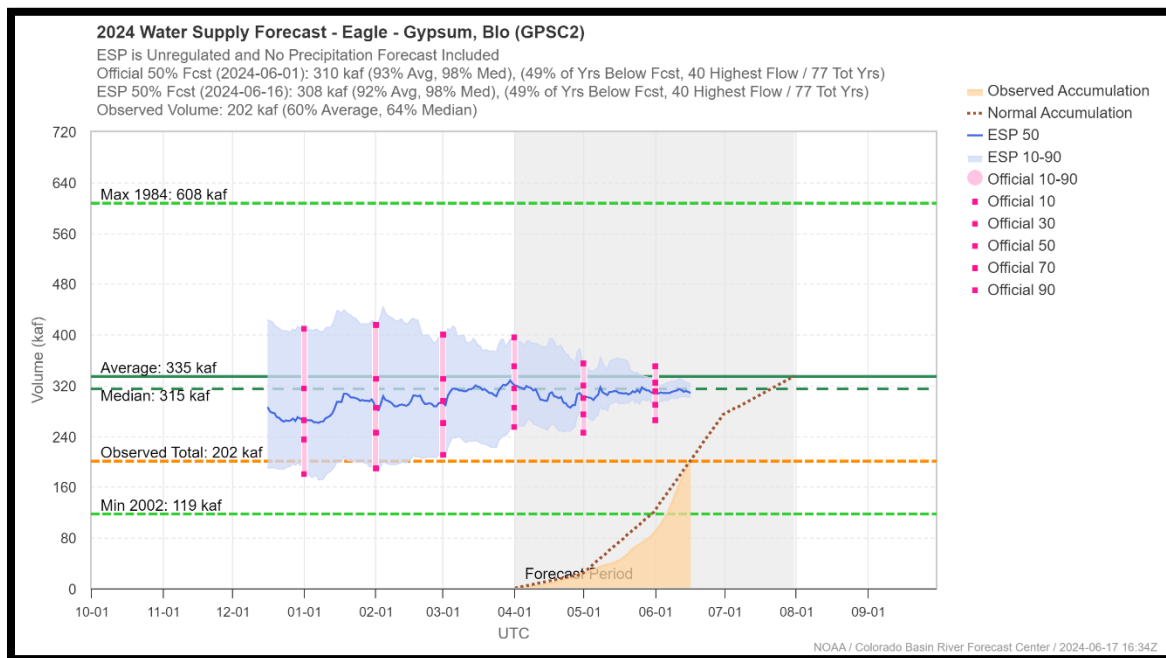
Figure 8: Forecast Hydrograph, Colorado River at Dotsero



**Water Supply Forecasts**

Figure 9 represents the CRBFC forecast of the 2024 water supply for the Eagle River at Gypsum not accounting for out-of-basin diversions and future precipitation. The average yearly water supply is 335,000 acre-feet, and the median yearly water supply is 315,000 acre-feet. The current observed accumulation is 202,000 acre-feet and the forecasted runoff is 310,000 acre-feet, 98% of the median. This forecast does not account for future weather, which can impact the runoff quantity.

Figure 9: CRBFC 2024 Water Supply Forecast, Eagle River at Gypsum



**Reservoir Volumes**

Table 2 summarizes the reservoir storage accounts and indicates that the reservoir storage accounts are nearly full. The District and Authority relinquished their 2024 Green Mountain Reservoir water to the USBR for the maintenance of flows on the upper Colorado River under the Shoshone Outage Protocol. These accounts will be refilled in accordance with USBR procedures.

Table 2: District and Authority storage accounts for June 1, 2024 (Helton and Williamsen).

**May 1, 2024 Volumes in Storage (acre-feet) and Percentages of Full:**

<b>Reservoir</b>	<b>ERWSD</b>		<b>UERWA</b>		<b>Total</b>	
Green Mountain	0	0%	0	0%	0	0%
Black Lakes	369.68	87%	300	100%	369.68	87%
Eagle Park	405.54	99%	672.28	95%	1077.82	97%
Homestake Res	250	100%	256.50	100%	506.50	100%
Wolford Mtn	500	100%	699.77	98%	1199.77	99%

\*Homestake Year is currently set as July 1 to June 30.



## MEMORANDUM

**TO:** Beth Oliver, Eagle County  
**FROM:** Jason Cowles, P.E.  
**DATE:** June 7, 2024  
**RE:** Berry Creek Metropolitan District Water Service

The Upper Eagle Regional Water Authority provides water service to the Berry Creek Metropolitan District (Berry Creek) and is committed to serve the buildout of Berry Creek per the Authority Agreement Amending and Restating the Agreement Establishing the Upper Eagle Regional Water Authority and the Master Service Contract dated May 27, 2015 (Authority Agreement).

### **Berry Creek Water Rights**

By Amended and Restated Water Lease dated January 1, 1998, Berry Creek perpetually leased to the Authority its remaining interest in the augmentation plan decreed in Case No. W-3999 which quantified and changed historic agricultural irrigation use of the June Creek Ranch Company to municipal and other beneficial uses to serve the Berry Creek development. Following a series of other agreements and conveyances, the net amount of consumptive use credits quantified and decreed in Case No. W-3999 that are leased to the Authority and available for use in Berry Creek is 195.6 acre-feet. Additionally, 44 acre-feet of Eagle Park Reservoir supplies (Case No. 92CW205) are allocated to Berry Creek in the Eagle Park Reservoir Agreement dated October 23, 1996 (Reservoir Agreement). Berry Creek also has interest in 22.11 acre-feet of Green Mountain Reservoir supplies (Case No. 92CW291). It should be noted that the Green Mountain Reservoir and Eagle Park Reservoir supplies are not considered additive, as Green Mountain Reservoir augmentation water cannot be used by exchange on the Eagle River in dry years when there is an instream flow or other senior call on the Eagle River. It should also be noted that the Authority's supplies in Eagle Park Reservoir water may be used throughout the Authority in any given year as needed by the Authority. This is an important distinction, as the Reservoir Agreement pre-dated the severe droughts in 2002 and 2012, the development of the Edwards Drinking Water Facility (EDWF), and associated augmentation plans that subordinated diversions at the EDWF to the Colorado Water Conservation Board's instream flows. The impact is that the Authority's Eagle Park Reservoir supplies are utilized differently than originally anticipated when the allocations in the Reservoir Agreement were made.

### **The Berry Creek PUD**

The Authority Agreement unfortunately does not define the buildout of Berry Creek. District staff reviewed existing entitlements and water court decrees to determine the buildout potential of Berry Creek to determine how much development the water rights allocated to Berry Creek could support. For reference, Case No. W-3999 anticipated augmentation of a total of 1,575 residential dwelling units. Berry Creek Ranch Filings 1 – 4 are governed by the Amended and Restated Guide for the Berry Creek Ranch Planned Unit Development (Berry Creek PUD) recorded in Eagle County File No PDA-00045. The Berry

Creek PUD permits the development of a golf course, several parks and recreation tracts, single family residential lots, duplex residential lots, multifamily residential tracts, and a clubhouse tract. The total number of residential dwelling units permitted as a use by right in the Berry Creek PUD is presented in Table 1. The Berry Creek PUD does not specify densities for multi-family residential development tracts thus Table 1 shows the current total of developed multifamily units in the Berry Creek PUD.

**Table 1: Residential Dwelling Units Entitled In Berry Creek PUD**

	<b>Dwelling Units</b>	<b>SFEs</b>
<b>Single Family/Duplex Residential</b>		
Single-Family Units (185 Lots)	185	222
Duplex Units (499 Lots)	998	1,198
<b>Subtotal Single-Family/Duplex Residential</b>	<b>1,183</b>	<b>1,420</b>
<b>Multi-Family Residential</b>		
Filing 1, Lot 97	0	0
Filing 2, Lot 29, Block 3 (aka Villas at Singletree)	14	14
Filing 2, Lot 30, Block 3 (aka Mission Ridge Townhomes)	19	19
Filing 2, Lot 49, Block 6 (aka Stonehaven)	15	15
Filing 3, Lot 22, Block 3 (aka Las Vistas at Singletree Condos)	42	42
Filing 4, Lot 1, Block 1 (aka Persimmon Woods)	33	33
<b>Subtotal Multi-Family Residential</b>	<b>123</b>	<b>123</b>
<b>Totals</b>	<b>1,306</b>	<b>1,543</b>

For modeling purposes, the Authority uses the single-family equivalent (SFE) to normalize water use between different user types. Residential dwelling units up to 3,000 square feet in size are assigned 1 SFE, and residences larger in size are assigned additional increments of SFEs greater than 1. For example, a 4,500 square foot residence would be assigned 1.5 SFEs to account for the increased water use of a larger residence. To convert single-family, duplex, and multifamily dwelling units to SFEs, existing water service accounts in Berry Creek were examined. 940 single-family and duplex residential accounts currently exist in the Berry Creek PUD with each single-family and duplex account representing one dwelling unit. Therefore, 940 of the 1,183 entitled single-family and duplex residential dwelling units entitled in the Berry Creek PUD have been developed for a total of 1,095 SFEs, or approximately 1.2 SFEs per single-family and duplex residential dwelling unit. This results in a potential buildout of up to 1,420 SFEs associated with the 1,183 entitled single-family and duplex residential dwelling units. The undeveloped single-family and duplex dwelling units largely appear to be a result of duplex lots developed with only one single-family residential unit.

Multi-family residential dwelling units are typically less than 3,000 square feet in size thus each existing multi-family residential dwelling unit was assigned 1 SFE for a total of 123 SFEs. This results in a potential buildout of up to 1,543 SFEs in the Berry Creek PUD if each entitled single-family and duplex residential dwelling unit is ultimately developed, and no additional multi-family residential dwelling units are developed.

Additionally, several commercial water service accounts exist in the Berry Creek PUD. For commercial uses, SFEs are assigned based upon meter size and other relevant factors. Table 2 shows the current number of commercial SFEs that exist in the Berry Creek PUD.

**Table 2: Berry Creek PUD Commercial SFEs**

<b>Berry Creek PUD Commercial Development</b>	<b>SFEs</b>
Singletree Clubhouse	10.3
Golf Course Maintenance Facility	1.5
Singletree Restrooms (20 Stetson Drive)	1.5
Singletree Community Center	2.6
Golf Course Restrooms	1.5
Golf Course Restrooms	1.5
Berry Creek Park Restrooms	1.5
Charolais Park Restrooms	3.5
<b>Total Existing Commercial SFEs in Berry Creek PUD</b>	<b>23.9</b>

In total, development in the Berry Creek PUD could result in service to up to 1,566.9 SFEs if every entitled dwelling unit is realized.

**The Berry Creek 5<sup>th</sup> Filing**

The Berry Creek 5<sup>th</sup> Filing generally consists of lands located south of I-70 between the Edwards Spur Road and the Miller Ranch Affordable Housing Development and north of the Union Pacific Railroad right-of-way. The Berry Creek 5<sup>th</sup> Filing is contained within the Berry Creek Metropolitan District boundaries and receives domestic water service from the Authority. The Berry Creek 5<sup>th</sup> filing was originally planned to be developed as single-family residential housing and is included as such in the consumptive use projections in the augmentation plan decreed in Case No. W-3999. The 5<sup>th</sup> filing was removed from the Berry Creek PUD, and the land use is now governed by the Berry Creek/Miller Ranch Planned Unit Development (Berry Creek/Miller Ranch PUD) recorded in Eagle County File Nos. ZC-00053 and PDSP-00014. The former Berry Creek 5<sup>th</sup> filing generally consists of development Tracts A, B, and C in the Berry Creek/Miller Ranch PUD. Tract A is the current site of the Colorado Mountain College Edwards Campus, Tract B is the current site of the Eagle County School District’s Battle Mountain High School Campus, and Tract C is the current site of Eagle County’s Freedom Park, the Mountain Recreation Fieldhouse, and associated ballfields. Permitted land uses generally include but are not limited to educational facilities, childcare facilities, community centers, dormitories, senior centers, recreational facilities, public facilities, and other compatible uses accessory to the operation of educational facilities. The Berry Creek/Miller Ranch PUD does not prescribe densities on Tracts A, B, and C that could otherwise be used to project water use for the current entitlements. Existing developments in the Berry Creek portion of the Berry Creek/Miller Ranch PUD generally utilize raw water for irrigation that is provided by water rights owned by Eagle County and the Eagle County School District. The current developed total of SFEs in the Berry Creek portion of the Berry Creek/Miller Ranch PUD is reported in Table 3.

**Table 3: Existing SFEs In Berry Creek portion of Berry Creek/Miller Ranch PUD**

<b>Multi-Family Residential</b>	<b>SFEs</b>
CMC Housing Buildings 1 & 2 (36 Units Each)	72
ECSD Housing	37
<b>Subtotal Residential</b>	<b>109</b>
<b>Commercial</b>	<b>SFEs</b>
Battle Mountain High School	40.9
Colorado Mountain College	10.3
Edwards Field House	5.8
Freedom Park Splash Park and Restroom Facilities	5.8
<b>Subtotal Commercial</b>	<b>62.8</b>
<b>Total Existing SFEs in Berry Creek Portion of Berry Creek/Miller Ranch PUD</b>	<b>171.8</b>

Combined with the aforementioned SFEs in the Berry Creek PUD, service to existing development and entitlements that are a use by right in Berry Creek represents a total potential buildout of 1,738.7 SFEs

### 2023 Water Supply Modeling

The Authority uses the single-family equivalent (SFE) for purposes of water demand projections. For previous modeling efforts, District Staff and consultants Helton & Williamsen, P.C. developed a buildout projection of 1,522 SFEs in Berry Creek based upon our understanding of buildout and prior discussions with Eagle County Planning Staff. This projection appears to have underestimated buildout potential in Berry Creek based on the preceding sections in this memorandum but is the basis for the best available modeling information we have at this time.

To project water demands at the assumed buildout of 1,522 SFEs in Berry Creek, metered water use supplied to customers was used to develop indoor and outdoor water use demands per SFE. The per SFE water demands were then applied to the 1,522 SFE buildout projection. A 5-year average demand projection is included in Table 4 as well as a high year demand projection based upon the 2012 drought year which represents a 1:20 year drought occurrence. The buildout demand projection based upon 1,522 SFEs is presented in Table 4.



**Table 4**

**BERRY CREEK - PROJECTIONS OF WATER DEMAND AND DEPLETION  
 NORMAL (5-YEAR AVERAGE) RATE (gpd/SFE) (Top)  
 HIGH YEAR (2012 Water Year) RATE (gpd/SFE) (Bottom)  
 1,522 TOTAL SFES  
 (values in acre-feet)**

Month (1)	5-year Average		Potable Diversion (3)	Projection -- 1,522 Total SFE			
	In-Building gpd/SFE (2a)	Irrigation gpd/SFE (2b)		Diversion for Potable Use		Lake Evaporation (6)	Depletion (7)
				In-building (4)	Irrigation (5)		
Nov	112	0	17.6	17.6	0.0	0.15	1.0
Dec	112	0	18.3	18.3	0.0	0.07	1.0
Jan	118	0	19.1	19.1	0.0	0.04	1.0
Feb	110	0	16.2	16.2	0.0	0.07	0.9
Mar	110	0	17.9	17.9	0.0	0.12	1.0
Apr	114	0	18.0	18.0	0.0	0.14	1.0
May	113	141	41.3	16.4	24.9	0.30	13.6
Jun	113	455	89.5	15.8	73.7	0.33	37.9
Jul	113	540	106.2	16.4	89.8	0.59	46.3
Aug	113	456	92.6	16.4	76.3	0.52	39.5
Sep	113	366	75.3	15.8	59.5	0.41	31.0
Oct	113	42	25.2	16.4	8.9	0.28	5.5
<b>Total</b>	–	–	537.2	204.2	333.1	3.0	179.7
Nov-Apr	–	–	107.1	107.1	0.0	0.6	5.9
May-Oct	–	–	430.2	97.1	333.1	2.4	173.8

Eagle County buildout projection for Berry Creek is 1,522 Residential Units.  
 5-year average Nov-Apr use is 113 gal/d/SFE.  
 Total diversion includes 11% non-revenue water.

Month (1)	2012 Water Year		Potable Diversion (3)	Projection -- 1,522 Total SFE			
	In-Building gpd/SFE (2a)	Irrigation gpd/SFE (2b)		Diversion for Potable Use		Lake Evaporation (6)	Depletion (6)
				In-building (4)	Irrigation (5)		
Nov	110	0	17.3	17.3	0.0	0.15	1.0
Dec	125	0	20.3	20.3	0.0	0.07	1.1
Jan	132	0	21.5	21.5	0.0	0.04	1.1
Feb	126	0	18.5	18.5	0.0	0.07	1.0
Mar	114	0	18.5	18.5	0.0	0.12	1.0
Apr	132	0	20.8	20.8	0.0	0.14	1.2
May	113	355	76.1	16.4	59.8	0.30	31.0
Jun	113	588	110.4	15.8	94.5	0.33	48.4
Jul	113	486	97.4	16.4	81.1	0.59	42.0
Aug	113	449	91.4	16.4	75.1	0.52	38.9
Sep	113	337	70.8	15.8	55.0	0.41	28.7
Oct	113	52	26.8	16.4	10.5	0.28	6.3
<b>Total</b>	–	–	590.0	214.1	375.9	3.0	201.7
Nov-Apr	–	–	117.0	117.0	0.0	0.6	6.4
May-Oct	–	–	473.1	97.1	375.9	2.4	195.3

Eagle County buildout projection for Berry Creek is 1,522 Residential Units.  
 5-year average Nov-Apr use is 113 gal/d/SFE.  
 Total diversion includes 11% non-revenue water.

- 2a) Nov-Apr: Observed monthly unit rates.
- May-Oct: Minimum of observed current month unit rates or winter average gal/d/SFE.
- 2b) May-Oct: Observed monthly unit rates - Col. 2a.
- 3) Total diversion using 11% non-revenue water, individual total demand rates, and individual projected buildout SFEs for Berry Creek.  
 ([Col. 2a x Future Total SFEs] + [Col. 2b x Future Total SFEs]) x Days per month ÷ [1 - 0.11] ÷ 325851.
- 4) Minimum of [(winter average gpd/SFE x SFEs x Days per month) ÷ 325851] or Col. 3.
- 5) Col. 3 - Col. 4.
- 8) Decreed evaporation from Case No. W-3999.

The 2023 modeling effort shows that demands for a buildout projection of 1,522 SFEs results in a maximum augmentation requirement of 195.3 acre-feet during the irrigation season months of May – October and 6.4 acre-feet during the non-irrigation season months of November – April. As previously discussed, Berry Creek’s interest in the augmentation plan decreed in Case No. W-3999 totals 195.6 acre-feet of consumptive use credits. All but 0.3 acre-feet of Berry Creek’s consumptive use credits are projected to be utilized at the 1,522 SFE buildout projection for augmentation in a drought year.

To understand the system wide performance of the Authority’s Eagle Park Reservoir supplies, similar buildout demand projections were developed for each of the entities served by the Authority including the Town of Avon and the Arrowhead, Bachelor Gulch, Beaver Creek, Cordillera, Eagle-Vail, Edwards, and Traer Creek metropolitan districts. The water demand projections for each entity consider the water rights allocated to each entity, current water service and water use, existing land use entitlements, and any other water service agreements that the Authority has entered into.

Modeling was performed using the Authority’s proprietary water rights planning model. The model is based on the State of Colorado’s State Mod modeling platform and includes enhancements in the Eagle River basin to accurately reflect the operation of the District and Authority’s water rights portfolios, decrees, diversions, augmentation sources, and demands. The model utilizes historical hydrology that is based upon observed flow measurements at USGS stream gages throughout the watershed and simulated hydrology that was developed to represent potential climate impacted hydrology based upon the aggregated outputs of various climate models that are grouped into 3 general climate projections: warm and wet, hot and dry, and median climate change. The Authority’s Eagle Park Reservoir supplies are utilized in the model to meet its system wide augmentation requirements when other sources such as historic consumptive use credits allocated to each of its members are depleted, when out of basin sources are unable to be exchanged to the Authority’s diversion points, or when diversions are out of priority due to an instream flow call or other senior call on the Eagle River. These types of calls typically occur during dry hydrologic years and stress the Authority’s in-basin reservoir supplies. The modeling indicated that the Authority’s Eagle Park Reservoir supplies were insufficient to meet the projected system wide demands at buildout when considering historical hydrology and senior calls that affected diversions on the Eagle River during the 2002 drought. The modeling further indicated that existing Eagle Park Reservoir supplies were insufficient to meet system wide demands under the median and hot and dry climate scenarios for simulations based on the 2012 and 2002 droughts that were adjusted for the climate scenarios.

### **Conclusions & Recommendations**

The Authority’s water supplies that are currently allocated to serve Berry Creek are insufficient to meet the projected demands in Berry Creek based upon a buildout projection of 1,522 SFEs. Further review of the Berry Creek PUD and Berry Creek/Miller Ranch PUD indicates that this buildout projection may underestimate the ultimate buildout potential in Berry Creek based upon current entitlements and service commitments. Any further new development requests in Berry Creek are subject to the Authority’s water dedication policy other than existing entitlements for single-family and duplex residential homes in the Berry Creek PUD.

The following recommendations should be incorporated in future modeling efforts for Berry Creek:

- Utilize a buildout projection of 1,738.7 SFEs to account for existing entitlements and service commitments.
- Existing developments in the Berry Creek 5<sup>th</sup> filing utilize raw water for outdoor irrigation supplied by Eagle County and the Eagle County School District. As such, future water demand projections

based on per SFE water use in the 5<sup>th</sup> filing should be developed independently based on actual water use in the 5<sup>th</sup> filing to avoid the inclusion of outdoor irrigation use that is not supplied by the Authority in the demand projections.

# Authority Unallocated In-Basin Storage Supply

Updated: 06/18/2024 by JEC

	In-basin Reservoir Storage, acft Affordable Housing Reserve <sup>2</sup>	In-basin Reservoir Storage, acft Unrestricted <sup>3</sup>
<b>Available Unallocated In-Basin Storage<sup>1</sup></b>	<b>87.40</b>	<b>75.00</b>
<b>Dedication Requirements for New Projects</b>		
State Land Board (Avon)	16.00	--
Eagle-Vail Presbyterian Church Employee Housing (Eagle County)	--	0.17
Eagle County Freedom Park Project (Berry Creek)	3.28	
Cairns Townhomes (Edwards)	--	1.08
<b>Total Pending Dedications</b>	<b>19.28</b>	<b>1.25</b>
<b>Remaining Unallocated In-Basin Storage</b>	<b>68.12</b>	<b>73.75</b>

**Notes:**

1) Available Unallocated In-Basin Storage based on modeling for February 2023 Water Rights Report using Buildout Demands with Conservation and 95th Percentile Dry Year Hydrology under Median Climate Change Scenario. Pending developments that were included in the buildout demands include the West End PUD, the Edwards River Park PUD, the Margaux PUD, and the Warner Building Redevelopment.

2) Affordable Housing Reserve In-basin Reservoir Storage is Eagle Park water transferred to UERWA by Eagle County for water rights dedication requirements of housing projects subject to the terms of the Eagle Park Reservoir Stock Agreement between the Authority and Eagle County. Projects utilizing this water are subject to approval by the Authority and Eagle County.

3) Unrestricted In-basin Reservoir Storage includes 25 acft option purchased from ERWSD and 50 acft lease from the Colorado River Water Conservation District.

4) Water dedication requirements and sources are based on best available information and are subject to change.



## UERWA New Development Report, June 2024

Project Location	Type of Use	Water Source	SFEs Proposed	Augmentation Requirement (acre-feet)	Application Initiation Date	Development Approval Process Step:	Construction Approval Process Step:	
CMC Student Housing Building 3	Residential	Unallocated	36	TBD	May 7, 2024	1. Connection Application	1. Plan Review	
State Land Board Parcels Unincorporated ECO	Mixed	Eagle County Agreement	700 Units + 60,000 SF Com	16	August 7, 2023	2. Water Analysis	0. Conceptual	
Eagle River Presbyterian Church Housing Unincorporated ECO	Residential	Unallocated	2	0.17	June 20, 2023	3. Cond. Capacity Expires October 24, 2024	1. Plan Review	
West Riverview (formerly Cairns) Edwards	Residential	Unallocated	9	1.08	June 7, 2023	3. Cond. Capacity Expires May 13, 2025	0. Conceptual	
Eagle County - Freedom Park Project Edwards	Mixed	Eagle County Agreement	20 + Com	3.28	May 22, 2023	3. Cond. Capacity Expires January 12, 2025	1. Plan Approval	
North Road Project Traer Creek	Access Road	N/A	N/A	N/A	May 10, 2023	N/A	3. Under Construction	
Margaux PUD Edwards	Residential	Unallocated	32	3.56	October 11, 2021	3. Cond. Capacity Expires October 9, 2024	0. Conceptual	
Edwards River Park PUD Edwards	Mixed	Unallocated	440	60.85	December 2, 2016	3. Cond. Capacity Expires February 2025	1. Plan Review	
Projects not requiring or that have completed Water Rights Dedication								
Prime West Apartments	Residential	Traer Creek Water Service Agreement	242		May 13, 2024	5. Ability to Serve Letter	1. Plan Review	
130 W BC BLVD Hotel Avon	Residential	Avon SFE Guarantee	80		March 20, 2024	N/A	0. Conceptual	
Gracious Savior Lutheran Church and Eagle County School District Housing Project	Residential	Edwards Metro District Water Rights	6		November 22, 2023	5. Ability to Serve Letter	N/A	
Vail Valley Foundation Childcare Center Traer Creek	Mixed	Traer Creek Water Service Agreement	TBD		October 13, 2023	1. Connection Application	0. Conceptual	
Slopeside Housing Avon	Residential	Avon SFE Guarantee	TBD		October 5, 2023	1. Connection Application	0. Conceptual	
140 W BC BLVD Hotel Avon	Residential	Avon SFE Guarantee	79		May 16, 2023	N/A	1. Plan Review	
Tract Y - Metcalf Road Avon	Residential	Avon SFE Guarantee	53		February 16, 2023	5. Ability to Serve Letter	3. Under Construction	
McGrady Acres Avon	Residential	Avon SFE Guarantee	24		August 5, 2021	5. Ability to Serve Letter	3. Under Construction	
Warner Building 2 Conversion Eagle-Vail	Residential	Unallocated	13.6	0.07	March 16, 2018	5. Ability to Serve Letter	N/A	
West End PUD Amendment Edwards	Residential	Unallocated	275	34.25	February 27, 2019	3. Cond. Capacity Reissued Nov. 15, 2023	1. Plan Review	
Projects that have recieved Construction Acceptance								
CMC Student Housing , ECO School District Housing, Frontgate, Maverik Gas Station, NorthStar PUD, Piedmont Apartments, Avon Dual Brand Hotel Traer Creek - Tract J, Fox Hollow PUD								
<b>Development Approval Process Steps:</b>				1. Connection Application	2. Water Demand Worksheet Analysis	3. Conditional Capacity to Serve Letter	4. Water Rights Allocation & Service Agreement	5. Ability to Serve Letter
<b>Infrastructure Acceptance Process Steps:</b>				0. Conceptual	1. Plan Review	2. Plan Approval	3. Under Construction	4. Construction Acceptance



## ERWSD New Development Report, June 2024

Project Location	Type of Use	SFEs Proposed	Augmentation Requirement (acre-feet)	Application Initiation Date	Development Approval Process Step:	Construction Approval Process Step:
Timber Ridge II Redevelopment Vail	Residential	294 (195.4 net increase)	2.2	July 25, 2023	3. Conditional Capacity to Serve Letter	2. Plan Approval
Maloit Park ECO School District Housing Minturn	Residential	138 (122 net increase)	N/A	July 21, 2023	N/A	1. Plan Review
Midtown Village PUD Minturn	Mixed	42 + Com	N/A	October 13, 2022	N/A	1. Plan Review
North Minturn PUD Minturn	Residential	36	N/A	October 10, 2022	N/A	3. Under Construction
Middle Creek Lot 4,5 Vail	Mixed	268	4.2	June 28, 2022	3. Conditional Capacity to Serve Letter	1. Plan Review
Wolcott PUD Wolcott	Mixed	360 + Com	TBD	May 11, 2022	0. Conceptual	0. Conceptual
Belden Place (1200 Block Main St) Minturn	Residential	39	N/A	December 23, 2020	N/A	2. Plan Approval
Highline (Double Tree Expansion) Vail	Residential	43.65	0.79	July 11, 2019	5. Ability to Serve Letter	2. Plan Approval
500 E Lionshead Circle - Legacy Vail	Residential	20	0.29	August 29, 2018	4. Water Rights Allocation & Service Agreement	3. Under Construction
Alura (Miradoro) Vail	Residential	10	0.405	May 29, 2018	4. Water Rights Allocation & Service Agreement	3. Under Construction
534 E Lionshead Circle - Elevation Vail	Residential	12	0.31	May 14, 2018	1. Connection Application	0. Conceptual
<b>Projects that have recieved Construction Acceptance</b>						
VVMC Phase II-East Wing, Vail Marriot Residence Inn, Residences at Main Vail						
<b>Development Approval Process Steps:</b>	1. Connection Application	2. Water Demand Worksheet Analysis	3. Conditional Capacity to Serve Letter	4. Water Rights Allocation & Service Agreement	5. Ability to Serve Letter	
<b>Infrastructure Acceptance Process Steps:</b>	0. Conceptual	1. Plan Review	2. Plan Approval	3. Under Construction	4. Final Acceptance	



## MEMORANDUM

**TO:** Board of Directors

**FROM:** Jason Cowles, P.E., Director of Engineering and Water Resources  
Justin Hildreth, P.E, Water Resources Engineer

**DATE:** June 18, 2024

**RE:** Water Shortage Response Plan, June 2024 Update

Droughts are a common natural hazard in Colorado and can be catastrophic and extremely costly. The new Water Shortage Response Plan (WSRP) will identify the steps required to monitor and identify stages of drought, key trigger points in the Eagle River Water and Sanitation District and Upper Eagle Regional Water Authority (D&A) system, and important measures to mitigate drought and extend water supplies. The underlying goal is to preserve the D&A's ability to supply water for essential public services, protect the environment from damage due to human water diversions, and ensure the stability of the recreation-based economy.

The WSRP focuses on meeting short-term water shortages and will complement the long-term water conservation plan. In addition to responding to drought conditions, the D&A will implement the WSRP during emergency system outages.

The existing Drought Response Plan was drafted following the 2012 drought to document the actions taken that year to address water shortage concerns. However, the plan was very prescriptive and not representative of the actual conditions. As a result, we did not utilize the plan during the 2018 and 2021 droughts. The recent hydrologic modeling efforts have provided a better understanding of the system's vulnerabilities and when water reduction measures will be necessary.

### Background

Colorado Water Conservation Board (CWCB) awarded the D&A a Colorado Water Plan Grant Implementation Program award for \$59,586 for preparing the WSRP. Per the grant program, we are developing the WSRP as recommended in the CWCB 2020 Drought Plan Guidance document. The process includes the following tasks:

1. Identifying a planning process, plan objectives, and operating principles
2. Assessing system vulnerabilities
3. Creating a plan to monitor drought conditions
4. Developing drought stages, trigger points, and response targets
5. Strategizing mitigation responses
6. Forming a drought response program
7. Generating a response operation administrative framework
8. Approve and adoption of the WSRP

The D&A retained LRE Water to prepare the WSRP because of the firm's in-depth knowledge of the D&A system hydrology, water rights, and water treatment and distribution systems. The CWB grant covers 75% of the cost of this contract, which is the maximum amount allowed per CWCB grant guidelines.

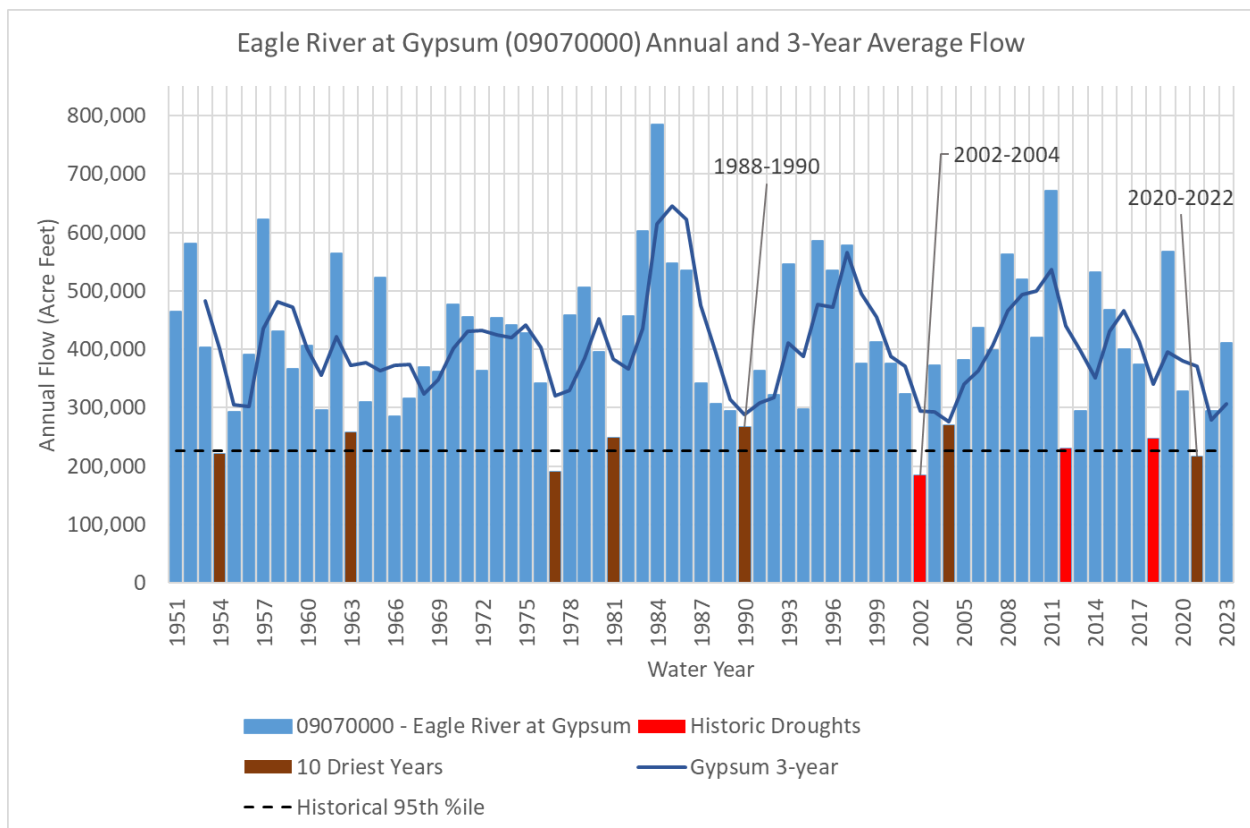
### Community Engagement

A drought response committee including relevant Staff members and the Water Conservation Committee met several times to guide the plan development and provide feedback on its components. We will present the plan components and request feedback to an external stakeholder group scheduled to meet on August 1. The stakeholder group includes local government representatives, major businesses, and large water users.

### Water System Vulnerability

The Eagle River at Gypsum gage is the most appropriate to analyze historical flows because it has the longest period of record on the Eagle River, going back to 1947. Since 2000, the Eagle River's total annual flow was below the 95th percentile in 2002, 2012, and 2021. Figure 1 includes the annual and 3-year average flow at the gage.

Figure 1: Eagle River at Gypsum Annual Flow (Acre-Feet)





The D&A must augment in-stream diversions and accompanying consumptive use when the flow in the Eagle River is below the CWCB decreed in-stream minimum streamflow, typically in late summer and early fall. The CWCB in-stream decreed flow rate for the Eagle River in Avon is 85 cfs from May 1 to September 30 and 35 cfs for the remainder of the year. Diversions are augmented during these low-flow periods with in-basin storage, primarily from Eagle Park Reservoir (EPR). The D&A has adequate storage in Green Mountain and Wolford reservoirs, to satisfy downstream calls on the Colorado River, including Shoshone and Cameo. The D&A's storage in Eagle Park Reservoir is adequate to comfortably augment in-basin demands for one year. The system is vulnerable when there are two drought years in a row. The D&A's accounts in EPR may not be refilled in the second year, resulting in inadequate storage to augment diversions and consumptive use during an instream flow call. It is unnecessary to plan for a three-year drought cycle because the probability of that occurring is 1:1000.

Climate change will lower average flows and increase system variability and vulnerability. Figure 2 shows the projected changes to the total annual flow based on three different climate scenarios. The 2018 drought year was a 1 in 10-year event based on historical hydrology, but climate models indicate its frequency could increase to a 1 in 4-year event.

Figure 2: Projected Changes to Eagle River Annual Natural Flow Due to Climate

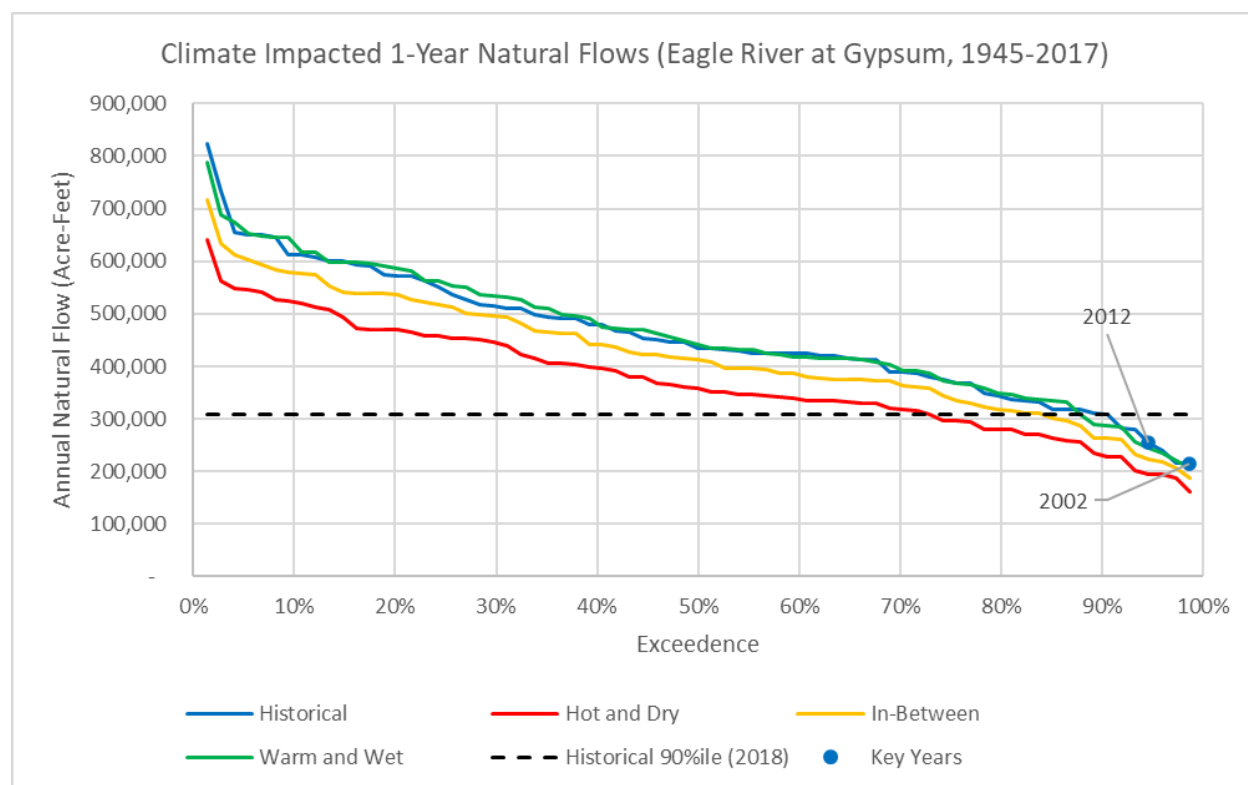
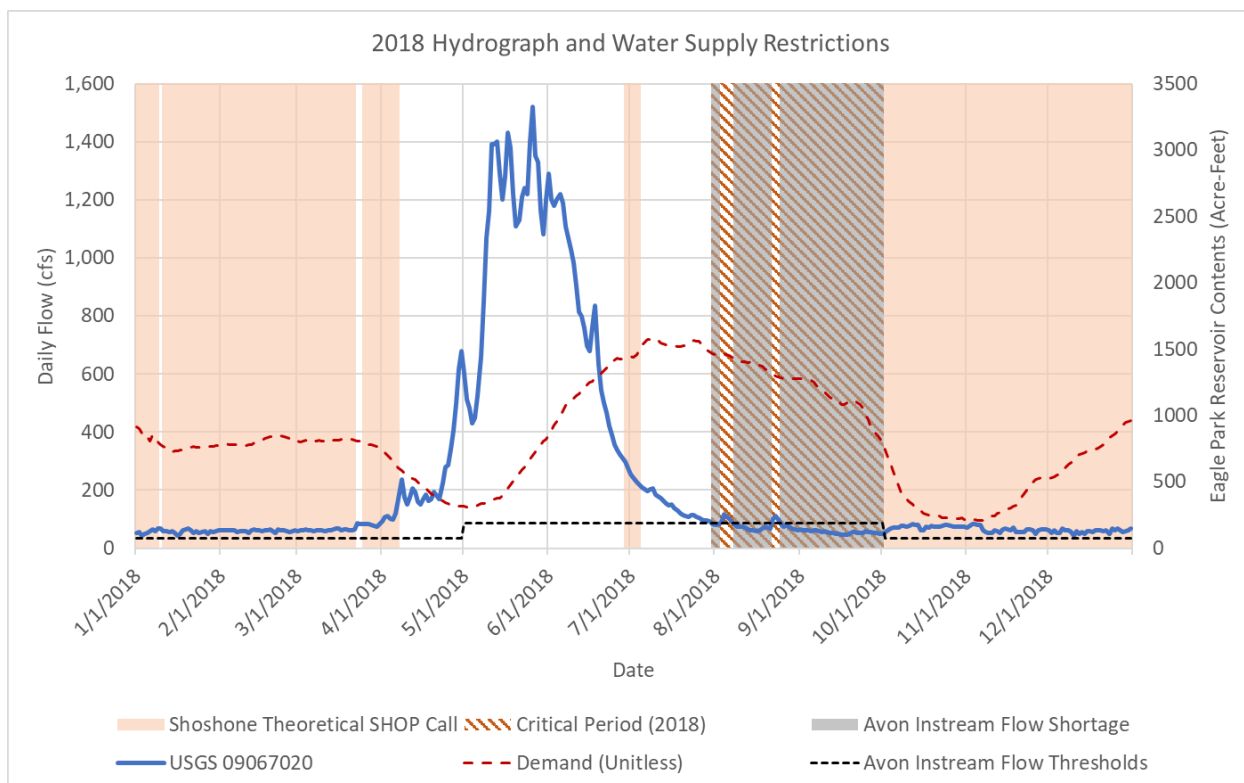


Figure 3 shows the 2018 Eagle River at Avon hydrograph, Shoshone call, minimum stream flow thresholds, water demand, and in-stream flow shortage period. For 10 months of the year, the Eagle River natural flows can meet the D&A demands and the minimum in-stream thresholds. In dry years, the combination of higher water use because of outdoor irrigation and lower instream flows lowers the flow in the Eagle River below the minimum in-stream threshold. As a result, the D&A must augment water diversions in August and September to ensure compliance with minimum in-stream thresholds and other downstream water rights obligations.

Figure 3: 2018 Eagle River Hydrograph, Water Demand and Water Supply Restrictions



**Monitoring**

Three major hydrological and structural indicators signal a potential water shortage that warrants D&A water restrictions:

- The April 1<sup>st</sup> Snow Water Equivalent (SWE) measurements at the Vail Mountain, Copper Mountain, and Fremont Pass SNOTEL sites.

- The Eagle River at Avon USGS gage station peak flow is below 1,200 cfs.

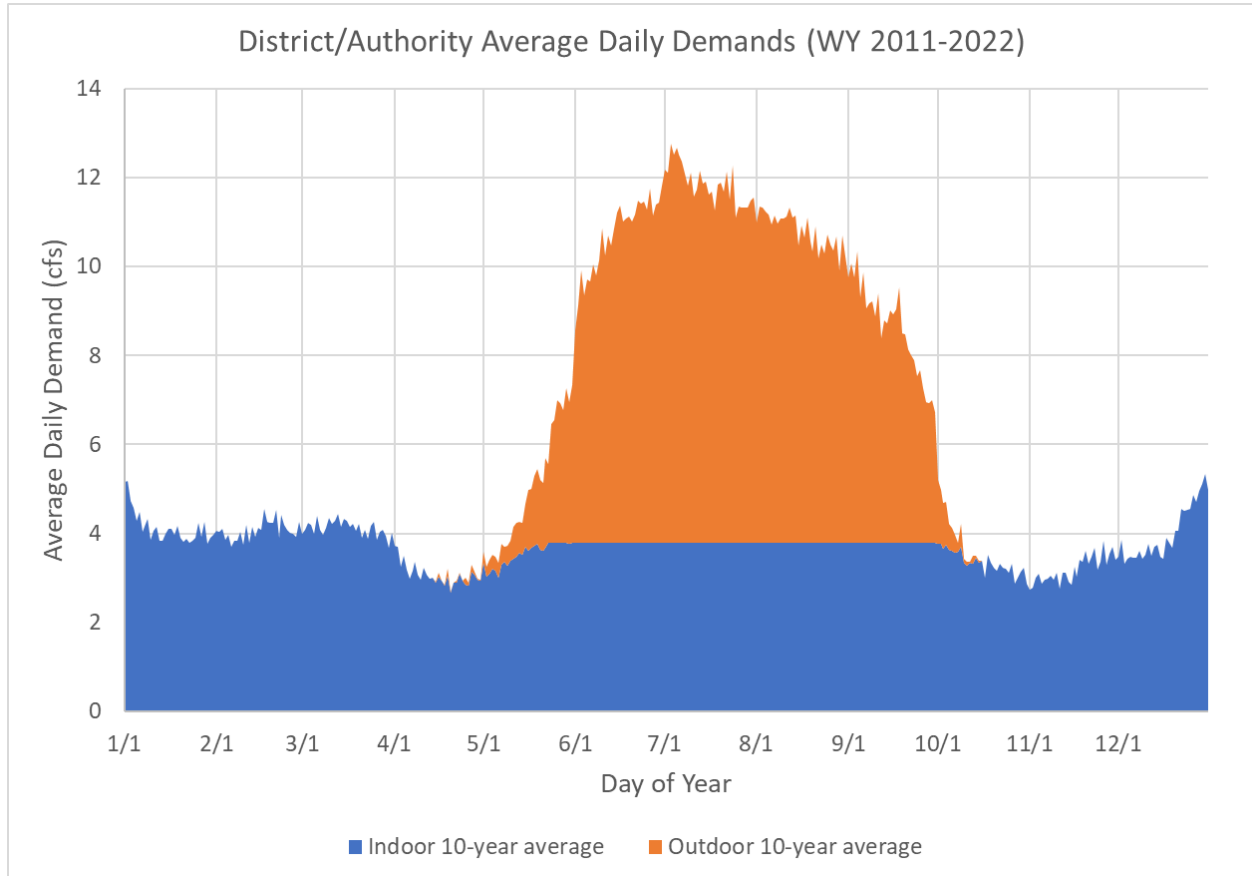
- Eagle Park Reservoir did not fill by July 1.

If the April 1 SWE measurements indicate a below-average snowpack, the D&A will initiate drought preparations and prepare to communicate water conservation measures to the customers. The second and third drought indicators confirm the water shortage, providing direction to the D&A to initiate water conservation measures to ensure that the reduced storage in EPR is adequate to augment diversions.

**Mitigation & Enforcement**

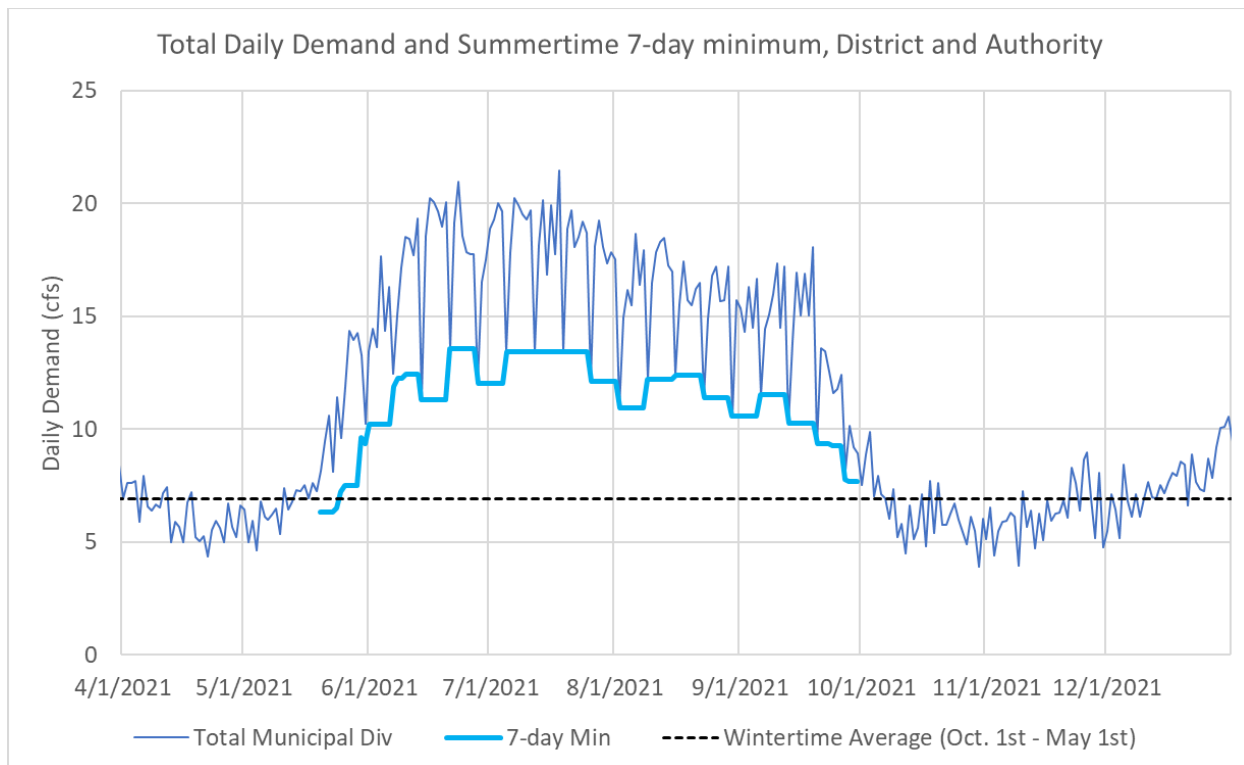
The D&A average daily demands more than double during the summer irrigation season. The D&A customers can curtail this water use and allow the D&A to meet the indoor water and public safety demands (Figure 4).

Figure 4: D&A Average Daily Demands (2011 to 2022)



The D&A system’s total daily demand and summertime daily minimum demand decrease by approximately 50% on Monday when the outdoor water use schedule requests customers not to irrigate outdoors (Figure 5). The low rate of voluntary compliance indicates that the D&A should consider the inclusion of enforcement and financial surcharges to achieve significant irrigation reductions during a water shortage. Tools to ensure compliance include a water surcharge during the irrigation season and/or non-compliance fines.

Figure 5: D&A Total Demand and Summertime 7-Day Minimum



**Drought responses**

There are two categories of drought response strategies, active and passive. Passive strategies are voluntary requests to customers to implement water conservation measures. Active response strategies require immediate action by D&A customers including reducing lawn irrigation, deferring outdoor washing, and moderating indoor water use. Active response strategies will be the most effective compared to passive strategies. The active measures must be mandatory and include enforcement in severe drought scenarios, particularly 2-year droughts.

To be effective, the D&A will implement a combination of supply-side actions, customer communications, monitoring, and enforcement. Staff will monitor the success of each measure for effectiveness and impact on the community and adjust if necessary. Figure 6 is a draft of D&A's staged responses to a short-term water shortage. The watch and warning stages track with the D&A's existing water conservation policies. Severe Levels 1 and 2 are mandatory measures and require enforcement. Severe Level 2 and Emergency include drought surcharges for usage in tiers 3, 4, & 5. The surcharges will assist with recouping D&A expenses for enforcement and lost revenue from the decrease in water use. We will develop and justify the surcharges for adoption as part of the existing rate sheet and only implement with the authorization of the Boards when there is a water shortage.

Figure 6: Proposed WSRP Stages and Associated Responses and Actions

	Watch	Warning	Severe Level 1	Severe Level 2	Emergency
Trigger	None	Low SWE EPR Contents	Low Peak Streamflow No EPR refill by 7/1 Expected Critical Period > 30 days	Low Peak Streamflow No EPR refill by 7/1 Expected Critical Period > 40 days	Low Peak Streamflow No EPR refill by 7/1 Weather conditions Previous year wildfire
Monitoring Actions	SWE Streamflow	SWE EPR Contents Streamflow Outdoor Demands	SWE EPR Contents Streamflow Outdoor Demands	SWE EPR Contents Streamflow Outdoor Demands	SWE EPR Contents Streamflow Total Demand Weather Conditions (Fire) Infrastructure Conditions
District Staff Actions	No special actions	<ul style="list-style-type: none"> <li>Inform Board of Pending Shortage Conditions</li> <li>Focus on Operational Efficiencies</li> </ul>	<ul style="list-style-type: none"> <li>Request Board to Declare Shortage</li> <li>Water Shortage Response Committee</li> <li>Initiate Enforcement Actions</li> </ul>	<ul style="list-style-type: none"> <li>Request Board to Declare Shortage</li> <li>Water Shortage Response Committee</li> <li>Initiate Enforcement Actions</li> </ul>	<ul style="list-style-type: none"> <li>Request Board to Declare Water Supply Emergency</li> <li>Activate ICS</li> <li>Water Use Enforcement Actions</li> </ul>
External Comms	None	Drought Indicator Status	<ul style="list-style-type: none"> <li>Drought Indicator Status</li> <li>Enforcement Measures</li> </ul>	<ul style="list-style-type: none"> <li>Drought Indicator Status</li> <li>Enforcement Measures</li> </ul>	<ul style="list-style-type: none"> <li>Drought Indicator Status</li> <li>Enforcement Measures</li> <li>Activation of ICS</li> </ul>
Response Actions	None	<ul style="list-style-type: none"> <li>Voluntary Actions</li> <li>Indoor/Outdoor use</li> <li>Outreach</li> </ul>	<ul style="list-style-type: none"> <li>Mandatory Actions- 2 day watering</li> <li>Enforcement</li> <li>Outreach</li> </ul>	<ul style="list-style-type: none"> <li>Mandatory Actions- 1 day watering</li> <li>Drought Surcharges</li> </ul>	<ul style="list-style-type: none"> <li>Mandatory Actions - No Outdoor Use</li> <li>Drought Surcharges</li> </ul>
External Communications					

**Next Steps**

The project team will present the primary components of the WSRP, including system vulnerabilities and enforcement, to a stakeholder group on August 1. After receipt of the stakeholder group comments, a draft plan will be prepared in September. The plan will be presented to the Boards in late 2024 for adoption.



## MEMORANDUM

**TO:** Boards of Directors  
**FROM:** Diane Johnson, Communications & Public Affairs Manager  
**DATE:** June 27, 2024  
**RE:** Communications and Public Affairs Report

### **Avon Wastewater Treatment Facility Open House – July 24**

We will celebrate the 2023 completion of the Nutrient Upgrade Project at the Avon wastewater treatment facility with an open house and tours **from 1 to 2:30 p.m. on Wednesday, July 24**. Please save the time on your calendars. We are inviting Avon officials and staff who were involved in the project permitting process, nearby residents, and industry/community reps. The event will be open to the community.

### **Eagle Valley Trail ribbon cutting in Dowd Junction – June 26**

ECO Trails is hosting a [triple ribbon cutting bike parade](#) between 3 and 4 p.m. on Jun. 26 for three segments of the Eagle Valley Trail between EagleVail and Minturn. The District's multi-year [wastewater collection system improvement project](#) in Dowd Junction included partnering with ECO Trails to complete a new section of trail (in Phase III) and [upsized a new utility bridge to meet pedestrian and bicycling needs](#) (in Phase I). District board member Kate Burchenal and CIP Manager Jeff Schneider will participate in the ribbon cutting at the Dowd Junction stop (at approximately 3:40 p.m.).

### **Digital Accessibility**

Colorado's [Rules Establishing Technology Accessibility Standards, 8 CCR 1501-11](#) take effect Jul. 1. The district is on track to meet this new regulation thanks to Brian Thompson's leadership and partnership with Justin Way. Many accessibility-related issues have been corrected on the district website, e.g., contrast, colors, links, alternative text for images/graphics along with proper naming conventions, and more will be updated by the deadline. This regulation will ultimately affect every employee as we adopt new work methods to ensure our communication and information technology is transparent and accessible to all. Communications staff is documenting changes made and associated hours and/or costs as this process will continue for years as we work to remove accessibility barriers.

### **SDA Workshop**

The Special District Association of Colorado held workshops for special district board members and staff in locations across the state over the last month. I and several board members attended the June 12 workshop in Vail. The workshop outline and the 2024 board member manual can be [downloaded from the SDA website](#).

### **Eagle River Valley State of the River meeting**

The communications team ensured this annual event was welcoming and ran smoothly in collaboration with the Colorado River District on May 29. Attendees heard about this year's snowpack and related streamflow projections, the Shoshone water rights acquisition, the increasing cost of wastewater and water treatment and infrastructure, and the Eagle River Community Water Plan. The Vail Daily referenced the snowpack/streamflow presentation in this [May 31 story about streamflows](#) and [reported on the water affordability discussion](#) (also attached below). The [entire meeting is available to view online](#) – along with other water-related content in the [ERWSD playlist](#) on the High Five Access Media website.

**Community Outreach**

We are again staffing a water station at the [Vail Farmers' Market](#), held every Sunday from June 16 to October 6. We also participated in Avon's May 22 town cleanup and sustainability fair and the Jun. 1 Pride in the Park event.

**Colorado River Basin**

Colorado River system negotiations continue; a smattering of media reports is linked below.

**District in the news:**

1. Jun. 2, Vail Daily: Will water bills in Eagle County turn into a second mortgage?
2. May 30, Grand Junction Sentinel: [Bill signed committing \\$20 million in state funds for Shoshone water deal](#)
3. May 28, Vail Daily: Upper Eagle River water providers pledge \$1 million to Shoshone water rights purchase

**Attachments (or hyperlinks):**

1. Jun. 13, Aspen Journalism: [Group to focus on water for the environment](#)
2. Jun. 13, Colorado Sun: [Has your water bill gone up? Depends on where you live in Colorado.](#)
3. Jun. 11, Glenwood Spring Post Independent: [Garfield County pledges \\$3 million toward Shoshone water rights preservation](#)
4. Jun. 7, KUNC: [The future of the Colorado River won't be decided soon, states say](#)
5. Jun. 7, Colorado Sun: [States talk Colorado River future, hang-ups in negotiations at CU conference](#)
6. Jun. 1, High Country News: [Water inequality on the Colorado River](#)
7. May 31, WyoFile: [Could Wyoming water get piped to Colorado? A decades-old plan resurfaces](#)
8. May 30, Vail Daily: [At town hall in Eagle, Hickenlooper faces questions about water, inflation, immigration](#)
9. May 30, Vail Daily: [Shoshone water project halfway to fully funded as governor signs water bills](#)
10. May 23, Big Pivots: [Are we asking the right Colorado River questions?](#)

# Will water bills in Eagle County turn into a second mortgage?

Officials address water affordability at Eagle River Valley State of the River

News [FOLLOW NEWS](#) | Jun 2, 2024



**Zoe Goldstein** [FOLLOW](#)  
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The Eagle River flows into the Colorado River, which supplies water to some 40 million people across the West. Increasing water rates are driven by changing standards for clean water, aging infrastructure, climate variability, the need for risk resiliency, dramatically increasing construction costs, and relatively small population numbers to absorb fixed costs.

*Chris Dillmann/Vail Daily archive*

Can anything be done about [rising water costs in Eagle County](#)? A panel on water affordability featuring local leaders addressed that issue on Wednesday, May, 29, during the Eagle River Valley State of the River 2024 meeting at Colorado Mountain College in Edwards.

The panel featured Sen. Dylan Roberts, who represents Eagle County at the state Capitol; Siri Roman, the general manager of the Eagle River Water & Sanitation District; Michelle Meteer, Minturn's town manager; and Jeremy Rietmann, Gypsum's town manager.

"Our small communities, we're facing some big needs," Roman said. "We know that water rates have been increasing for all of us, and we have so many needs in front of us and they're continuing to increase."

All water agencies operate under certain rules, including the Environmental Protection Agency's Clean Water Act and the Safe Drinking Water Act. The way the Clean Water Act was developed relies on water providers making continual improvements to their facilities to better serve their communities.

Increasing water rates are driven by changing standards for clean water, aging infrastructure, climate variability, the need for risk resiliency, dramatically increasing construction costs, and relatively small population numbers to absorb fixed costs.

"People just need to understand that these increases are not for nothing," Rietmann said. "They're to sustain the level of stewardship that is required to protect public health and protect our waterways."







The water affordability panel at the 2024 Eagle River Valley State of the River on Wednesday, May 29, at Colorado Mountain College in Edwards featured Siri Roman, general manager Eagle River Water & Sanitation District; Sen. Dylan Roberts; Michelle Meteer, the town manager for Minturn; and Jeremy Rietmann, the town manager for Gypsum. Zoe Goldstein/Vail Daily

## Construction costs

“We all know this, from working on our house,” Roman said. “Construction costs are going through the roof. We’re feeling it on a different scale in wastewater.”

There are a limited number of engineers and contractors that do wastewater treatment construction, according to Roman. Roman, Meteer and Rietmann all cited examples of ongoing construction projects that have seen staggering increases in cost.

In 2002, Gypsum installed its current wastewater treatment plant for \$5 million, or \$8.7 million in today’s dollars, according to Rietmann. As the town has grown, its population of 9,000 now requires a new wastewater processing facility.

Gypsum has been working on plans to build a new wastewater treatment plant for several years, and the cost has continued to climb. In 2018, the plant was estimated to cost \$35 million. In 2020, the number climbed to \$65 million. Briefly, the number [skyrocketed](#) to \$120 million, and after negotiations, the current estimated cost of Gypsum’s new wastewater treatment plant is around [\\$80 million](#).

To prepare to accommodate for the high price without putting the town into deep debt, Gypsum’s wastewater rates have increased. From 2019 to 2022, the town increased rates by 6%. In 2023, the town increased water rates by 40%, with plans to increase by 40% again in 2024, and again in 2025. A 25% increase is planned for 2026.

“So that’s 309% over seven years,” Rietmann said.

Gypsum’s tap fees were also increased in 2023 by 71%.

Minturn has around 1,000 residents, with 540 water accounts. The town looked at the cost of putting in a new [membrane plant](#) to filter clean water in 2019. That year, it was a \$6 million project. Now, the same project is projected to cost around \$18 million.

“When you spread that out over 540 accounts, it’s a big number over a long period of time, it’s really tough to deal with,” Meteer said.

The Minturn Town Council will review proposed legislation implementing tiered water rates for the town’s residents during its regular meeting on Wednesday, June 5.

The Eagle River Water & Sanitation District and Upper Eagle Regional Water Authority provide water to around 30,000 people, and wastewater services to many as well. The district and authority have several construction projects either recently completed or in the pipeline. To avoid taking on too much debt, water rates have gone up.

“Our [rates](#) have gone up 10% in the last several years. We really don’t see an end in sight,” Roman said.

## State and federal relief

Local water operators are seeking funding from the state and the federal government.

One potential source of funding is the state's water projects bill, which passes annually in different forms. Over the past two years, the bill has seen a surge in funding due to the legalization of sports betting – [90% of sports betting tax revenue goes to the water projects bill](#).

The 2024 annual water projects bill, which was signed into law by Gov. Jared Polis on May 29, allocates \$55 million to a variety of water projects around the state. This year, the [bill includes \\$20 million to help the Colorado River District purchase the Shoshone water right](#).

Before the legalization of sports betting, the bill typically scraped together \$10 to \$15 million per year in funding, according to Roberts.

“Regardless of what you feel about sports betting, to have a continuous source of funding for water projects in Colorado has been a game changer,” Roberts said.

The bill can also provide funding to local water projects.

“Some of the costs of the projects the towns are talking about could be funded in part, at least, by funding from the projects bill,” Roberts said.

Receiving federal funding for projects is challenging because, though the pot may be large, the number of towns and municipalities competing for the funding is typically also large.

Minturn has received \$3 million in federal funding for its water work through two grant cycles with the assistance of federal representatives, Meter said, but it was a complicated and daunting process.

The Eagle River Water & Sanitation District has hired Washington D.C.-based consultants this year to better its chances of receiving federal funding, including for the [Bolts Lake Reservoir](#) project, estimated to total \$100 million or more.

But applying for federal funding is not the district's only plan.

“As we look at how to handle water affordability, we don't see it as just one solution,” Roman said. “A big part of it is collaboration and flexibility.”

The district's approach also includes asking the Colorado Department of Public Health & Environment for extended time on regulatory drivers, as costs increase when planning and construction are held to time limitations, due to the remoteness of the Western Slope.

## Water conservation

Conserving water by using less, and using more efficiently, is crucial to preventing a multi-year drought, and a cornerstone of the district's plan to protect the river.

“That's the easiest way for us to protect our water supplies, and the cheapest way, is to just use less, waste less,” Roman said.

“Water and water policy, both on the quality side and regulation as well as the quantity side and conservation, has never been as much of a hot topic, and talked about topic, at the Legislature as it is now,” Roberts said. “Over the last few years, we've really been able to bring water to the forefront of our work.”

Historically, Western Slope representatives have led the way on water, as Front Range legislators had less of a direct connection to the ebb and flow of water sources, Roberts explained.

“They don't live near rivers, they don't understand the importance of this to our communities in the mountains or to the agriculture community or what have you, but that has changed over the last few years,” he said.

Two years ago, the state Legislature passed a [bill to incentivize local governments to remove non-functional turf surrounding government buildings](#). The program, Roberts said, is currently estimated to save 11 million gallons of water a year. Within the water projects bill is an additional \$2 million in funding to provide turf replacement incentives to local governments to encourage them to remove their non-functional turf.

“By replacing that turf, we can save a tremendous amount of water. In fact, it is estimated that around 50% of municipal water use is used to water nonfunctional turf,” Roberts said.

The 2024 Senate Bill 5 prohibits the installation of new nonfunctional turf in new development. “We're trying to get out ahead of the problem now,” Roberts said.

## Preparing to protect the future

Local water providers will continue to work through the challenges of meeting the twin demands of funding their required projects and regular service without bankrupting the locals who live, play and work in Eagle County.

“We don't want our community, their water bill, to be a second mortgage. That is the last thing that we want,” Roman said.

Taking a proactive approach to water concerns is necessary, Roberts said, “because with less water, those water bills only continue to go up, and it would become a second mortgage at some point if the scary consequences of this drought come to fruition and we're not prepared.”

# Upper Eagle River water providers pledge \$1 million to Shoshone water rights purchase

Funds will be collected in 2025, 2026, 2027 and sent to Colorado River District in early 2027

News [FOLLOW NEWS](#) | May 28, 2024



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At their regular meetings on Thursday, May 23, the Upper Eagle Regional Water Authority and the Eagle River Water & Sanitation District boards jointly pledged \$1 million to the Colorado River District's effort to purchase the Shoshone water rights to protect them in perpetuity.

*Zoe Goldstein/Vail Daily archive*

During their regular meetings on Thursday, May 23, the Upper Eagle Regional Water Authority and the Eagle River Water & Sanitation District boards jointly pledged \$1 million to the Colorado River Water Conservation District's effort to purchase and preserve in perpetuity the [Shoshone water rights](#).

The two attached Shoshone water rights, established in 1902 and 1929, form the oldest and largest non-consumptive right on the Colorado River. To be non-consumptive means that any water taken out of the river at the power plant is ultimately returned in full to the river.

Together, the Shoshone water rights enable a total of 1,408 cubic feet per second of water, or over 1 million acre-feet of water, to flow through Glenwood Canyon per year. When the Shoshone call is in place, junior water users upstream must stop or supplement the water they take from the river.



On Dec. 19, the Colorado River Water Conservation District signed a \$99 million deal with Xcel Energy, the parent company of the Public Service Company of Colorado, to purchase the two Shoshone water rights, which are currently tied to the Shoshone Hydroelectric Plant in Glenwood Canyon.

## **Why Shoshone?**

Preserving the Shoshone flows keeps water in the river for recreation, maintaining water quality for drinking and agriculture, and protecting endangered fish species in the 15-mile reach where the Colorado River flows through Mesa County.

The Shoshone water rights deal took 20 years and the collaboration of 20 Western Slope entities to complete. The deal is special to the Western Slope — only a Western Slope entity or entities can purchase the rights from Xcel ahead of Denver, due to an agreement between Denver water organizations and the Colorado River District.

The Shoshone water rights must be tied to beneficial use, which at present is hydropower production at the Shoshone Hydroelectric Plant. When the power plant is open, the call is on, but the aging plant often closes as it relies on decaying infrastructure and is relatively unproductive even when functional.

The Colorado River District is negotiating an instream flow agreement with the state to divorce the power plant's function from the water flows, ensuring the water will flow regardless of whether the plant is in operation.

While Eagle County does not rely directly on the Colorado River, protecting the Shoshone flows [preserves Eagle County's backup](#) water sources by preventing Front Range water entities from drawing from the Green Mountain Reservoir in Summit County.

## **Where is the funding coming from?**

The river district has four years to pay for the water rights, with a deadline of Dec. 31, 2027. The river district has already paid \$500,000 to Xcel Energy for transaction costs, leaving \$98.5 million to account for. The river district has thus far collected over \$50 million in funding commitments, including \$20 million from the state through the water projects bill and \$20 million from the Colorado River District. The Upper Eagle River water providers' contribution brings Western Slope contributions to over \$11 million.

The river district's general manager, Andy Mueller, requested \$1.5 million from the two water entities in February, but board members were concerned about coming up with so much funding with the other projects on the docket, including building the Bolts Lake Reservoir and updating aging infrastructure. In April, the Eagle County Board of Commissioners pledged \$2 million in county funding to the cause, a number that increased after Mueller heard commentary from the district and authority.

After receiving feedback from district and authority leadership, as well as Eagle County's funding contribution, Mueller changed the ask of the district and authority to \$1 million.

In committing the funds, the district and authority must take no immediate action. The funds will be included in rate packages in 2025, 2026 and 2027, and will be sent to the Colorado River District in early 2027.

The Colorado River District plans to ask the federal government for further funding, with the conversation to begin in early June. The Inflation Reduction Act of 2022 has \$195 million earmarked for projects focused on drought reduction and supporting ecosystem health, but federal funding may still be challenging to obtain due to strong competition from other applicants. Having tangible financial commitments from Western Slope entities may aid in the negotiations.

"We are incredibly grateful for the support and generosity of the boards, and this certainly helps us with the momentum as we turn eagerly toward our federal funding opportunities," said Amy Moyer, director of strategic partnerships for the Colorado River District.

More information about the Shoshone water rights and ongoing fundraising efforts can be found at [KeepShoshoneFlowing.org](https://KeepShoshoneFlowing.org)<sup>2</sup>.



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## MEMORANDUM

TO: Eagle River Water & Sanitation District Board of Directors  
Upper Eagle Regional Water Authority Board of Directors

FROM: Kristin Moseley

SUBJECT: Bolts Ditch Act, S. 2156 – United States Senate Subcommittee on Public Lands, Forests, and Mining of the Committee on Energy and Natural Resources

DATE: June 18, 2024

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We are pleased to report that a hearing was held for S. 2156, the Senate version of the Bolts Ditch Act, before the U.S. Senate Subcommittee on Public Lands, Forests, and Mining of the Committee on Energy and Natural Resources (the “Senate Subcommittee”) on June 12, 2024. The Senate Subcommittee considered fifteen separate bills at the hearing, so limited live testimony to federal agencies and an assistant attorney general. Attached for your reference is Siri’s written testimony submitted to the Senate Subcommittee.

As you know, Siri previously testified in support of the identical House version of the bill Bolts Ditch Act, H.R. 4297, on January 31, 2024. The House version of the bill was then approved by the House Natural Resources Committee without revision by Order of Unanimous Consent.

As we have previously discussed, we do not anticipate that either the House or the Senate bills will move through the entire legislative process as stand-alone bills given current congressional dynamics. Rather, now that the bills have been heard in both the House and Senate, we are optimistic that one of the bills will be added to a future omnibus bill, similar to the way Minturn’s previous bill was added to the John D. Dingell, Jr. Conservation, Management, and Recreation Act in 2019. Our understanding is that an omnibus public lands bill is anticipated to be introduced this year, likely during the lame duck session (after the election). Accordingly, we will continue working with staff for Representative Neguse and Senators Bennett and Hickenlooper to advocate for the Bolts Ditch Act to be added to the omnibus public lands package.



Written Testimony of Siri Roman, General Manager  
Eagle River Water & Sanitation District and Upper Eagle Regional Water Authority  
Before the Senate Subcommittee on Public Lands, Forests, and Mining of the  
Committee on Energy and Natural Resources  
Hearing on S. 2156, "Bolts Ditch Act"  
June 12, 2024

Chair Cortez Masto, Ranking Member Lee, and Members of the Subcommittee:

My name is Siri Roman, and I am providing written testimony in support of S. 2156, the Bolts Ditch Act, in my role as General Manager of the Eagle River Water & Sanitation District (the "District") and the Upper Eagle Regional Water Authority (the "Authority"). The District and Authority are collectively the second-largest municipal water provider in Western Colorado and provide water and wastewater services to more than 50,000 customers in the mountain resort communities of Vail, Beaver Creek, and the surrounding areas.

The District and the Authority, along with the Town of Minturn, urge the Subcommittee to support the Bolts Ditch Act as this federal legislation is essential to providing a sustainable in-basin water supply for western Colorado. I testified in support of the House version of this bill, H.R. 4297, before the Subcommittee on Federal Lands of the Committee on Natural Resources on January 31, 2024. The House Committee ordered H.R. 4297 to be reported by unanimous consent on February 6, 2024.

The need for this legislation arose due to a minor mapping error that occurred in 1980 when the Holy Cross Wilderness area was originally designated pursuant to the Colorado National Forest Wilderness Act of 1980, H.R. 5487, 96th Cong. (1980). While the construction and operation of Bolts Ditch predates the wilderness designation by nearly 100 years, 450 feet of Bolts Ditch were inadvertently included within the wilderness boundary. As a result, the Bolts Ditch conveyance structure was no longer able to be physically maintained and fell into disrepair, causing diversions to cease.

Bolts Ditch is a historic water right originally constructed in 1882, which was decreed pursuant to Colorado law on February 27, 1912, by the Eagle County District Court in Civil Action No. 0572. Bolts Ditch was decreed as a surface diversion from Cross Creek in the Colorado River Basin for purposes of filling a small storage reservoir called Bolts Lake, which was constructed in the early 1900's. As a surface diversion, Bolts Ditch does not dam or obstruct Cross Creek and is only capable of diverting water during high flow periods. A copy of Bolts Ditch decree entered in Civil Action No. 0572 is enclosed herewith as **Attachment A**.

In 2019, the Town of Minturn sought a narrow wilderness exemption in order to rehabilitate Bolts Ditch as part of its municipal water system. Section 1101(a) of the John D. Dingell, Jr. Conservation, Management, and Recreation Act (the "Dingell Act") directs the Secretary of Agriculture to permit non-motorized access exclusively to the Town of Minturn to use, maintain, and repair the Bolts Ditch diversion structure and 450 lineal feet of Bolts Ditch.

The District and Authority acquired ownership of Bolts Ditch and the Bolts Lake property two years after the Dingell Act was enacted. The currently pending Bolts Ditch Act is a simple amendment to the Dingell Act, explicitly granting the District and Authority the same access and use as the Town of Minturn. The Town of Minturn is also in strong support of the Bolts Ditch Act, as denoted by the attached Resolution of the Minturn Town Council, **Attachment B**.

The District and Authority are planning to construct a new 1,200 acre foot municipal storage reservoir at the previous Bolts Lake site located outside of the wilderness boundary on private property owned by the District and Authority. Bolts Lake will be an off-channel reservoir, meaning it will not dam any free-flowing streams. Like much of the mountain west, about 80% of the region's precipitation falls in the form of snow in the area's high mountain peaks. Thus, the vast majority of the annual water supply reaches local stream systems within a very short period of time during spring snowmelt. Accordingly, a reservoir to capture the spring runoff is essential to provide water on a year-round basis for the region's residents and visitors, and to help maintain stream health. Bolts Ditch will be an essential filling source for Bolts Lake. An overview of Bolts Ditch and Bolts Lake Reservoir, a map of the Bolts Ditch area, and photos of the Bolts Ditch intake and diversion structures are attached herewith as **Attachments C, D, E, and F**.

For the betterment of our watershed and community, the District and Authority are working closely with the Town of Minturn on water supplies for the region and have entered into an Intergovernmental Agreement relating to water supplies. However, in order to be in strict compliance with federal law, it is essential that the Bolts Ditch Act is passed as the District and Authority are the real parties in interest that now own the Bolts Ditch and Bolts Lake water rights, as well as the land where Bolts Lake will be constructed.

The authorization contemplated in the Bolts Ditch Act will not impact the wilderness character of the area, as Section 293.6 of Title 36, Code of Federal Regulations would still apply as specifically outlined in the Dingell Act. Thus, the District and Authority will not utilize mechanical equipment or motorized transport to use, maintain, and repair Bolts Ditch. Additionally, the current location of the diversion structure will allow Bolts Lake to fill by gravity, increasing the overall sustainability of the project.

Enactment of the Bolts Ditch Act will not preclude Cross Creek from any future wild and scenic river designation. The Wild and Scenic River Act provides that the existence of established diversion works and other minor structures on a river shall not bar its consideration for inclusion as a wild and scenic river. 16 U.S.C. § 1286(b). Similar to the wilderness designation, Bolts Ditch predates the Wild and Scenic Act by more than 80 years. Moreover, Bolts Ditch is a surface diversion that will not dam or prevent flows in Cross Creek.

For these reasons, the District, the Authority, and the Town of Minturn respectfully request support for this important piece of legislation that will provide additional municipal water supplies to communities in western Colorado.

Supporting this written testimony are the following materials:

Attachment A: Bolts Ditch decree entered in Civil Action No. 0572

Attachment B: Resolution in support of the Bolts Ditch Act adopted by the Town of Minturn

Attachment C: Overview of Bolts Ditch and Bolts Lake Reservoir

Attachment D: Map of Bolts Ditch area, south of Minturn, CO

Attachment E: Photograph of Bolts Ditch diversion structure

Attachment F: Photograph of Bolts Ditch intake and diversion structure

State of Colorado,  
Eagle County,

} es.

IN THE DISTRICT COURT,

FINDINGS AND DECREE.

IN THE MATTER OF THE ADJUDICATION OF PRIORITIES OF WATER  
RIGHTS IN WATER DISTRICT NUMBER 37 IN THE STATE OF COLORADO:

Now on this 27th day of February, 1912, the same being one of the regular juridical days of the adjourned regular November 1911 Term of the District Court sitting within and for Eagle County, State of Colorado, this matter coming on for hearing and adjudication before the court upon the petition of F. S. Bolt, L. J. Bolt and Mrs. E. A. Bolt for the establishment and decree of their priorities and rights to the use of water for beneficial purposes other than irrigation in Water District No. 37 in the State of Colorado, and for the adjudication of priorities of rights to the use of water for beneficial purposes other than irrigation, between the several ditches, canals, reservoirs and other claimants of water in said District for such purposes. Said petitioners appearing in person and by James F. Hogan, Esq., their counsel, and no one appearing in opposition thereto and no protest to the claims of the petitioners herein having been presented, there being no objections or exceptions to the hearing of the evidence concerning the prayer of said petitioners, and the matter being now heard pursuant to the order of this Court dated December 4th, 1911, the same was heard and considered.

And it appearing to the court and the court doth find, that notice thereof was given in manner and form and within the time provided in said order, by the Clerk of this court and by publishing said notice in not less than one public newspaper in each of the counties into which Water District No. 37, State of Colorado, extends, namely, Eagle County. That said notice contained a copy of said order of December 4, 1911, and was published in such paper not less than once in each week until four successive weekly publications had been made, the last of which was made and published upon a day previous to the day fixed for the commencement of said hearing. That the said notice so published in Eagle County was



published in The Eagle County News. That said newspaper is published within the County of Eagle, State of Colorado, having been published continuously during a period of more than twenty-six consecutive weeks prior to the publication of said notice and was, and is a newspaper within the meaning and requirements of the laws of the State of Colorado, and

It further appearing to the court and the court doth find, that ten printed copies of said notice were posted in ten public places in said Water District, not less than twenty days before the day so appointed, which copies were posted and caused to be posted by said petitioners, and

It further appearing to the court and the court doth find, that each and all of said notices as given, posted, published and served were in all things given, posted, published and served within the time and in the manner provided in said order of December 4, 1911, and that all persons, associations and corporations entitled to notice of the proceedings were duly and regularly notified thereof and in the manner provided by law and in accordance with the order of this court, and

It appearing to the court and the court doth find, that the petitioners are the owners of the Holt's Ditch; that their postoffice addresses are each, Minturn, Colorado; that the head-gate of said ditch is situate in the County of Eagle, State of Colorado on the West bank of Cross Creek, from which said ditch draws its supply of water at a point where head of ditch taps the water of Cross Creek there marked upon the ground; the general course of said ditch is as follows: Beginning at the point designated as the location of the headgate thereof, and running thence N. 50° E. 60 ft; thence N. 54° 30' E. 101 ft; thence N. 83° 30' E. 154.7 ft; thence N. 54° E. 99.5 ft; thence N. 62° E. 197 ft; thence N. 46° 30' E. 671 ft; thence N. 65° 45' E. 293 ft; thence S. 64° E. 528 ft; thence S. 86° 45' E. 418.7 ft; thence S. 62° 10' E. 115.2 ft; thence S. 85° E. 292.1 ft; thence N. 51° 10' E. 282.2 ft; thence S. 81° 20' E. 950 ft; thence N. 71° E. 481.8 ft; thence S. 57° 30' E. 167 ft. to Bank of Eagle River.

The length of said ditch is about 4311.2 feet; the width of said ditch is about 5 feet at top and 5 feet on bottom; the depth of said ditch is about 3 feet; that the date of appropriation of water by original construction of said ditch is the first day of October, 1882; that the amount of water appropriated and in actual use is thirty (30) <sup>cubic</sup> feet of water per second of time; that the purpose for which said water is being used is, the supplying of water for certain natural and artificial lakes, which said lakes are used by these petitioners for the purpose of propagating, raising and cultivating trout and other marketable fish and supplying the same to the general trade and commerce, which said lakes aforesaid are situate on the following described tracts of land, to-wit: Homestead Entry Survey No. 40, Homestead Entry No. 021, situate in Township 6 South, Range 81 West of the 6th P.M., and what, if surveyed, would probably be a portion of the West one-half ( $\frac{1}{2}$ ) of Section one, and the East one-half ( $\frac{1}{2}$ ) of Section Two, said Township and Range, containing 158.36 acres; and Homestead Entry Survey No. 41, Homestead Entry No. 022, in Township 6 South, Range 81 West of the 6th P.M., and what, if surveyed, would probably be a portion of the South-west one-quarter (SW $\frac{1}{4}$ ) of Section one, South one-half (S $\frac{1}{2}$ ) of Section Two, the North one-half (N $\frac{1}{2}$ ) of Section Eleven, and the North-west one-quarter (NW $\frac{1}{4}$ ) of Section Twelve, Township and Range aforesaid, containing 159.85 acres.

And it further appearing to the court and the court doth find, that The Cross Creek Hydraulic Company, a corporation duly organized and existing under and by virtue of the laws of the State of Colorado, whose postoffice address is Red Cliff, Colorado, did in pursuance of said order of this court of the 4th of December, 1911, file its petition with the Clerk of this court on the 14th day of February, 1912, praying for an adjudication and provisional decree for the Cross Creek Reservoirs and Hydraulic Pipe Lines in said Water District No. 37, for the purpose of placer mining and generating power and light, taking the waters from Hufeking Lake and proposed Reservoirs, which is the source of the East branch of Cross Creek in said county, and the headgate to the pipe line is

situate on the North-west side of the lake and south 19° West, 9050 feet, from U. S. Land Monument, Cross Creek No. 1 in suspended Township 7 South, Range 82 East of the 6th P.M., and also from St. Glet Lake and proposed reservoir, which is the source of the West branch of Cross Creek, the headgate to the pipe line is situate on the East side of the lake and south 38° West, 11230 feet, from U. S. Land Monument, Cross Creek No. 1, in suspended Township 7, south, Range 82 East of the 6th P.M., and the union of these two pipe lines forming one pipe line, conveying the water to and upon the American Placer U. S. Survey No. 5670, and the Golden Wonder Placer, U. S. Survey No. 4215, and the Deep Placer, U. S. Survey No. 5670, Eagle County, Colorado, for the purposes aforesaid.

And it appearing to the court and the court doth find, that the said The Cross Creek Hydraulic Company has filed with the Clerk of this court, a map and plat of its proposed pipe lines, reference to which is hereto made.

This decree shall be taken and held as intending to determine and establish the several priorities of right by appropriation of water from any natural stream, water course or any other source acquired by appropriation and used for any beneficial purposes other than irrigation in said Water District No. 37, by the several ditches, canals and reservoirs in said district concerning which testimony has been offered in this matter according to the construction, enlargement or extension thereof, with the amount of water held to have been appropriated thereby.

IT IS THEREFORE ADJUDGED AND DECREED BY THE COURT, that said ditches, canals and reservoirs be and the same are hereby separately numbered according to the date of their several and respective constructions and said dates are hereby determined and decreed to be as follows:

- No. 1, The Bolt's Ditch .....October 1st, 1882.
- No. 2, The Cross Creek Reservoirs and Hydraulic Pipe Lines, (conditional),.....October 3rd, 1908.
- No. 1. Bolt's Ditch.

Priority No. 1, Oneic feet, 30 per second of time.

NO. 1. BOLT'S DITCH: That said ditch be given No. 1, with priority No. 1, dating from the first day of October, 1882. The claimants are

P. S. Bolt, L. J. Bolt and Mrs. M. A. Bolt; that it is a ditch used for a beneficial purpose other than irrigation, to-wit: The filling and supplying of natural and artificial lakes and reservoirs used and kept by claimants for propagating, raising and cultivating trout and other marketable fish and supplying the same to the general trade and commerce; said ditch taking its supply of water from Cross Creek and the headgate is located on the west side of said Cross Creek. And it is hereby adjudged and decreed that there be allowed to flow into said ditch from said Cross Creek, for the use aforesaid and for the benefit of the parties lawfully entitled thereto, under and by virtue of said appropriation, by construction and priority number one, 30 cubic feet of water per second of time for the purposes aforesaid, to be used upon the land heretofore described, to-wit, Homestead Entry Survey No. 40 and Homestead Entry Survey No. 41, in Township 6 South, Range 81 West of the 6th P.M., Eagle County, Colorado, upon the condition, however, that after said water being used for the purposes as designated, the same shall be returned without diminution to the natural channel or stream at a point at least one-half mile above the mouth of Cross Creek, except natural loss by evaporation and seepage.

No. 2. Cross Creek Reservoirs and Hydraulic Pipe Lines.

Priority No. 2, cubic feet, 50 per second of time.

No. 2. CROSS CREEK RESERVOIRS AND HYDRAULIC PIPE LINES: That said ditch is entitled to priority No. 2, dating from October 3rd, 1908. The claimant is The Cross Creek Hydraulic Company. That it is a reservoir and pipe line used for placer mining purposes and the generating of light and power, taking its supply of water from Lake Mosking, which is the source of the East branch of Cross Creek, and St. Clot Lake, which is the source of the West branch of Cross Creek, and the headgates are located at each lake respectively, in said water District No. 37, Eagle County, Colorado, and it is hereby adjudged and decreed as a conditional decree of this court that there be allowed to flow into said pipe line from said lakes for the use aforesaid, and for the benefit of the parties lawfully entitled thereto, under and by virtue of said

appropriation; with priority No. 2, fifty (50) cubic feet of water per second of time, which said water after it is used for the purposes aforesaid, to be returned to its natural bed and course at a point not more than five miles from said lakes. This decree, together with the priority hereby given, is conditional upon the said claimant, its successors or assigns completing its said pipe line and putting said water to said beneficial use as aforesaid with all due and convenient speed consistent with the magnitude and expense of the enterprise.

Done in open Court this 27th day of February, 1912.

BY THE COURT:

Robert Cavender  
JUDGE.

State of Colorado )  
County of Eagle ) ss

In the District Court.

I, Charles W. Coursen, the duly appointed, qualified and acting Clerk of the District Court, Fifth Judicial District, State of Colorado sitting within and for the County of Eagle, do hereby certify the above and foregoing to be a full and complete copy of decree of said District Court, made and entered in open Court at the Court House in Red Cliff, on the 27 day of February, A.D. 1912.

In Witness Whereof I have hereunto set my hand and affixed the official Seal at my office in Red Cliff said County and State, this 23rd day of September, A. D. 1912.

Charles W. Coursen  
Clerk,

**TOWN OF MINTURN, COLORADO  
RESOLUTION NO. 06 – SERIES 2024**

**A RESOLUTION IN SUPPORT OF THE BOLTS DITCH ACT**

**WHEREAS**, the Town of Minturn (the “Town”) is a Colorado home rule municipality duly organized and existing under Article XX of the Colorado Constitution and the Town of Minturn Home Rule Charter; and

**WHEREAS**, the Town is the owner of a municipal water system, which the Town operates within its municipal boundaries; and

**WHEREAS**, the Eagle River Water & Sanitation District (the “District”) and the Upper Eagle Regional Water Authority (the “Authority”) have an integrated water system that provides municipal water and sanitation services from Vail to Edwards; and

**WHEREAS**, the District provides sanitation service from Vail to Edwards, including the Town; and

**WHEREAS**, the Town’s jurisdictional boundaries are included within the District for sanitation purposes, but not for water purposes; and

**WHEREAS**, the District and Authority are adjudicating water rights and have purchased land within the Town in order to construct and operate a 1,200 acre-foot water storage reservoir called Bolts Lake, which will provide sustainable water supplies for the region; and

**WHEREAS**, the Town, District, and Authority entered into an Intergovernmental Agreement, in which the District and Authority agreed to provide the Town with augmentation water supplies from Bolts Lake and other water sources to supplement the Town’s municipal water system; and

**WHEREAS**, Bolts Ditch is an essential filling source for Bolts Lake, and the Town assigned its interest in the Bolts Ditch physical headgate and ditch structure to the District and Authority; and

**WHEREAS**, Section 1101 of Public Law 116-9, the John D. Dingell, Jr. Conservation, Management, and Recreation Act, allows the Bolts Ditch to be operated within the Holy Cross Wilderness area for diversion of water and use, maintenance, and repair of the Bolts Ditch and headgate, but restricts use, maintenance, and repair authority exclusively to the Town; and

**WHEREAS**, the District, Authority, and Town are seeking to expand Public Law 116-9 to include the District and Authority as additional governmental entities that may also use, maintain, and repair the Bolts Ditch and its headgate; and

**WHEREAS**, the Bolts Ditch Act (the “Act”), introduced on June 22, 2023, in the U.S. House of Representatives by Rep. Joe Neguse, H.R. 4297(118th), and the U.S. Senate by Sen.

Michael Bennet, S. 2156 (118th), seeks to authorize the District and Authority to be eligible to complete the maintenance work on Bolts Ditch and its headgate within the Holy Cross Wilderness, Colorado.

**NOW THEREFORE, BE IT RESOLVED** by the Town of Minturn Town Council, State of Colorado, the Town hereby supports the immediate passage of the Act as introduced to facilitate the construction and operation of Bolts Lake by the District and Authority.

**INTRODUCED, READ, APPROVED, ADOPTED AND RESOLVED this 21 day of February, 2024.**

TOWN OF MINTURN

By:   
\_\_\_\_\_  
Earle Bidez, Mayor

ATTEST:

By:   
\_\_\_\_\_  
Jay Brunvand, Town Clerk



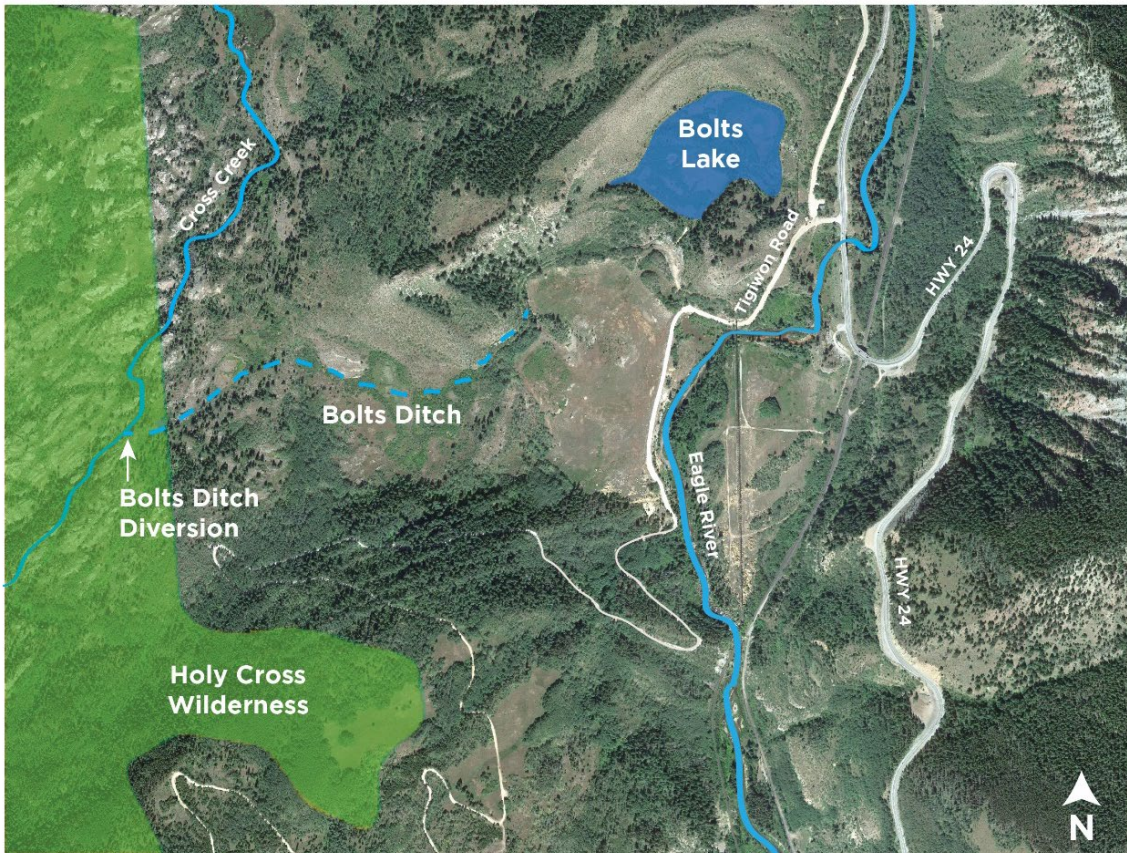


## Overview of Bolts Ditch and Bolts Lake Reservoir

Eagle River Water & Sanitation District (ERWSD) and Upper Eagle Regional Water Authority (UERWA) are planning to redevelop Bolts Lake in Minturn, Colorado, with a 1,200 acre-foot reservoir. The reservoir was originally developed as a recreational reservoir by Ben Bolt in the early 1900s, when he diverted water from Cross Creek into a natural basin. The reservoir has been inactive since 1996, when the dam was breached by order of Colorado's State Engineer. ERWSD and UERWA serve more than 50,000 customers and are collectively the second largest municipal water supplier in Western Colorado. This reservoir will provide necessary additional in-basin storage supplies to serve their customers while maintaining healthy river flows. Bolts Ditch is an essential filling source for the new Bolts Lake Reservoir and will help to provide sufficient municipal water supplies for our region, including the Town of Minturn.



Map of Bolts Ditch area, south of Minturn, CO



Photograph of Bolts Ditch diversion structure



Photograph of Bolts Ditch intake and diversion structure

