



**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: June 21, 2024
RE: June 27, 2024, Board Meeting

This memorandum shall serve as notice of the Regular Meeting of the Board of Directors of the Upper Eagle Regional Water Authority:

**Thursday, June 27, 2024
8:30 a.m.**

This meeting will be held in-person

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.

Input from members of the public is welcomed during the meeting's designated Public Comment 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.



**UPPER EAGLE REGIONAL
WATER AUTHORITY**

BOARD OF DIRECTORS REGULAR MEETING
June 27, 2024
8:30 a.m.
Walter Kirch Conference Room

AGENDA

GOVERNED BY:

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

The Town of Avon

Attachment Link

1. **Introductions**
2. **Public Comment**
3. **Action Items**
 - 3.1. Minutes from May 23, 2024, Regular Meeting [Action Item](#)
 - 3.2. Consideration of Fiscal Year 2023 Audited Financial Statement [Action Item](#)
4. **Consideration of Policy Updates**
 - 4.1. Digital accessibility policy [Action Item](#)
 - 4.2. Sunsetting 2017 Policy for Use-Based Tap Fee Calculation [Action Item](#)
 - 4.3. Amended Tap Fee Policy for Public Use Facilities [Action Item](#)
5. **Information Reports**
 - 5.1. Board committees [Informational](#)
 - 5.2. May meeting summary – draft [Confidential](#)
 - 5.3. Contract log [Informational](#)
6. **Board Member Input**
7. **General Manager Report – Siri Roman**
 - 7.1. GM information items [Informational](#)
 - 7.1.1. Eagle Park Reservoir Company update
 - 7.2. Business Administration report – David Norris
 - 7.3. Operations report – Brad Zachman [Informational](#)
 - 7.4. Engineering and Water Resources report – Jason Cowles [Informational](#)
 - 7.4.1. Bolts Lake update
 - 7.4.2. Water shortage response plan [Informational](#)
 - 7.5. Communications and Public Affairs report – Diane Johnson [Informational](#)
8. **Water Counsel Report – Kristin Moseley**
 - 8.1. Bolts Ditch Act update [Informational](#)
9. **General Counsel Report – Kathryn Winn**
10. **Executive Session**
 - 10.1. 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.
11. **Any Action as a Result of Executive Session**
12. **Adjournment**



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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

Summary of Subject: Each year, the Authority 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 Authority's audit requirements are governed by the Local Government Budget Law of Colorado. The Authority 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 and 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

**Upper Eagle Regional Water Authority
Vail, Colorado**

**Financial Statements
December 31, 2023 and 2022**

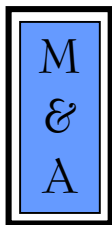


**UPPER EAGLE REGIONAL
WATER AUTHORITY**

**Upper Eagle Regional Water Authority
Financial Statements
December 31, 2023 and 2022**

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MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Upper Eagle Regional Water Authority
Vail, Colorado**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of Upper Eagle Regional Water Authority (the "Authority"), as of and for the year ended December 31, 2023 and December 31, 2022, which collectively comprise the Authority'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 the Authority, as of December 31, 2023 and December 31, 2022 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 Authority 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 Authority'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 Authority'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

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
MATTHEW D. MILLER, CPA

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*To the Board of Directors
Upper Eagle Regional Water Authority
Vail, Colorado*

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 Authority'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 Authority'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
Upper Eagle Regional Water Authority
Vail, Colorado**

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority'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 Authority'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 18, 2024**

MANAGEMENT'S DISCUSSION AND ANALYSIS



**UPPER EAGLE REGIONAL
WATER AUTHORITY**

The discussion and analysis is designed to provide an analysis of the Upper Eagle Regional Water Authority's (the "Authority") financial condition and operating results and to inform the reader on the Authority's financial issues and activities.

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

Financial Highlights

In 2023, total net position increased by \$1,345,694 from \$60,943,013 in 2022 to \$62,288,707 in 2023. Depreciation expense of \$6,800,503 netted with debt payments of \$425,312 and capitalized expenditures of \$5,504,151 are the main reasons for the increase in net position.

In 2023, total revenues increased by \$2,467,427 and total expenses increased by \$1,135,798 when compared to 2022. The Authority's 2023 financial activity generated a net increase of \$219,817 in net position prior to the depreciation on capital assets. In accordance with Generally Accepted Accounting Principles (GAAP), \$6,800,503 of capital asset depreciation was expensed, which does not represent cash funding for capital assets in the current period. The net result after GAAP adjustments was an increase in net position of \$1,345,694 for 2023, compared to an increase in net position of \$14,065 in 2022.

In 2023 The Authority completed its purchase of 250 Shares of Eagle Park Reservoir Company for \$1,651,575 bringing the Authority's total investment in Eagle Park Reservoir Company to \$10,050,048.

Overview of the Financial Statements

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

The *Statements of Net Position* present information on all of the Authority'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 Authority is improving or deteriorating.

The *Statements of Revenues, Expenses and Changes in Net Position* present information that reflects how the Authority'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 Authority's cash flows from operating, capital and related financing, and investing activities.

Overview of the Financial Statements (continued)

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

NET POSITION

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Assets:			
Current and other assets	\$ 27,103,959	\$ 27,719,099	\$ 33,422,476
Capital assets, net	96,703,581	97,933,909	91,147,971
Total Assets	<u>123,807,540</u>	<u>125,653,008</u>	<u>124,570,447</u>
Deferred Outflows of Resources:			
Deferred charge on refunding	372,536	395,941	419,346
Total Deferred Outflows of Resources	<u>372,536</u>	<u>395,941</u>	<u>419,346</u>
Liabilities:			
Long-term liabilities	57,533,560	58,220,500	58,842,702
Other liabilities	4,357,809	6,885,436	5,218,143
Total Liabilities	<u>61,891,369</u>	<u>65,105,936</u>	<u>64,060,845</u>
Net Position:			
Net investment in capital assets	40,191,124	40,868,229	40,732,008
Restricted:			
Debt	8,266,698	7,997,088	7,891,456
Unrestricted	13,830,885	12,077,696	12,305,484
Total Net Position	<u>\$ 62,288,707</u>	<u>\$ 60,943,013</u>	<u>\$ 60,928,948</u>

As noted earlier, net position may serve over time as a useful indicator of the Authority's financial position. In the case of the Authority, assets exceeded liabilities. The general decline in net position is a result of expensing annual asset depreciation in accordance with GAAP reporting.

Overview of the Financial Statements (continued)

The largest portion of the Authority's net position reflects its investment in capital assets, less any related outstanding debt used to acquire those assets. The Authority uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Authority'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.

REVIEW OF REVENUES

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Revenues:			
Operating revenues:			
Service fees	\$ 17,833,778	\$ 15,684,126	\$ 14,228,792
Non-operating revenues:			
Investment income	575,895	207,151	8,354
Other	66,859	48,435	38,537
Capital contributions:			
Plant investment fees	3,394,202	2,863,936	1,461,423
Water storage fees	73,616	223,316	45,784
Contributed assets	66,025	515,984	230,061
Total Revenues	<u>\$ 22,010,375</u>	<u>\$ 19,542,948</u>	<u>\$ 16,012,951</u>

In 2023, service revenues continued to increase year over year. As mentioned, in 2023, the Authority purchased more shares of Eagle Park Reservoir Company.

REVIEW OF EXPENSES

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Expenses:			
Operating expenses:			
Water treatment	\$ 4,701,910	\$ 4,510,588	\$ 4,336,052
Water distribution	5,321,009	6,150,178	5,756,971
Other operating	1,679,635	1,304,316	985,277
General and administrative	7,086,714	5,676,987	5,287,720
Non-operating expenses:			
Interest expense	1,874,324	1,885,725	2,022,062
Other	1,089	1,089	990
Total Expenses	<u>20,664,681</u>	<u>19,528,883</u>	<u>18,389,072</u>
Change in Net Position	1,345,694	14,065	(2,376,121)
Net Position - Beginning of Year	<u>60,943,013</u>	<u>60,928,948</u>	<u>63,305,069</u>
Net Position - End of Year	<u>\$ 62,288,707</u>	<u>\$ 60,943,013</u>	<u>\$ 60,928,948</u>

In 2023, total expenses increased year over year. The increase is related to general and administrative costs increasing in 2023.

In 2022, total expenses increased year over year. The increase is related to operational costs of providing services, offset by decreasing interest expense.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Authority's investment in capital assets, net of accumulated depreciation, as of December 31, 2023 and 2022, were \$96,703,581 and \$97,933,909, respectively. This investment in capital assets includes land and land improvements, water rights and storage, treatment plants, distribution systems, telemetry, water wells, and construction in process.

Most of the water and storage rights currently used by the Authority were provided by the member government entities at no cost to the Authority. In accordance with Governmental Accounting Standards Board (GASB), only owned water and storage rights are shown on the Authority's Statement of Net Position at historic cost, totaling \$1,709,148. This cost represents mostly legal expenditures to establish the Authority's ability to use these rights to provide water directly to the customers of each of its members and a small acquisition 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. Management of the Authority believes the actual value of these water and storage rights used by the Authority to be much greater than historical cost at December 31, 2023. Analysis of changes in capital assets in 2023 is as follows:

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CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

	1/1/23 Beginning Balance	Additions	Reclasses and Retirements	12/31/23 Ending Balance
Capital assets, not being depreciated:				
Land and land improvements	780,962	-	-	780,962
Water/storage rights	1,709,148	-	-	1,709,148
Construction in progress	9,345,554	5,504,151	(4,764,867)	10,084,838
Total capital assets, not being depreciated	<u>11,835,664</u>	<u>5,504,151</u>	<u>(4,764,867)</u>	<u>12,574,948</u>
Capital assets, being depreciated:				
Treatment plants	43,093,883	4,040,539	-	47,134,422
Distribution system	122,797,188	583,195	-	123,380,383
Water wells	17,956,106	207,157	-	18,163,263
Total capital assets being depreciated	<u>183,847,177</u>	<u>4,830,891</u>	<u>-</u>	<u>188,678,068</u>
Less accumulated depreciation for:				
Treatment plants	(28,533,710)	(1,710,550)	-	(30,244,260)
Distribution system	(60,442,619)	(4,345,020)	-	(64,787,639)
Water wells	(8,772,603)	(744,933)	-	(9,517,536)
Total accumulated depreciation	<u>(97,748,932)</u>	<u>(6,800,503)</u>	<u>-</u>	<u>(104,549,435)</u>
Total capital assets, being depreciated, net	<u>86,098,245</u>	<u>(1,969,612)</u>	<u>-</u>	<u>84,128,633</u>
Total capital assets, net	<u>97,933,909</u>	<u>3,534,539</u>	<u>(4,764,867)</u>	<u>96,703,581</u>

In 2023, total net capital assets were \$96,703,581, a decrease of \$1,230,328 from the 2022 amount of \$97,933,909. Net capital asset additions of \$5,570,175 were offset by changes in accumulated depreciation of \$6,800,503 for a net decrease in capital assets of \$1,230,328.

In 2022, total net capital assets were \$97,933,909, an increase of \$6,785,938 from the 2021 amount of \$91,147,971. Net capital asset additions of \$12,934,261 were offset by changes in accumulated depreciation of \$6,148,323 for a net increase in capital assets of \$6,785,938.

Additional information on the Authority's capital assets can be found in Note III.F to the financial statements.

Long-term Debt

At the end of 2023, the Authority had revenue bonds of \$56,884,993 and an assessment payable to Eagle Park Reservoir Company of \$648,567.

At the end of 2022, the Authority had revenue bonds of \$57,461,621 and an assessment payable to Eagle Park Reservoir Company of \$758,879.

BUDGET VARIANCES AND FUTURE CONSIDERATIONS

Budget Variances

In 2023, revenues were above budget expectations by \$4,622,750. The positive variance is mainly due to the Authority budgeting conservatively for water service fees and plant investment fees. The expenditure budget was \$25,927,636, including \$12,183,512 of capital additions. Actual expenditures were \$4,209,615 less than budget.

2024 Budget Considerations

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

The approved expenditure budget for 2024 is \$29,636,834 including \$17,504,267 of capital additions.

The 2024 water use rates continue to include base fees and a five-tier usage structure. Each tier allows 7,000 gallons of water use per SFE. The tier pricing progressively increases above previous tier to further promote wise use of water.

The 2024 monthly water rates \$24.47 service base rate per SFE, plus \$13.15 debt service base rate per SFE, plus \$5.23 capital replacement program base rate per SFE and tiered usage rates of \$4.94 per 1,000 gallons for tier one, \$7.69 per 1,000 gallons for tier two, \$13.28 per 1,000 gallons for tier three, \$27.67 per 1,000 gallons for tier four and \$41.51 per 1,000 gallons for tier five (24,000 gallons and over).

REQUESTS FOR INFORMATION

This report is designed to provide a general overview of the Authority'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.

BASIC FINANCIAL STATEMENTS



**UPPER EAGLE REGIONAL
WATER AUTHORITY**

Upper Eagle Regional Water Authority
Statements of Net Position
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets:		
Current Assets:		
Cash and cash equivalents - Unrestricted	5,479,686	6,420,680
Cash and cash equivalents - Restricted	8,266,698	7,997,088
Receivables, net of allowance for uncollectibles:		
Accounts	2,618,399	4,398,661
Inventory	108,023	107,093
Prepaid expenses	177,489	-
	<u>16,650,295</u>	<u>18,923,522</u>
Total Current Assets		
Non-current Assets:		
Other Assets:		
Patronage dividend receivable	403,616	397,104
Investment in Eagle Park Reservoir Company	10,050,048	8,398,473
	<u>10,453,664</u>	<u>8,795,577</u>
Total Other Assets		
Capital Assets:		
Land and improvements	780,962	780,962
Water/storage rights	1,709,148	1,709,148
Construction in progress	10,084,838	9,345,554
Treatment plants	47,134,422	43,093,883
Distribution system	123,380,383	122,797,188
Water wells	18,163,263	17,956,106
Less: Accumulated depreciation	(104,549,435)	(97,748,932)
	<u>96,703,581</u>	<u>97,933,909</u>
Total Capital Assets		
Total Non-current Assets	<u>107,157,245</u>	<u>106,729,486</u>
Total Assets	<u>123,807,540</u>	<u>125,653,008</u>
Deferred Outflows of Resources:		
Deferred charge on refunding	372,536	395,941
	<u>372,536</u>	<u>395,941</u>
Total Deferred Outflows of Resources		
Total Assets and Deferred Outflows of Resources	<u>124,180,076</u>	<u>126,048,949</u>

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

Upper Eagle Regional Water Authority
Statements of Net Position
December 31, 2023 and 2022
(Continued)

	<u>2023</u>	<u>2022</u>
Liabilities:		
Current Liabilities:		
Accounts payable - Other	765,839	1,926,584
Accounts payable - ERWSD	3,315,428	4,645,173
Interest payable	182,067	184,773
Loans and bonds payable - Due within one year	546,324	425,312
Deposits	4,879	4,727
	<u>4,814,537</u>	<u>7,186,569</u>
Total Current Liabilities		
Non-current Liabilities:		
Other payables	89,596	124,179
Loans and bonds payable - Due in more than one year	56,987,236	57,795,188
	<u>57,076,832</u>	<u>57,919,367</u>
Total Non-current Liabilities		
	<u>61,891,369</u>	<u>65,105,936</u>
Total Liabilities		
Net Position:		
Net investment in capital assets	40,191,124	40,868,229
Restricted for:		
Debt	8,266,698	7,997,088
Unrestricted	13,830,885	12,077,696
	<u>62,288,707</u>	<u>60,943,013</u>
Total Net Position		

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

Upper Eagle Regional Water Authority
Statements of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues:		
Service fees	17,833,778	15,684,126
Total Operating Revenues	<u>17,833,778</u>	<u>15,684,126</u>
Operating Expenses:		
Water treatment	4,701,910	4,510,588
Water distribution	5,321,009	6,150,178
Other operating	1,679,635	1,304,316
General and administrative	7,086,714	5,676,987
Total Operating Expenses	<u>18,789,268</u>	<u>17,642,069</u>
Operating Income (Loss)	<u>(955,490)</u>	<u>(1,957,943)</u>
Non-operating Revenues (Expenses):		
Investment income	575,895	207,151
Other non-operating revenues	66,859	48,435
Interest expense	(1,874,324)	(1,885,725)
Paying agent fees	(1,089)	(1,089)
Total Non-operating Revenues (Expenses)	<u>(1,232,659)</u>	<u>(1,631,228)</u>
Income (Loss) Before Capital Contributions	<u>(2,188,149)</u>	<u>(3,589,171)</u>
Capital Contributions:		
Plant investment fees	3,394,202	2,863,936
Water storage fees, net of refunds	73,616	223,316
Contributed assets	66,025	515,984
Total Capital Contributions	<u>3,533,843</u>	<u>3,603,236</u>
Change in Net Position	1,345,694	14,065
Net Position - Beginning of Year	<u>60,943,013</u>	<u>60,928,948</u>
Net Position - End of Year	<u><u>62,288,707</u></u>	<u><u>60,943,013</u></u>

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

Upper Eagle Regional Water Authority
Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities:		
Cash received from customers and others	19,614,040	13,876,327
Cash payments for goods and services	<u>(14,364,720)</u>	<u>(9,621,553)</u>
Net Cash Provided (Used) by Operating Activities	<u>5,249,320</u>	<u>4,254,774</u>
Cash Flows From Non-capital Financing Activities:		
Patronage dividend received	27,937	30,460
Other cash receipts	<u>32,410</u>	<u>10,556</u>
Net Cash Provided (Used) by Non-capital Financing Activities	<u>60,347</u>	<u>41,016</u>
Cash Flows From Capital and Related Financing Activities:		
Cash received from system development fees	3,394,202	2,863,936
Cash received from water storage fees	73,616	223,316
Cash (paid) received for return of capital asset deposit	152	(2,500)
Cash paid for principal on debt	<u>(425,312)</u>	<u>(359,611)</u>
Cash paid for interest and paying agent fees on debt	<u>(2,116,342)</u>	<u>(2,128,155)</u>
Cash paid for capital acquisitions	<u>(5,831,687)</u>	<u>(12,491,948)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(4,905,371)</u>	<u>(11,894,962)</u>
Cash Flows From Investing Activities:		
Interest income received	575,895	203,465
Interest received on notes receivable	-	3,686
Principal received on notes receivable	-	67,636
Purchase of investments - Eagle Park Reservoir Company	<u>(1,651,575)</u>	<u>-</u>
Net Cash Provided (Used) by Investing Activities	<u>(1,075,680)</u>	<u>274,787</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(671,384)	(7,324,385)
Cash and Cash Equivalents - Beginning of Year	<u>14,417,768</u>	<u>21,742,153</u>
Cash and Cash Equivalents - End of Year	<u>13,746,384</u>	<u>14,417,768</u>
Represented by Balance Sheet Captions:		
Cash and cash equivalents - Unrestricted	5,479,686	6,420,680
Cash and cash equivalents - Restricted	<u>8,266,698</u>	<u>7,997,088</u>
Cash and Cash Equivalents - End of Year	<u>13,746,384</u>	<u>14,417,768</u>

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

Upper Eagle Regional Water Authority
Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022
(Continued)

	2023	2022
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	(955,490)	(1,957,943)
Adjustments:		
Depreciation	6,800,503	6,148,323
Prior year capitalized assets expensed in the current year	-	11,391
(Increase) decrease in accounts receivable	1,780,262	(1,807,799)
(Increase) decrease in inventory	(930)	(14,338)
(Increase) decrease in prepaid expenses	(177,489)	140,912
Increase (decrease) in accounts payable - Other	(833,208)	134,062
Increase (decrease) in accounts payable - ERWSD	(1,329,745)	1,493,446
Increase (decrease) in other liabilities	(34,583)	106,720
Total Adjustments	6,204,810	6,212,717
Net Cash Provided (Used) by Operating Activities	5,249,320	4,254,774
Non-cash Investing, Capital, and Financing Activities:		
Contribution of capital assets and EPRC stock	66,025	515,984

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

NOTES TO THE FINANCIAL STATEMENTS



**UPPER EAGLE REGIONAL
WATER AUTHORITY**

**Upper Eagle Regional Water Authority
Notes to the Financial Statements
December 31, 2023**

I. Summary of Significant Accounting Policies

Upper Eagle Regional Water Authority (the “Authority”) was formed September 18, 1984 pursuant to an establishing contract by the following entities located in Eagle County, Colorado (the “members”):

- Arrowhead Metropolitan District
- Town of Avon
- Beaver Creek Metropolitan District
- Berry Creek Metropolitan District
- Eagle-Vail Metropolitan District
- Edwards Metropolitan District

The Authority, a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The Authority was established to make the best practical use of the members’ joint resources to supply water and to further develop water resources and facilities in a portion of Eagle County, Colorado. The Authority also provides water service to the Traer Creek (the Village at Avon), Cordillera, and Bachelor Gulch developments (the “contracting parties”) through contracts with members.

The Authority may not be terminated while bonds, notes, or other obligations are outstanding, unless provision for full payment of such obligation has been made. At December 31, 2023, the Authority had debt with maturities through 2050.

The Authority has a service contract with the members. Under the terms of the agreement, the Authority provides residents of the members water service; the Authority bills these residents at rates which are expected to cover its costs of providing water services and other functions. Such costs specifically include debt service requirements, depreciation, replacements, operations, and maintenance. As part of the agreement, the members have leased all of their rights, associated easements, and improvements to the Authority at no cost. As return consideration, the Authority has agreed to maintain the associated improvements and to administer and protect the members’ plan for augmentation and water decrees at no cost to the members.

Effective July 1, 2015, the members approved an Amended and Restated Master Service Contract (the “Master Service Contract”). In addition to the provisions described above, the Master Service Contract stipulated that:

- The members convey their individual water systems to the Authority.
- All member customers become customers of the Authority.
- Tap fees and water surcharges, in addition to Authority fees, can be imposed by members and contracting parties on customers within their respective jurisdictional boundaries and will remain revenue of that individual member or contracting party. Tap fees are collected by Arrowhead Metropolitan District, the Town of Avon, Traer Creek, Cordillera, and Bachelor Gulch. Water surcharges are collected by the Town of Avon, Traer Creek and Cordillera.
- Maintenance of the existing individual water systems becomes the responsibility of the Authority.
- Extensions of existing lines and construction of system additions may be approved by the Authority and the cost of extensions or construction may be passed on to developers. Once constructed and accepted by the Authority, extensions and additions will become part of the Authority’s water system.
- The members retain ownership of water rights and an interest in assets, including rights to capacity in the system to the extent necessary to ensure service to their service areas and to retain individual enterprise status.

Upper Eagle Regional Water Authority
Notes to the Financial Statements
December 31, 2023
(Continued)

I. Summary of Significant Accounting Policies (continued)

The Authority has no employees; all operations and administrative functions are contracted with Eagle River Water and Sanitation District (the "District"), as subsequently explained.

The Authority'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 Authority are discussed below.

A. Reporting Entity

The reporting entity consists of (a) the primary government; i.e., the Authority, and (b) organizations for which the Authority is financially accountable. The Authority 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 Authority. 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 Authority. Organizations for which the nature and significance of their relationship with the Authority 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 on the criteria above, the Authority is not financially accountable for any other entity nor is the Authority a component unit of any other government.

B. Fund Accounting

The Authority 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 Authority uses a proprietary fund-type, an enterprise fund, to account for its activity, providing water services to residents within the Authority'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.

Upper Eagle Regional Water Authority
Notes to the Financial Statements
December 31, 2023
(Continued)

I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

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 Authority'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.

D. Financial Statement Accounts and Accounting Policies

1. Cash, Cash Equivalents, and Investments

For purposes of the Statements of Cash Flows, the Authority considers cash on hand, demand deposits, U.S. government obligations, and other highly liquid investments 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 Authority'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 \$0 and \$0 had been established at December 31, 2023 and 2022, respectively, to estimate uncollectible accounts.

3. Capital Assets

Capital assets, which include water/storage rights, land and improvements, construction in progress, treatment plants, distribution systems, and water wells, are reported in the financial statements. The Authority 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 acquisition value at the date of donation.

Upper Eagle Regional Water Authority
Notes to the Financial Statements
December 31, 2023
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts and Accounting Policies (continued)

3. Capital Assets (continued)

The cost of water and storage 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 amortized. 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 F5-F8) for additional information.

Each of the participating members leased or subleased sufficient water rights to the Authority at no cost to the Authority to meet their projected needs upon full build-out within their current boundaries.

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 capital assets, as applicable.

Capital outlay for projects is capitalized as projects are constructed.

Treatment plants, distribution systems, and water wells are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Treatment plants	5 - 40
Distribution systems	5 - 40
Water wells	5 - 40

In the event of the dissolution of the Authority, all of the assets of the Authority shall immediately vest in the participating members, subject to any outstanding liens, mortgages, or other pledges of such assets. The interest in the assets of the Authority conveyed to each member shall be that proportion which the average annual amount of treated water sold within the boundaries of each member, bears to the average annual total amount of all treated water sold by the Authority.

4. 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 its use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted.

Upper Eagle Regional Water Authority
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. **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 the straight-line method, which approximates the effective interest method. 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.

6. **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 Authority 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 Authority does not have any items that qualify for reporting in this category at December 31, 2023.

7. **Use of Estimates**

The preparation of financial statements in conformity with GAAP requires the Authority'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.

8. **Restricted and Unrestricted Resources**

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

Upper Eagle Regional Water Authority
Notes to the Financial Statements
December 31, 2023
(Continued)

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

In the fall of each year, the Authority'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 and all appropriations lapse at year-end.

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

1. The Authority submitted, on or before October 15, 2022, a recommended budget that detailed the necessary revenues to meet the Authority's operating requirements.
2. On or prior to December 31, 2022, after a required publication of "Notice of Budget" and a public hearing, the Authority adopted the proposed budget and a resolution that legally appropriated expenditures for the upcoming year.
3. After adoption of the budget resolution, the Authority may make the following changes: a) it may approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; b) it may approve emergency appropriations; and c) it may reduce appropriations for which originally estimated revenues are insufficient.

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 Authority's management believes its operations qualify for this exclusion.

The Authority 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.

**Upper Eagle Regional Water Authority
Notes to the Financial Statements
December 31, 2023
(Continued)**

III. Detailed Notes on All Funds

A. Deposits and Investments

The Authority'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 Authority's cash and cash equivalents were \$13,746,384 and \$14,417,768 as of December 31, 2023 and 2022, respectively.

At December 31, 2023 and 2022, the Authority had the following cash and investments with the following maturities:

December 31, 2023				
	Standard & Poors Rating	Carrying Amounts	Maturities	
			Less than one year	One to five years
<i>Deposits:</i>				
Checking	Not rated	449,508	449,508	-
Money market	Not rated	6,996	6,996	-
<i>Investment pools</i>	AAAm	13,289,880	13,289,880	-
Total		13,746,384	13,746,384	-
December 31, 2022				
	Standard & Poors Rating	Carrying Amounts	Maturities	
			Less than one year	One to five years
<i>Deposits:</i>				
Checking	Not rated	952,041	952,041	-
Money market	Not rated	6,199	6,199	-
<i>Investment pools</i>	AAAm	13,459,528	13,459,528	-
Total		14,417,768	14,417,768	-

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

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the Authority coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than two years from the purchase date.

Credit Risk. The Authority's investment policy implements the prudent investor rule as a guideline for investment decisions.

**Upper Eagle Regional Water Authority
Notes to the Financial Statements
December 31, 2023
(Continued)**

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Colorado statutes 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

Concentration of Credit Risk. According to the Authority’s investment policy, it is permitted to invest up to the following maximum limits:

Investment Type	Maximum Percentage
U.S. Treasury obligations	100%
Qualified certificates of deposit	50%
Qualified local government investment pools	100%
Federal instrumentality securities	50%
Repurchase agreements collateralized by U.S. Treasury obligations	100%
Bankers acceptances and commercial paper - combined total	30%

Fair Value of Investments The Authority 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.

Unrealized gains / losses were \$0, which reflects the change in fair market value of investments. At December 31, 2023, the Authority had the following recurring measurements:

Investments Measured at Net Asset Value	12/31/23	12/31/22
Colostrust	13,289,880	13,459,528

**Upper Eagle Regional Water Authority
Notes to the Financial Statements
December 31, 2023
(Continued)**

III. Detailed Notes on All Funds (continued)

B. Summary of Cash and Investments

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

	12/31/23	12/31/22
Cash and cash equivalents - Unrestricted	5,479,686	6,420,680
Cash and cash equivalents - Restricted	8,266,698	7,997,088
Total	13,746,384	14,417,768

The Authority's cash has been restricted for the following purposes:

	12/31/23	12/31/22
Debt covenant and operations reserves	7,666,698	7,397,088
Rate stabilization funds	600,000	600,000
Total	8,266,698	7,997,088

C. Notes Receivable

The following is an analysis of changes in notes receivable for the past two fiscal years:

	1/1/22				12/31/22				12/31/23
	Beginning				Ending				Ending
	Balance	Additions	Reductions		Balance	Additions	Reductions		Balance
Traer Creek	67,636	-	(67,636)		-	-	-		-
	67,636	-	(67,636)		-	-	-		-
Less: Current portion	(8,194)				-				-
Long-term portion	59,442				-				-

1. Traer Creek Metropolitan District ("Traer Creek")

On November 4, 2002, the Authority entered into a service agreement with Traer Creek for augmentation water. This agreement requires Traer Creek to pay an amount equal to the cost of 300 shares of Eagle Park Reservoir Company (the "Reservoir Company") stock for use in connection with the augmentation water. The Authority is to remain the record titleholder of the 300 shares of the Reservoir Company stock and will retain all shareholder rights. Pursuant to this agreement, the purchase price of the Reservoir Company stock was \$163,070. Annual combined principal and interest payments of \$11,880 are due to the Authority on September 15th through 2028. The loan bears interest at 5.45% per annum.

Upper Eagle Regional Water Authority
Notes to the Financial Statements
December 31, 2023
(Continued)

III. Detailed Notes on All Funds (continued)

D. Patronage Dividend Receivable

The Authority 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 years ended December 31, 2023 and 2022, the Authority received refunds of \$27,937 and \$30,460, respectively, from Holy Cross. The balances due to the Authority at December 31, 2023 and 2022, were \$403,616 and \$397,104, respectively.

E. 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 to 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 Authority acquired 3830 Class A Shares (approximately 19%) and 125 Class B shares of the stock in the Reservoir Company for \$2,216,574 and the contribution/pledge of certain water rights. The \$2,216,574 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 \$143,420 of legal costs related to the issuance of the assessment payable. Since 1998, the Authority has acquired additional shares of the Reservoir Company through various transactions. As of December 31, 2010, the Authority held 5390 Class A Shares (approximately 21%), 125 Class B Series 1 and 131.5 Class B Series 2 shares of the stock in the Reservoir Company at a cost of 4,445,917.

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

In March 2018 Eagle County and Eagle River Water and Sanitation Districted transferred 125.6024 and 16.8789 Class A, Series 2 shares to the Authority, respectively, valued at \$498,685. During 2020, the Board of Commissioners of Eagle County transferred 874.3976 Class A, Series 2 shares to the Authority, valued at \$3,453,871.

During 2023, the Authority purchased 250 Class A, Series 2 shares from the Reservoir Company for \$1,651,575. As of December 31, 2023, the Authority held 6,656.8789 Class A Shares (approximately 24.76%), 125 Class B Series 1 and 131.5 Class B Series 2 shares of the stock in the Reservoir Company at a cost of \$10,050,048. See the Schedule of Water and Storage Rights in the Statistical Section (pages F5-F8) for additional information.

**Upper Eagle Regional Water Authority
Notes to the Financial Statements
December 31, 2023
(Continued)**

III. Detailed Notes on All Funds (continued)

F. Capital Assets

Capital asset activity for the past two fiscal years was as follows:

	1/1/22 Beginning Balance	Additions	Reclasses and Retirements	12/31/22 Ending Balance	Additions	Reclasses and Retirements	12/31/23 Ending Balance
Capital assets, not being depreciated:							
Land and land improvements	780,962	-	-	780,962	-	-	780,962
Water/storage rights	1,709,148	-	-	1,709,148	-	-	1,709,148
Construction in progress	27,063,141	12,421,090	(30,138,677)	9,345,554	5,504,151	(4,764,867)	10,084,838
Total capital assets, not being depreciated	29,553,251	12,421,090	(30,138,677)	11,835,664	5,504,151	(4,764,867)	12,574,948
Capital assets, being depreciated:							
Treatment plants	42,919,721	174,162	-	43,093,883	4,040,539	-	47,134,422
Distribution system	95,008,443	27,788,745	-	122,797,188	583,195	-	123,380,383
Water wells	15,267,165	2,688,941	-	17,956,106	207,157	-	18,163,263
Total capital assets being depreciated	153,195,329	30,651,848	-	183,847,177	4,830,891	-	188,678,068
Less accumulated depreciation for:							
Treatment plants	(26,894,301)	(1,639,409)	-	(28,533,710)	(1,710,550)	-	(30,244,260)
Distribution system	(56,602,287)	(3,840,332)	-	(60,442,619)	(4,345,020)	-	(64,787,639)
Water wells	(8,104,021)	(668,582)	-	(8,772,603)	(744,933)	-	(9,517,536)
Total accumulated depreciation	(91,600,609)	(6,148,323)	-	(97,748,932)	(6,800,503)	-	(104,549,435)
Total capital assets, being depreciated, net	61,594,720	24,503,525	-	86,098,245	(1,969,612)	-	84,128,633
Total capital assets, net	91,147,971	36,924,615	(30,138,677)	97,933,909	3,534,539	(4,764,867)	96,703,581

Depreciation expense for the years ended 2022 and 2023 was charged to the following departments:

	2023	2022
Water treatment	2,455,483	2,307,991
Water distribution	4,345,020	3,840,332
Total	6,800,503	6,148,323

Fully depreciated assets totaled \$22,325,347 and \$26,447,285 for the years ended 2022 and 2023, respectively.

Upper Eagle Regional Water Authority
Notes to the Financial Statements
December 31, 2023
(Continued)

III. Detailed Notes on All Funds (continued)

G. Long-Term Debt

The Authority had the following long-term debt outstanding during the past two fiscal years:

1. 1998 Assessment Obligation Note

As previously explained in Note III.F, the Authority financed its 1998 investment in the Reservoir Company through the execution of an assessment obligation note in the amount of \$2,216,574. This note bears interest at 5.45% annually. Debt service payments of \$151,671 are due annually on September 16th through 2028.

The obligation is secured by the Authority's ownership of common stock of the Reservoir Company and certain water rights owned by participating members and leased to the Authority. 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 Authority is maintaining a reserve equal to the next fiscal year's principal and interest payments for this obligation.

2. Tax-Exempt Water Revenue Bonds, Series 2013A

The Authority issued \$11,905,000 of tax-exempt water revenue bonds in April 2013, with annual interest rates ranging from 2.5% to 4.25%. 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 water system. This bond issue consists of term bonds due on December 1, 2023, December 1, 2028, December 1, 2033, December 1, 2036 and December 1, 2042; these bonds are subject to mandatory sinking fund redemption at par, plus accrued interest to the redemption date.

As special, limited obligations of the Authority, principal and interest on the bonds are payable solely from net pledged revenues. Such net revenue includes income derived from the water treatment facilities and other legally available revenue after payment of operation and maintenance expenses of the system.

The bond documents include a Rate Maintenance Covenant, which requires the Authority 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 Authority bonds.

Upper Eagle Regional Water Authority
Notes to the Financial Statements
December 31, 2023
(Continued)

III. Detailed Notes on All Funds (continued)

G. Long-Term Debt (continued)

2. Tax-Exempt Water Revenue Bonds, Series 2013A (continued)

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

The Authority 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.

In accordance with bond indentures, the Authority has restricted cash and net position equal to one-sixth (1/6) of the next installment and one-twelfth (1/12) of the next principal installment.

Pursuant to bond documents, the Authority has also created an Operations Reserve in an amount equal to three months of operations and maintenance expenses as set forth in the Authority's annual budget.

The bonds maturing on or before December 1, 2023, are not subject to redemption prior to maturity. The bonds maturing on and after December 1, 2024, are subject to redemption prior to maturity at the option of the Authority at par plus accrued interest without a redemption premium.

3. Tax-Exempt Water Revenue Refunding Bonds, Series 2013C

The Authority issued \$940,000 of tax-exempt water revenue bonds in April 2013, with annual interest rates ranging from 2.0% to 2.25%. Interest is payable June 1 and December 1, through 2022. The principal is payable on December 1 and matures in various increments through 2022. The proceeds were used to refund the outstanding Authority's 2002 Water Refunding and Improvement Revenue Bonds, purchase municipal bond insurance, and pay the costs of issuance.

As special, limited obligations of the Authority, principal and interest on the bonds are payable solely from net pledged revenues. Such net revenue includes income derived from the water treatment facilities and other legally available revenue after payment of operation and maintenance expenses of the system.

The bond documents include a Rate Maintenance Covenant, which requires the Authority 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 Authority bonds.

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

The Authority 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.

**Upper Eagle Regional Water Authority
Notes to the Financial Statements
December 31, 2023
(Continued)**

III. Detailed Notes on All Funds (continued)

G. Long-Term Debt (continued)

3. Tax-Exempt Water Revenue Refunding Bonds, Series 2013C (continued)

In accordance with bond indentures, the Authority has restricted cash and net position equal to one-sixth (1/6) of the next installment and one-twelfth (1/12) of the next principal installment.

Pursuant to bond documents, the Authority has also created an Operations Reserve in an amount equal to three months of operations and maintenance expenses as set forth in the Authority's annual budget.

The bond is not subject to redemption prior to the maturity date.

The bonds were fully repaid during 2022.

4. Tax Exempt Water Revenue Improvement Bonds, Series 2020

The Authority issued \$27,125,000 of tax-exempt water revenue bonds in October 2020, with annual interest rates ranging from 2.0% to 2.25%. Interest is payable June 1 and December 1, through 2050. The principal is payable on December 1 and matures in various increments through 2050. The bonds included an issuance premium of \$4,132,135. The proceeds of these bonds were used to finance improvements to the water system. This bond issue consists of term bonds due on December 1, 2040, December 1, 2045, and December 1, 2050; these bonds are subject to mandatory sinking fund redemption at par, plus accrued interest to the redemption date.

As special, limited obligations of the Authority, principal and interest on the bonds are payable solely from net revenues derived from the Authority's water system. Net revenues are defined as revenues after deducting Operation and Maintenance Expenses.

The bond documents include a Rate Maintenance Covenant, which requires the Authority 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 Authority bonds.

The Authority 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.

Pursuant to bond documents, the Authority has also created a Reserve Fund maintained in accordance with the 2020 Bond Resolution.

The bonds maturing on or before December 1, 2030, are not subject to redemption prior to maturity. The bonds maturing on and after December 1, 2031 are subject to redemption prior to maturity at the option of the Authority at par plus accrued interest without a redemption premium.

**Upper Eagle Regional Water Authority
Notes to the Financial Statements
December 31, 2023
(Continued)**

III. Detailed Notes on All Funds (continued)

G. Long-Term Debt (continued)

5. Tax Exempt Water Revenue Refunding Bonds, Series 2020

The Authority issued \$12,790,000 of tax-exempt water revenue bonds in October 2020, with annual interest rates ranging from 2.0% to 2.25%. Interest is payable June 1 and December 1, through 2039. The principal is payable on December 1 and matures in various increments through 2050. The bonds included an issuance premium of \$2,465,414. The proceeds of these bonds were used to refund all of the Authority's remaining Taxable Water Revenue Bonds, Series 2010B. The Net Present Value of savings was \$2,632,895.

As special, limited obligations of the Authority, principal and interest on the bonds are payable solely from net revenues derived from the Authority's water system. Net revenues are defined as revenues after deducting Operation and Maintenance Expenses.

The bond documents include a Rate Maintenance Covenant, which requires the Authority 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 Authority bonds.

The Authority 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.

Pursuant to bond documents, the Authority has also created a Reserve Fund maintained in accordance with the 2020 Bond Resolution.

The bonds maturing on or before December 1, 2030, are not subject to redemption prior to maturity. The bonds maturing on and after December 1, 2031 are subject to redemption prior to maturity at the option of the Authority at par plus accrued interest without a redemption premium.

**Upper Eagle Regional Water Authority
Notes to the Financial Statements
December 31, 2023
(Continued)**

III. Detailed Notes on All Funds (continued)

H. Long-term Liability Activity Schedules

Long-term liability activity for 2022 was as follows:

	1/1/22 Beginning Balance	Additions	Reductions	12/31/22 Ending Balance	Due Within One Year
1998 assessment obligation note	863,490	-	(104,611)	758,879	110,312
2013 tax-exempt revenue bonds	11,625,000	-	-	11,625,000	165,000
2013 tax-exempt refunding revenue bonds	105,000	-	(105,000)	-	-
2020 tax-exempt revenue bonds	27,125,000	-	-	27,125,000	150,000
2020 tax-exempt refunding revenue bonds	12,790,000	-	-	12,790,000	-
Unamortized bond premiums	6,287,540	-	(267,512)	6,020,028	-
Unamortized bond discounts	(103,328)	-	4,921	(98,407)	-
Total	58,692,702	-	(472,202)	58,220,500	425,312

Long-term liability activity for 2023 was as follows:

	1/1/23 Beginning Balance	Additions	Reductions	12/31/23 Ending Balance	Due Within One Year
1998 assessment obligation note	758,879	-	(110,312)	648,567	116,324
2013 tax-exempt revenue bonds	11,625,000	-	(165,000)	11,460,000	180,000
2020 tax-exempt revenue bonds	27,125,000	-	(150,000)	26,975,000	250,000
2020 tax-exempt refunding revenue bonds	12,790,000	-	-	12,790,000	-
Unamortized bond premiums	6,020,028	-	(266,548)	5,753,480	-
Unamortized bond discounts	(98,407)	-	4,920	(93,487)	-
Total	58,220,500	-	(686,940)	57,533,560	546,324

**Upper Eagle Regional Water Authority
Notes to the Financial Statements
December 31, 2023
(Continued)**

III. Detailed Notes on All Funds (continued)

I. Debt Service Schedules

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

	Principal	Interest	Total
2024	546,324	2,097,616	2,643,940
2025	1,242,663	2,072,701	3,315,364
2026	1,299,349	2,013,184	3,312,533
2027	1,366,399	1,951,047	3,317,446
2028	1,428,832	1,885,851	3,314,683
2029 - 2033	7,350,000	8,457,136	15,807,136
2034 - 2038	8,955,000	6,845,424	15,800,424
2039 - 2043	10,710,000	5,093,800	15,803,800
2044 - 2045	13,010,000	2,795,000	15,805,000
2046 - 2050	5,965,000	360,200	6,325,200
Total	51,873,567	33,571,959	85,445,526

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

IV. Other Information

A. Risk Management

The Authority 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 Authority 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 Authority 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.

The Authority carries commercial insurance coverage for other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

B. Intergovernmental Agreements

1. Interconnect

The Authority and Eagle River Water and Sanitation District (the "District") 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.

Upper Eagle Regional Water Authority
Notes to the Financial Statements
December 31, 2023
(Continued)

IV. Other Information (continued)

B. Intergovernmental Agreements (continued)

1. Interconnect (continued)

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 to the Authority 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.

2. Management and Operations Agreement

Through an agreement, the District provides administration, operations, accounting and maintenance services to the Authority. The District bills customers for the water service provided and collects and remits the monies to the Authority. Additionally, the District provides capital program management services, which are eventually capitalized by the Authority as part of the cost basis of the completed facility. Costs incurred during 2023 under the terms of this agreement amounted to 7,783,497 and 7,890,000 for operating and billing expenses, and \$681,423 and \$544,768 for capitalized management services, totaling \$8,464,920 and \$8,434,768 during the years ended December 31, 2023 and 2022, respectively. Outstanding management fees due to the District as of December 31, 2023 and 2022 totaled \$3,315,428 and \$4,645,173, respectively. Additionally, there was \$0 and \$0 related to management fees due to the Authority as a result of the annual cost study adjustment as December 31, 2023 and 2022, respectively. There were other outstanding payables, for operation services, due to the District as of December 31, 2023 and 2022 totaling \$3,315,428 and \$4,731,744, respectively. As of December 31, 2023 there was \$2,618,399 due from the District, for water service billed, included in the \$4,715,084 accounts receivable balance.

3. Ground Lease

On April 30, 1985, the Authority entered into a lease agreement with the Town of Avon for the land upon which the water treatment facility is located. The term of the lease is for 99 years. Minimal consideration for the lease was paid in advance. In addition, the Town of Avon has reserved the right to use the airspace above the water treatment facility for construction of municipal facilities.

Upper Eagle Regional Water Authority
Notes to the Financial Statements
December 31, 2023
(Continued)

IV. Other Information (continued)

C. Commitments and Contingencies

1. 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 Authority expects such amounts, if any, to be immaterial.

SUPPLEMENTARY INFORMATION



**UPPER EAGLE REGIONAL
WATER AUTHORITY**

Upper Eagle Regional Water Authority
Schedule of Revenues, Expenditures, and Changes in Funds Available
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended 2022)

	2023			Final Budget Variance Positive (Negative)	2022
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Water service fees	16,686,574	16,686,574	17,833,778	1,147,204	15,684,126
Investment income	21,417	21,417	575,895	554,478	207,151
Plant investment fees	286,978	286,978	3,394,202	3,107,224	2,863,936
Water storage fees	251,184	251,184	73,616	(177,568)	223,316
Principal collections of notes receivable	-	-	-	-	67,636
Other	68,935	68,935	60,347	(8,588)	41,016
Total Revenues	17,315,088	17,315,088	21,937,838	4,622,750	19,087,181
Expenditures:					
Water Treatment:					
Management contract	1,149,121	1,149,121	1,303,196	(154,075)	1,195,688
Utilities	636,000	636,000	547,536	88,464	569,607
Chemicals and supplies	441,786	441,786	395,695	46,091	437,302
Subtotal - Water Treatment	2,226,907	2,226,907	2,246,427	(19,520)	2,202,597
Water Distribution:					
Management contract	409,500	409,500	464,406	(54,906)	1,769,531
Utilities	340,000	340,000	340,979	(979)	322,273
Repairs and maintenance	330,000	330,000	170,603	159,397	218,042
Subtotal - Water Distribution	1,079,500	1,079,500	975,988	103,512	2,309,846
Other Operating:					
Utilities	37,173	37,173	53,133	(15,960)	30,447
Repairs and maintenance	1,205,992	1,155,992	1,368,765	(212,773)	907,544
Outside services	452,456	408,761	292,321	116,440	259,606
Subtotal - Other Operating	1,695,621	1,601,926	1,714,219	(112,293)	1,197,597
General and Administrative:					
Insurance	145,000	145,000	169,603	(24,603)	140,912
Legal - General	70,000	70,000	107,206	(37,206)	39,656
Legal - Water rights	150,000	200,000	351,959	(151,959)	309,607
Engineering	133,000	133,000	99,937	33,063	83,653
Consulting	20,000	50,000	34,470	15,530	29,520
Management and accounting	5,325,629	5,325,629	6,039,695	(714,066)	4,946,801
Conservation awareness	12,000	174,000	139,242	34,758	7,768
Directors' fees and expenses	16,800	16,800	11,964	4,836	15,076
Watershed projects	50,000	50,000	50,000	-	50,000
Other	165,000	25,000	82,638	(57,638)	50,797
Subtotal - General and Administrative	6,087,429	6,189,429	7,086,714	(897,285)	5,673,790

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

Upper Eagle Regional Water Authority
Schedule of Revenues, Expenditures, and Changes in Funds Available
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended 2022)
(Continued)

	2023			2022	
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Expenditures (continued):					
Debt Service:					
Principal payments	530,812	530,812	425,312	105,500	359,611
Interest payments	2,114,050	2,114,050	2,112,547	1,503	2,124,910
Paying agent fees	1,500	1,500	1,089	411	1,089
Subtotal - Debt Service	2,646,362	2,646,362	2,538,948	107,414	2,485,610
Other:					
Capital outlay	10,975,409	12,183,512	5,504,150	6,679,362	12,429,668
Eagle Park Reservoir Company stock purchases - Water rights	-	-	1,651,575	(1,651,575)	-
Subtotal - Other	10,975,409	12,183,512	7,155,725	5,027,787	12,429,668
Total Expenditures	24,711,228	25,927,636	21,718,021	4,209,615	26,299,108
Excess (Deficiency) of Revenues Over Expenditures	(7,396,140)	(8,612,548)	219,817	8,832,365	(7,211,927)
Funds Available - Beginning of Year	11,089,956	11,089,956	12,162,265	1,072,309	19,374,192
Funds Available - End of Year	3,693,816	2,477,408	12,382,082	9,904,674	12,162,265
Funds available at year-end is computed as follows:					
Current assets			16,650,295		18,923,522
Current liabilities			(4,814,537)		(7,186,569)
Current portion of long-term obligations			546,324		425,312
			12,382,082		12,162,265
Reconciliation to GAAP Basis:					
Excess (deficiency) of revenues over expenditures			219,817		(7,211,927)
Contributed assets from developers			66,025		515,984
Change in patronage dividends receivable			6,512		15,613
Collection of notes receivable - Principal			-		(67,636)
Depreciation			(6,800,503)		(6,148,323)
Bond and loan issue cost amortization					
Amortization of bond premiums, discounts, and deferred refunding costs			238,223		239,185
Debt principal payments			425,312		359,611
Capitalized assets			5,504,151		12,429,667
Prior year capitalized assets expensed in the current year			-		(11,391)
Increase in Investment in Eagle Park Reservoir Company			1,651,575		-
Change in other long-term payables (interconnect)			34,582		(106,718)
Change in Net Position - GAAP Basis			1,345,694		14,065

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

STATISTICAL SECTION



**UPPER EAGLE REGIONAL
WATER AUTHORITY**

**Upper Eagle Regional Water Authority
Schedule of Debt Service Requirements to Maturity
December 31, 2023**

**1998 Assessment Obligation Note
Payable to Eagle Park Reservoir Company
Original Principal - \$2,216,574
Interest Rate - 5.45%**

Year Ending December 31,	Principal Due September 16	Interest Due September 16	Total
2024	116,324	35,347	151,671
2025	122,664	29,007	151,671
2026	129,349	22,322	151,671
2027	136,399	15,272	151,671
2028	143,831	7,840	151,671
	<u>648,567</u>	<u>109,788</u>	<u>758,355</u>

Upper Eagle Regional Water Authority
Schedule of Debt Service Requirements to Maturity
December 31, 2023

2013A Tax-Exempt Water Revenue Bonds

Revenue Bonds

Original Principal - \$11,905,000

Interest Rate - 2.50% to 4.25%

Year Ending December 31,	Principal Due December 1	Interest Due June 1 and December 1	Total
2024	180,000	450,969	630,969
2025	195,000	444,894	639,894
2026	210,000	438,312	648,312
2027	230,000	431,225	661,225
2028	250,000	423,462	673,462
2029	275,000	415,025	690,025
2030	305,000	404,712	709,712
2031	325,000	393,275	718,275
2032	360,000	381,087	741,087
2033	390,000	367,587	757,587
2034	410,000	352,962	762,962
2035	445,000	335,537	780,537
2036	490,000	316,625	806,625
2037	540,000	295,800	835,800
2038	585,000	274,200	859,200
2039	630,000	250,800	880,800
2040	1,805,000	225,600	2,030,600
2041	1,880,000	153,400	2,033,400
2042	1,955,000	78,200	2,033,200
	<u>11,460,000</u>	<u>6,433,672</u>	<u>17,893,672</u>

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

Upper Eagle Regional Water Authority
Schedule of Debt Service Requirements to Maturity
December 31, 2023

2020 Tax-Exempt Water Revenue Improvement Bonds			
Revenue Bonds			
Original Principal - \$27,125,000			
Interest Rate - 2.00% - 2.25%			
Year Ending December 31,	Principal Due December 1	Interest Due June 1 and December 1	Total
2024	250,000	1,089,700	1,339,700
2025	310,000	1,077,200	1,387,200
2026	310,000	1,061,700	1,371,700
2027	320,000	1,046,200	1,366,200
2028	320,000	1,030,200	1,350,200
2029	325,000	1,014,200	1,339,200
2030	325,000	997,950	1,322,950
2031	330,000	981,700	1,311,700
2032	320,000	968,500	1,288,500
2033	315,000	955,700	1,270,700
2034	325,000	943,100	1,268,100
2035	320,000	930,100	1,250,100
2036	310,000	917,300	1,227,300
2037	290,000	904,900	1,194,900
2038	280,000	896,200	1,176,200
2039	270,000	887,800	1,157,800
2040	250,000	879,700	1,129,700
2041	255,000	872,200	1,127,200
2042	265,000	862,000	1,127,000
2043	2,310,000	851,400	3,161,400
2044	2,400,000	759,000	3,159,000
2045	2,500,000	663,000	3,163,000
2046	2,600,000	563,000	3,163,000
2047	2,700,000	459,000	3,159,000
2048	2,810,000	351,000	3,161,000
2049	2,925,000	238,600	3,163,600
2050	3,040,000	121,600	3,161,600
	<u>26,975,000</u>	<u>22,322,950</u>	<u>49,297,950</u>

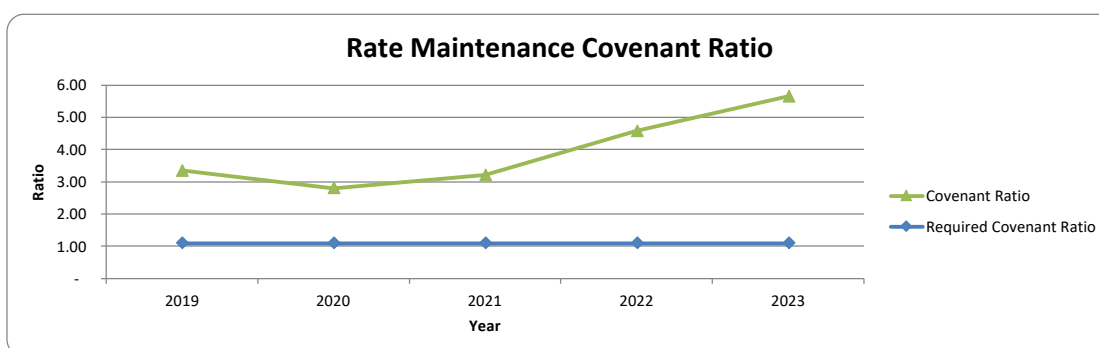
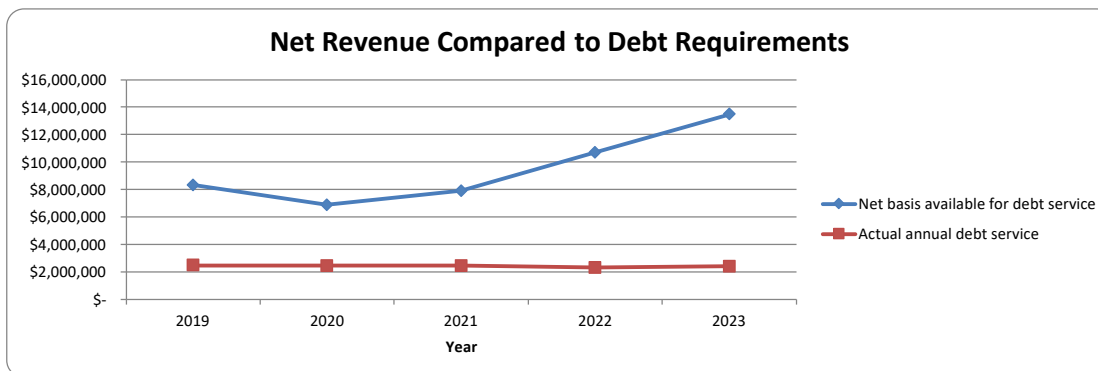
The accompanying notes are an integral part of these financial statements.

Upper Eagle Regional Water Authority
Schedule of Debt Service Requirements to Maturity
December 31, 2023

2020 Tax-Exempt Water Revenue Refunding Bonds			
Revenue Bonds			
Original Principal - \$12,790,000			
Interest Rate - 2.00% - 2.25%			
Year Ending December 31,	Principal Due December 1	Interest Due June 1 and December 1	Total
2024	-	521,600	521,600
2025	615,000	521,600	1,136,600
2026	650,000	490,850	1,140,850
2027	680,000	458,350	1,138,350
2028	715,000	424,350	1,139,350
2029	745,000	388,600	1,133,600
2030	780,000	351,350	1,131,350
2031	820,000	312,350	1,132,350
2032	850,000	279,550	1,129,550
2033	885,000	245,550	1,130,550
2034	920,000	210,150	1,130,150
2035	955,000	173,350	1,128,350
2036	990,000	135,150	1,125,150
2037	1,035,000	95,550	1,130,550
2038	1,060,000	64,500	1,124,500
2039	1,090,000	32,700	1,122,700
	<u>12,790,000</u>	<u>4,705,550</u>	<u>17,495,550</u>

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

**Upper Eagle Regional Water Authority
Rate Maintenance Covenant
Five Year Comparison
December 31, 2023
(Unaudited)**



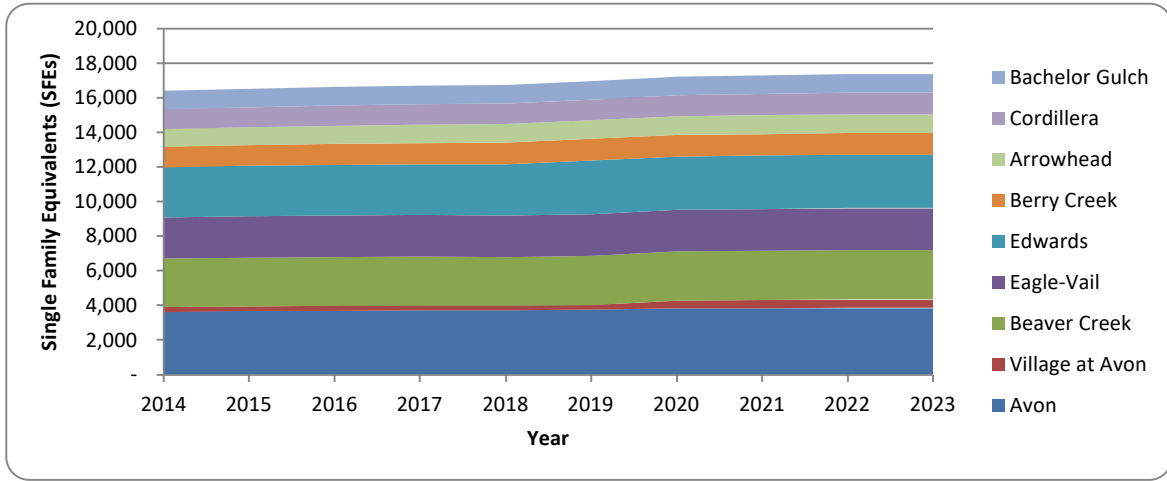
Per the bond covenants, the Authority is to assess a fee to cover operations and maintenance and 110% of debt service.

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Operating revenue	11,300,594	13,273,780	14,228,792	15,684,126	17,833,778
Plus:					
Plant investment fees and water storage fees	2,492,944	713,623	1,507,207	3,087,252	3,467,818
Investment income	218,910	43,024	8,354	207,151	575,895
Interest credit - Build America Bonds	294,369	253,044	-	-	-
Other non-operating revenues	50,460	34,868	38,537	48,435	66,859
Rate stabilization funds	600,000	600,000	600,000	600,000	600,000
Total revenues available for debt service	14,957,277	14,918,339	16,382,890	19,626,964	22,544,350
Expenses	13,731,256	14,735,970	16,366,020	17,642,069	18,789,268
Less:					
Interest expense	(1,486,235)	(1,037,704)	(2,022,062)	(1,885,725)	(1,874,324)
Depreciation	(5,154,524)	(5,202,025)	(5,369,816)	(6,148,323)	(6,800,503)
Major capital additions	(479,483)	(460,184)	(512,572)	(668,630)	(1,070,660)
Total expenses available for debt service	6,611,014	8,036,057	8,461,570	8,939,391	9,043,781
Net basis available for debt service	8,346,263	6,882,282	7,921,320	10,687,573	13,500,569
Actual annual debt service	2,491,902	2,451,902	2,464,381	2,335,006	2,388,894
Covenant Ratio	3.35	2.81	3.21	4.58	5.65
Required Covenant Ratio	1.10	1.10	1.10	1.10	1.10

Rate Maintenance Covenant: The Authority's Series 2003, 2007, 2010 A&B and 2013 A&C bonds 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) an amount equal to current costs of improvements to the System, excluding major capital additions, made in the ordinary course of business, (iv) any amounts required to meet then existing deficiencies pertaining to any fund or account relating to the Net Revenues or any securities payable therefrom, and (v) 100% of any account relating to the Net Revenues or any securities payable therefrom, and Policy Costs then due and owing. The 2003 and 2007 series bonds were repaid in 2018, the series 2010 bonds were refunded in 2020, and the series 2020 bonds debt service payments began in 2021.

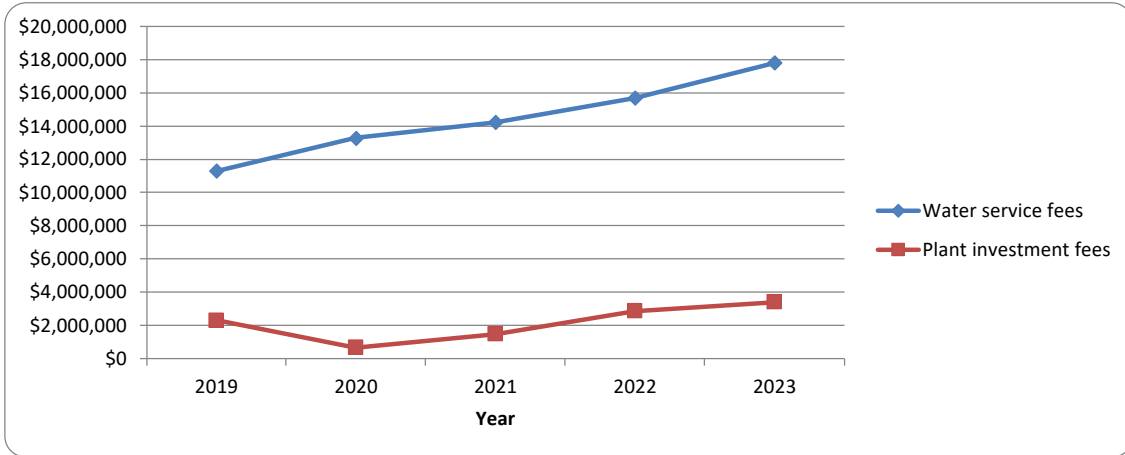
The above Rate Maintenance Covenant is tested annually. It is the Authority's policy to use unrestricted cash (\$6,420,680 at December 31, 2023) to meet the Rate Maintenance Covenant if necessary.

**Upper Eagle Regional Water Authority
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>
Avon	3,629	3,656	3,687	3,712	3,696	3,750	3,803	3,821	3,841	3,934
Village at Avon	268	268	268	268	268	268	464	492	495	501
Beaver Creek	2,807	2,823	2,825	2,829	2,827	2,831	2,834	2,834	2,855	2,863
Eagle-Vail	2,381	2,390	2,389	2,398	2,406	2,410	2,411	2,411	2,416	2,416
Edwards	2,892	2,912	2,934	2,941	2,958	3,104	3,077	3,081	3,097	3,129
Berry Creek	1,186	1,192	1,206	1,218	1,230	1,237	1,235	1,243	1,247	1,330
Arrowhead	1,038	1,048	1,059	1,060	1,067	1,078	1,080	1,091	1,089	1,089
Cordillera	1,143	1,154	1,183	1,186	1,197	1,204	1,211	1,218	1,251	1,277
Bachelor Gulch	1,065	1,072	1,068	1,072	1,071	1,075	1,076	1,089	1,092	1,089
Total SFEs	<u>16,408</u>	<u>16,514</u>	<u>16,619</u>	<u>16,684</u>	<u>16,720</u>	<u>16,957</u>	<u>17,191</u>	<u>17,280</u>	<u>17,383</u>	<u>17,628</u>
Percent increase	<u>0.77%</u>	<u>0.65%</u>	<u>0.63%</u>	<u>0.39%</u>	<u>0.22%</u>	<u>1.42%</u>	<u>1.38%</u>	<u>0.52%</u>	<u>0.60%</u>	<u>1.41%</u>

**Upper Eagle Regional Water Authority
Water Statistics
Five Year Comparison
December 31, 2023
(Unaudited)**



	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Water service fees	11,300,594	13,273,780	14,228,792	15,684,126	17,833,778
Average single family equivalent (SFE)	<u>16,956</u>	<u>17,191</u>	<u>17,280</u>	<u>17,383</u>	<u>17,383</u>
Average service fee per SFE	<u>666</u>	<u>772</u>	<u>823</u>	<u>902</u>	<u>1,026</u>
Plant investment fees	<u>2,300,552</u>	<u>668,439</u>	<u>1,461,423</u>	<u>2,863,936</u>	<u>3,394,202</u>
Gallons sold (in thousands)	1,185,821	1,359,775	1,224,580	1,168,312	1,126,073
Average single family equivalent (SFE)	16,956	17,191	17,280	17,383	17,383
Factor (days per year)	<u>365</u>	<u>365</u>	<u>365</u>	<u>365</u>	<u>365</u>
Average gallons sold per day per SFE	<u>192</u>	<u>217</u>	<u>194</u>	<u>184</u>	<u>177</u>

Upper Eagle Regional Water Authority
Top 10 Customers
December 31, 2023
(Unaudited)

Customer Type	Service Area	1,000 Gallons	Sales Dollar Amount	% of Total Sales Dollars
Hotel/Resort	Bachelor Gulch	29,428	\$ 265,540	1.5%
Hotel/Resort	Beaver Creek	15,224	168,423	0.9%
Apartment Complex	Avon	15,235	158,961	0.9%
Apartment Complex	Edwards	13,817	147,347	0.8%
Hotel/Resort/Offices	Avon	14,814	131,093	0.7%
Mobile Home Park	Avon	13,362	120,980	0.7%
Apartment Complex	Village at Avon	7,749	113,718	0.6%
Ski Resort/Hotels/Offices	Beaver Creek	10,215	105,577	0.6%
Condominiums/HOA	Avon	7,939	103,657	0.6%
Condominiums/HOA	Avon	8,668	99,388	0.6%
Total - Top 10 Customers		<u>136,451</u>	<u>1,414,684</u>	<u>7.9%</u>
Total - All Other Customers		<u>989,622</u>	<u>16,419,094</u>	<u>92.1%</u>
Total Service Fees		<u>1,126,073</u>	<u>\$ 17,833,778</u>	<u>100.0%</u>



**UPPER EAGLE REGIONAL
WATER AUTHORITY**

GOVERNED BY:

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

The Town of Avon

BOARD ACTION REQUEST

TO: Board of Directors
FROM: Brian Thompson, Government Affairs Supervisor
DATE: June 20, 2024
RE: Joint Digital Accessibility Policy

Summary of Subject: At the May 23 board meeting, a draft joint Digital Accessibility Policy was presented to the District and Authority boards for discussion. The Authority board will be asked to consider this policy for approval at the June 27 board meeting.

Discussion and Background: As discussed at the May 23 board meeting, the District and Authority are required to comply with new state digital accessibility rules that will take effect on July 1, 2024. A board-adopted digital accessibility policy will help provide direction on the District's and Authority's plan to comply with these rules and articulate our commitment to providing equitable access to government information and services

The District board approved this policy on May 23. The joint policy will be adopted upon the Authority board's approval.

Recommendation: Approve the joint Digital Accessibility Policy as presented.

Legal Issues: This policy was reviewed by counsel.

Budget Implication: N/A

Suggested Resolution and Motion: I move to approve and adopt the joint Digital Accessibility Policy, as presented.

Attached Supporting Documentation: Joint Digital Accessibility Policy- DRAFT



JOINT BOARD POLICY

Title: Digital Accessibility Policy	Department: Business Administration
Effective Date:	Previous Effective Date(s): N/A

Purpose and Summary:

This joint Digital Accessibility Policy articulates the District's and Authority's commitment to providing equitable access to government information and services, and guides staff in complying with digital accessibility legislation and rules.

Scope:

In February 2024, the Colorado Governor's Office of Information Technology (OIT) permanently adopted rules defining accessibility standards and compliance parameters for information and communication technology ("ICT") owned or controlled by a public entity. The rules apply to both internal and external ICT, which includes, but is not limited to, websites, applications, digital documents, video, and audio. The District and Authority are committed to providing equitable access to its ICT in compliance with Colorado's digital accessibility rules. To this end, the District and Authority have developed a plan to continuously improve their digital accessibility. The District and Authority welcome public feedback and will make good faith efforts to resolve issues in a timely manner if they arise.

The District and Authority are further committed to working towards being in line with the Web Content Accessibility Guidelines (WCAG) version 2.1, levels A and AA criteria. As not all ICT will be immediately capable of meeting these standards, the District and Authority will regularly monitor and test their ICT and will make ongoing good faith efforts to identify and remediate inaccessible ICT.

Pursuant to 8 CCR 1501-11.6, a "Technology Accessibility Statement" will be publicly posted in a conspicuous place on the District website and will include: (1) A commitment to timely responses to reports of inaccessible ICT or requests for reasonable accommodations or modifications; and (2) A prominent notice informing individuals with disabilities how to report inaccessible ICT and request accommodations or modifications, including more than one contact method. A Compliance Officer will be responsible for managing and responding to these reports and requests.

The District and Authority hereby appoint the Government Affairs Supervisor as their respective Compliance Officer. Instructions for submitting reports and requests related to District or Authority ICT will be clearly posted on a dedicated accessibility page on the District's website, which serves both entities. Reports and requests may be submitted by completing an online form or by calling or emailing the Compliance Officer. When a report or request is received, the Compliance Officer will acknowledge receipt within three business days and then collaborate with staff on a timely remediation of the inaccessible ICT. Alternatively, the Compliance Officer may offer a reasonable accommodation or modification to the user, pursuant to 8 CCR 1501-11.11.

For ICT controlled by a third party, the District and Authority cannot make assurances of compliance with accessibility standards. If a report or request is submitted regarding third-party inaccessible ICT, the District and Authority will make good faith efforts to request the remediation of inaccessible ICT by the third party, offer a reasonable accommodation or modification, and negotiate vendor compliance as part of the contracting process.

This policy aligns with the values adopted by the District and Authority of providing fair service and clear transparency. This policy will be reviewed regularly to ensure continued alignment with evolving legal and technical standards, as well as the diverse needs of people with disabilities.



**UPPER EAGLE REGIONAL
WATER AUTHORITY**

GOVERNED BY:

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

The Town of Avon

BOARD ACTION REQUEST

TO: Board of Directors
FROM: Brian Thompson, Government Affairs Supervisor
DATE: June 20, 2024
RE: Tap Fee Policies

Summary of Subject: At the May 23 board meeting, staff recommended the following policy updates: 1) Sunsetting the Policy for Use-Based Tap Fee Calculation; and 2) Amending the Tap Fee Policy for Public Use Facilities. The board will be asked to consider these updates for approval at the June 27 board meeting.

Discussion and Background: As discussed at the May 23 board meeting, the **Policy for Use-Based Tap Fee Calculation** (adopted by the board on Dec. 6, 2017) has not been put into practice since its inception. It also creates challenges with tracking a customer's water use over time and potentially levying new fees in the future. The District is also evaluating a potential move from our current tap fee assessment methodology toward a more industry-standard approach based upon meter size that would alleviate the need for this policy going forward.

Staff also recommends amending the **Tap Fee Policy for Public Use Facilities** (adopted Jun. 26, 2008) to remove the option for a developer to defer payment of water and sewer tap fees as this policy has not been put into practice since its inception. The provision requiring tap fees for public facilities would be retained.

Recommendation: Sunset the Policy for Use-Based Tap Fee Calculation and approve the Tap Fee Policy for Public Use Facilities as amended.

Legal Issues: These policy updates have been reviewed by counsel.

Budget Implication: N/A

Suggested Resolution and Motion: I move to sunset the Policy for Use-Based Tap Fee Calculation. I further move to approve and adopt the Tap Fee Policy for Public Use Facilities as amended.

Attached Supporting Documentation:

- 2017 Policy for Use-Based Tap Fee Calculation (recommended for sunset)
- Amended Tap Fee Policy for Public Use Facilities (recommended for adoption)

POLICY FOR USE-BASED TAP FEE

This policy applies to Applicants proposing a new, non-residential water and wastewater use as defined in the District and Authority's Rules and Regulations, and recognizes that some uses have significantly more or less impact to system capacity than would be calculated by the application of current tap fee policies and procedures. This policy aims to maintain a rational nexus between the fee charged to a customer and the cost to the water and wastewater provider of serving that customer's proposed use.

1. Policy Goals

The goals of this policy are to:

- Document the water use proposed by the development;
- Ensure that the tap fee collected reflects the anticipated peak impact of the new water use and wastewater conveyance and treatment demand on infrastructure systems;
- Provides certainty of the amount of water and wastewater capacity committed to the new use; and
- Provide a means by which the provider can hold customers accountable to limiting water use to that which was paid for at the time of the commitment to serve.

2. Qualifications

To qualify for calculation of tap fees under this policy, a development must meet the following requirements:

1. The premises must be owned by a governmental entity;
2. Only the indoor component of water use qualifies under this policy; any outdoor water use component on the premises is required to pay a separate tap fee calculated per the guidelines for a sprinkler or irrigation account; and
3. The provider makes a determination that calculation of tap fees under other policies would result in a tap fee not reflective of the actual impact to system capacity.

3. Process & Procedures

Prior to customers receiving water service for proposed new water uses from the Authority, they must meet all applicable requirements of the Authority's Rules and Regulations, which among other requirements include the payment of tap and other application and connections fees and the dedication of water rights sufficient to serve the proposed use.

A customer who applies for calculation of tap fees under this policy is subject to the following additional procedures:

- The District will utilize information provided by the customer to calculate a peak water use that is expected to meet the customer's intended need. A minor safety factor may be applied. The peak use multiplied by the safety factor is the Total Demand Limit. The Total Demand Limit will be converted to an SFE factor for the calculation of monthly base fees and tiered rate use ranges.
- The customer will execute a Use-Based Tap Fee Agreement, which states the Total Demand Limit and the tap fee due based thereon, and pay the fee.
- AMI infrastructure will be installed on the premises and the customer will be required to set up an AMI Customer Portal account so that usage alerts can be set.
- The District will track and review the customer water use monthly. If a customer's water use exceeds the Total Demand Limit, the District will notify the customer of such exceedance to determine if water use can be brought back into compliance. If the customer continues to exceed the Total Demand Limit, the Authority may recalculate the water and wastewater SFE factor, assess an incremental tap fee, and apply the new SFE factor to the monthly base rate and tiered rate ranges.

Monthly billing rates will be those that are in effect for all other customers of the District and Authority.



**UPPER EAGLE REGIONAL
WATER AUTHORITY**

GOVERNED BY:

The Metropolitan
Districts of:

Arrowhead

Beaver Creek

Berry Creek

EagleVail

Edwards

The Town of Avon

BOARD POLICY

Title: Tap Fee Policy for Public Use Facilities	Department: Engineering & Water Resources
Effective Date:	Previous Effective Date(s): 2/28/2008

Background:

The Upper Eagle Regional Water Authority (“Authority”) has received requests for the waiver of tap fees for public buildings, such as schools, ambulance facilities, fire stations, recreational facilities, churches, public administrative offices, etc. The Board of Directors recognizes that public facilities, like any other use within the Authority, create real costs to the Authority.

As public entities seldom have the same boundaries as the Authority, the incongruity of these boundaries results in inequity between the constituents of the public entity when fees are not collected at normal rates. For example, the school district covers most of Eagle County, while the people who would be paying for a waiver of water fees would be only those persons and properties within the Authority. Accordingly, the Authority finds that equity and non-discrimination is most likely to be achieved if all public entities pay their appropriate fees to each other.

Authority:

This policy is consistent with the Authority’s broad authorities as a quasi-municipal entity authorized and empowered to supply water for domestic and other public and private purposes.

Policy:

To avoid the inequities which would occur by different constituencies subsidizing the costs of the provision of water utility services to public facilities, the Board of Directors of the Upper Eagle Regional Water Authority determines that other public entities should be assessed the established fees and service charges applicable to the impact to the water system of which the facilities are connected. Public entities are entitled to the same procedure available to others to appeal the assessment based upon unusual or extenuating circumstances which may exist and may entitle them to adjustments in the applicable fees and charges.

This policy supersedes all previously adopted policies pertaining to tap fees for public use facilities. Furthermore, this policy shall remain active until such time as it may be repealed or amended by the board. The board will regularly review this policy to ensure continued alignment with the best interests of the Authority.



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)*



2024 UERWA 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
24.15.049	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 \$7,000.00	Master Services Agreement	Master Services Agreement for landscaping work after Field Ops repairs.	\$16,000.00	\$14,000.00
24.20.009	Pending	Avon DWF Bathroom and Kitchen Remodel	MacAllister Construction LLC	\$80,234.86	C. Keller	20.1.3.00.00.045	\$80,234.86	Construction Contract	Remodel of the breakroom/kitchen at Avon DWF. New cabinets, floor, appliances, plumbing, electrical.		
24.20.010	06/12/24	WST Roof Rehabilitation and Access Hatch Improvements	Western Water Solutions LLC	\$10,072.00	D. Duerr	20.1.2.00.00.043	\$10,072.00	Design Services Agreement	Engineering construction services for the water storage tank roof rehabilitation and access hatch improvement project, including construction drawings, site walks, inspections, and as-built drawings.		
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 Fenno Well F7, including reinstallation of new pump, motor, and drop pipe.	\$30,000.00	\$8,839.30
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



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.



**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.

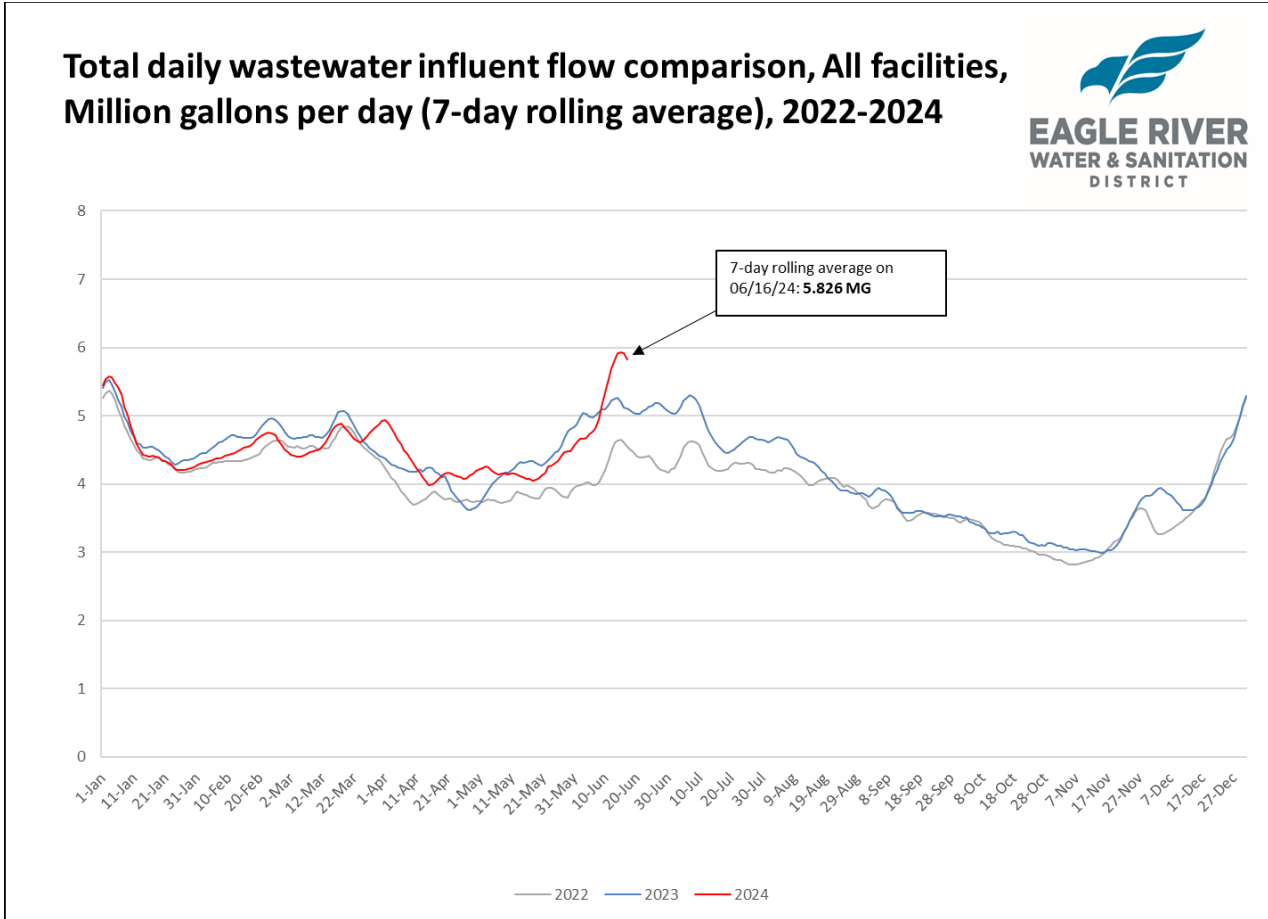
As part of the Water Production Master Plan CIP project, the District has partnered with the CDPHE to initiate a Disinfection Outreach Verification Effort (DOVE). The overarching goal of CDPHE's DOVE program is to verify that water treatment facilities are appropriately designed, operated, and monitored. 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

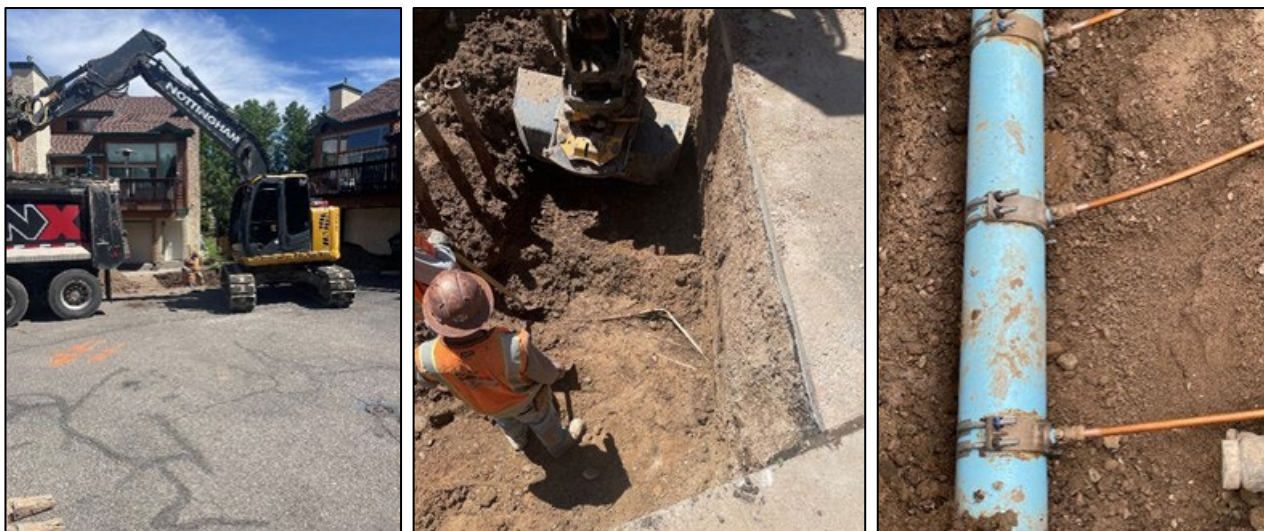
Niko Nemcanin

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

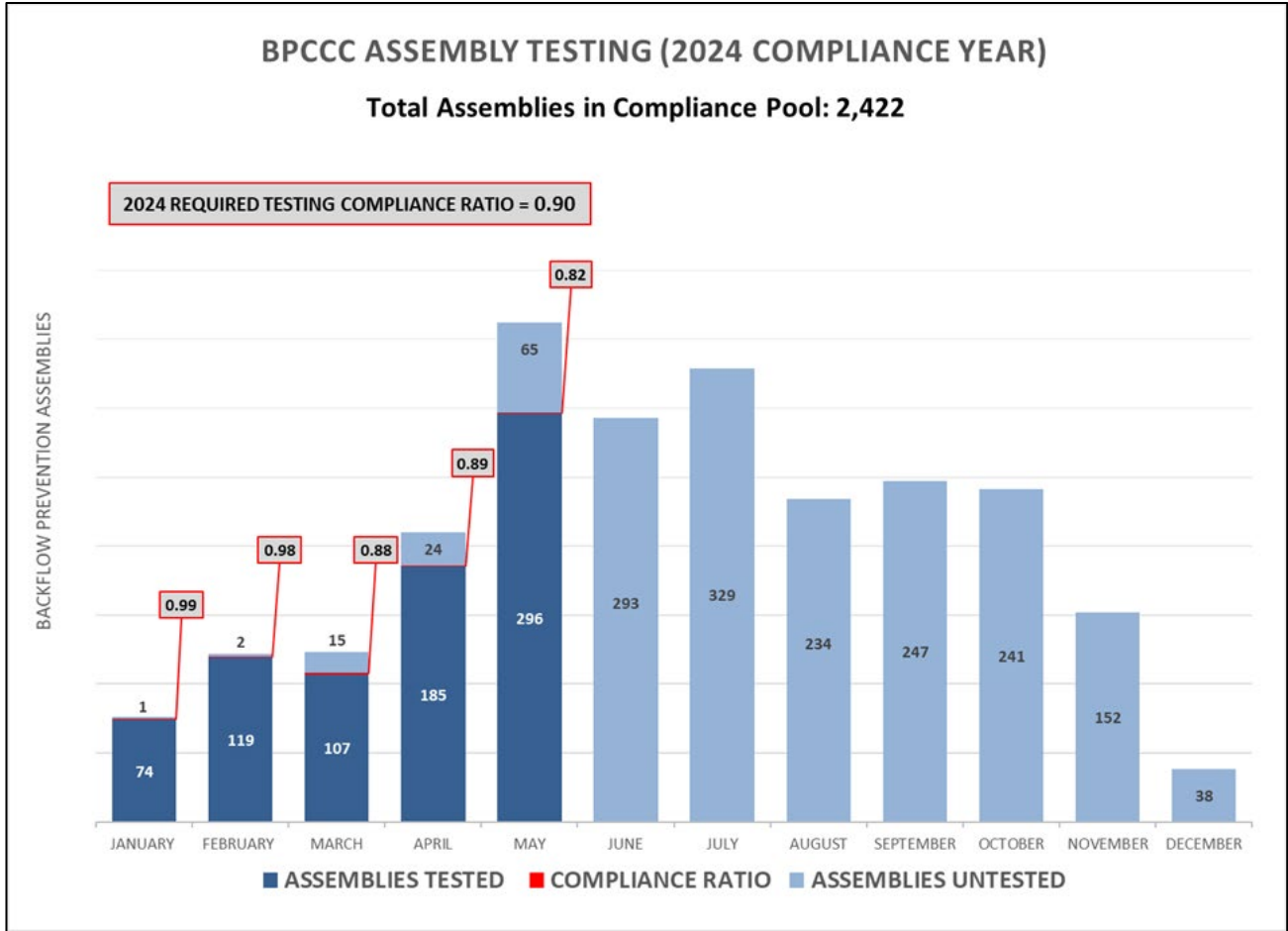
Shane Swartwout

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.

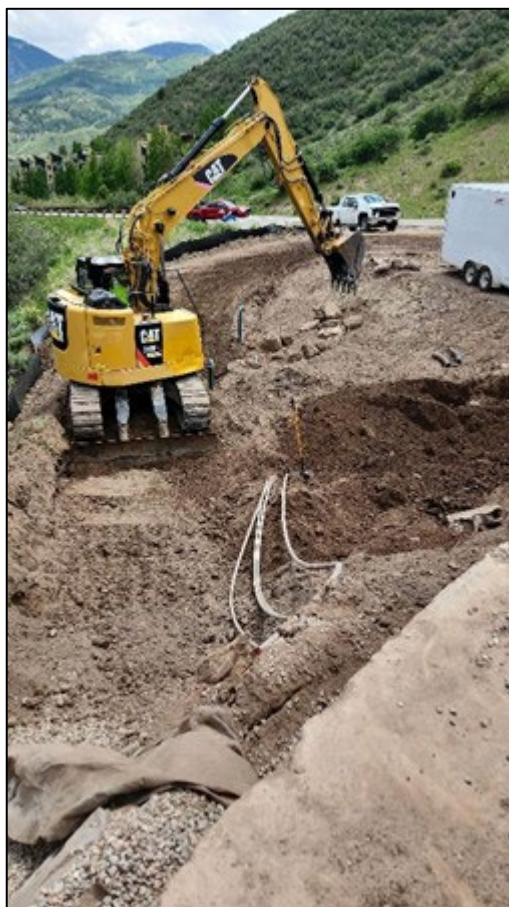
Project Update: Material procurement and stakeholder coordination is ongoing. Contactor mobilization is underway. Construction work will begin in late June.

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

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 UpgradeJenna 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

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 28th, 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

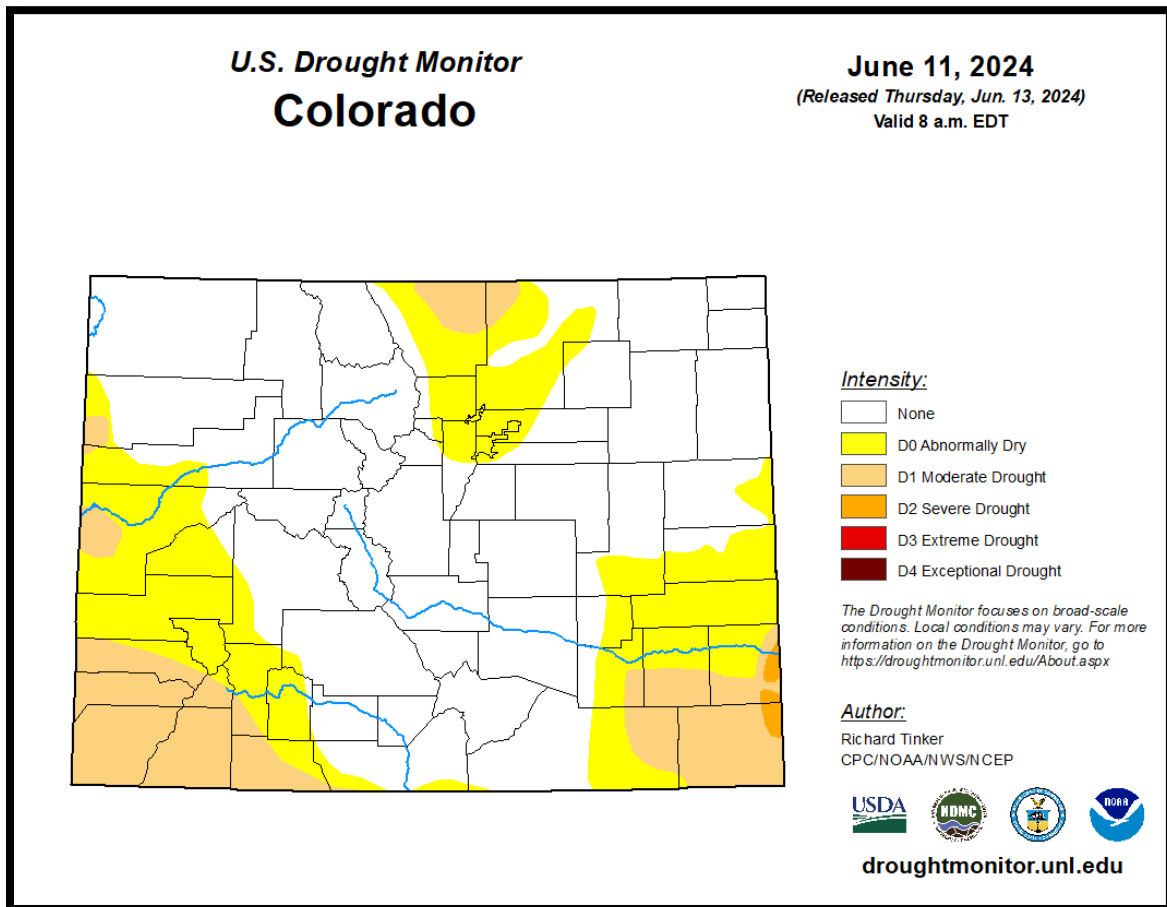
Water Resources Report

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)

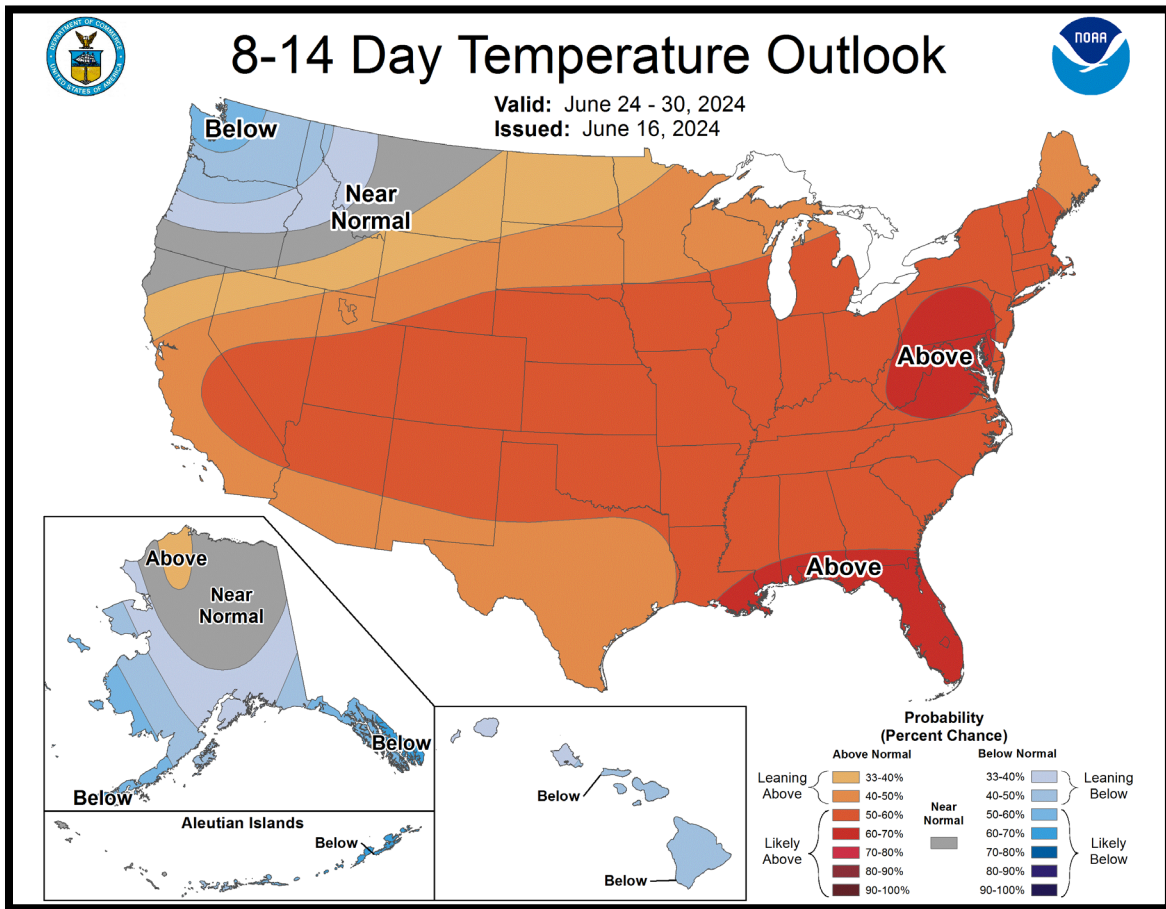
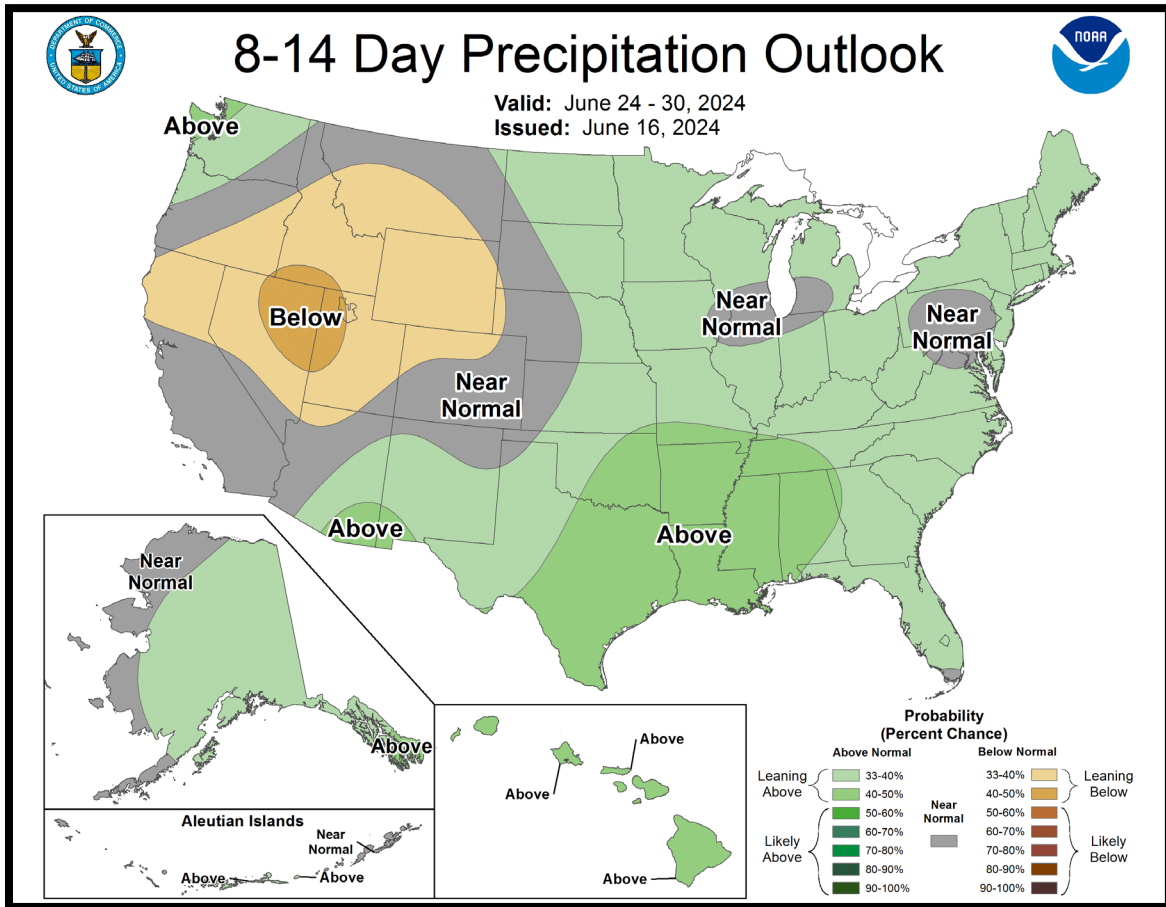


Figure 3: 8-14 Day Precipitation Outlook – June 16, 2024 (NOAA/National Weather Service Climate Prediction Center)



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 2nd. 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 16th, 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)

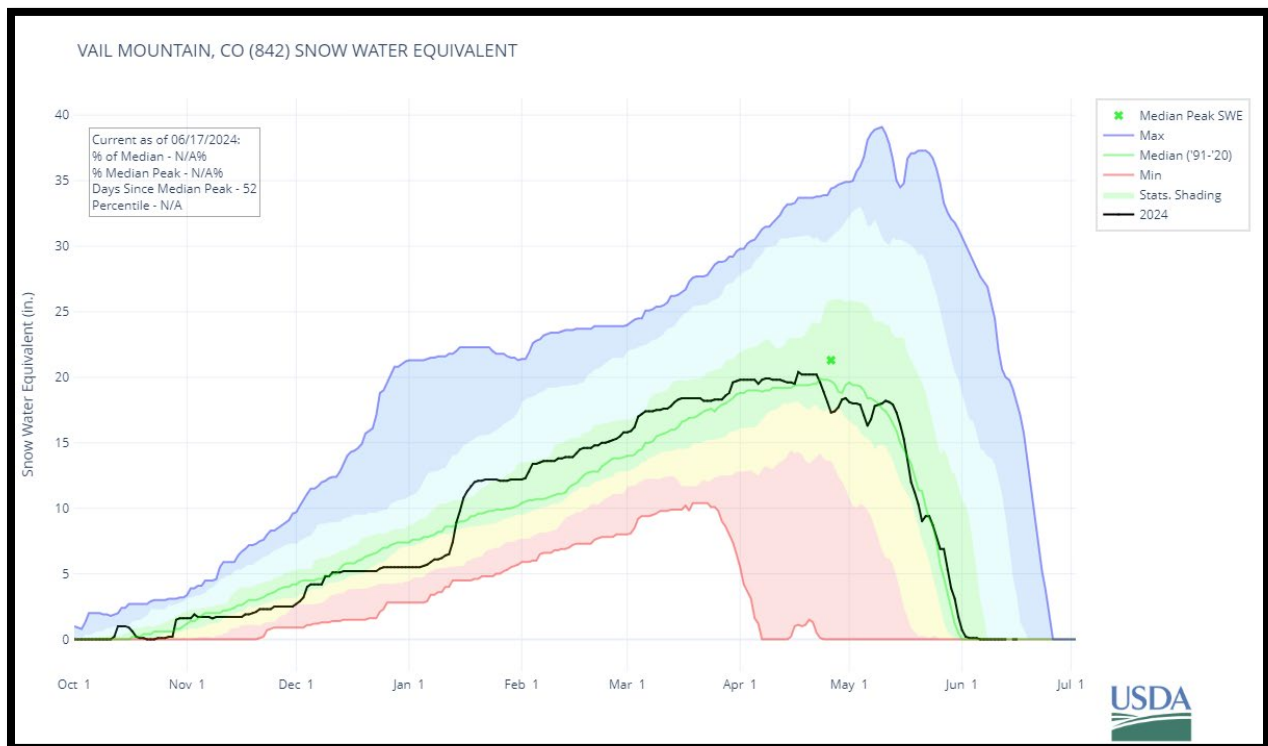
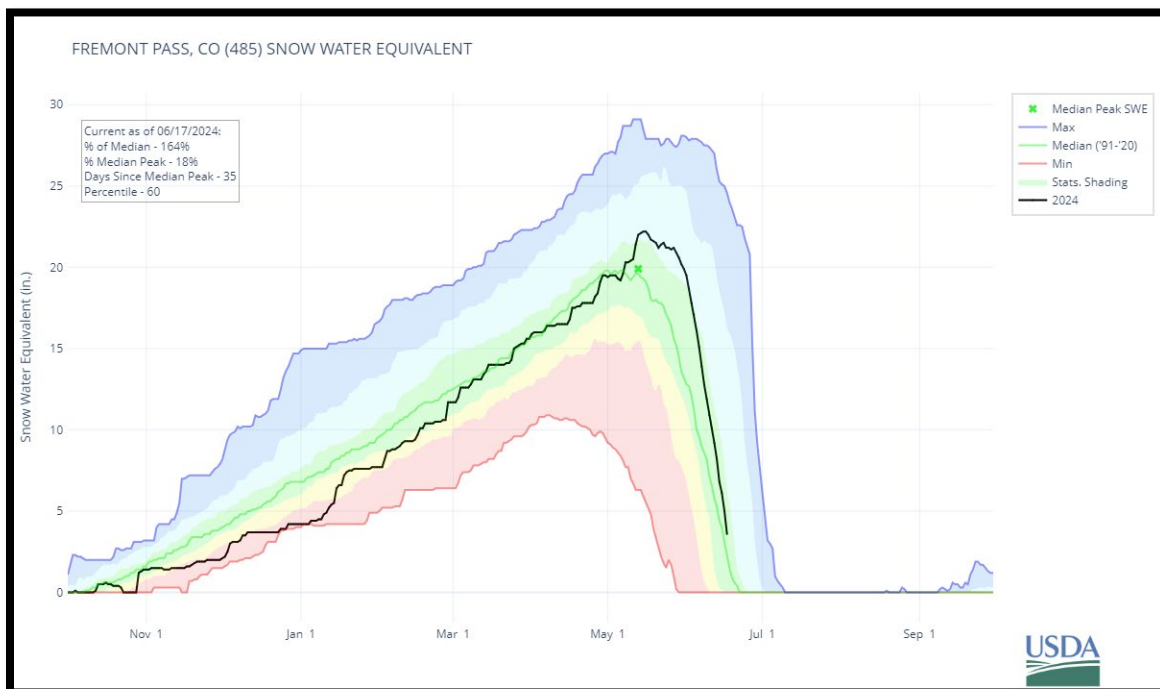


Figure 5: Accumulated Precipitation at Fremont Pass SNOTEL station, June 17, 2024 (USDA)



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

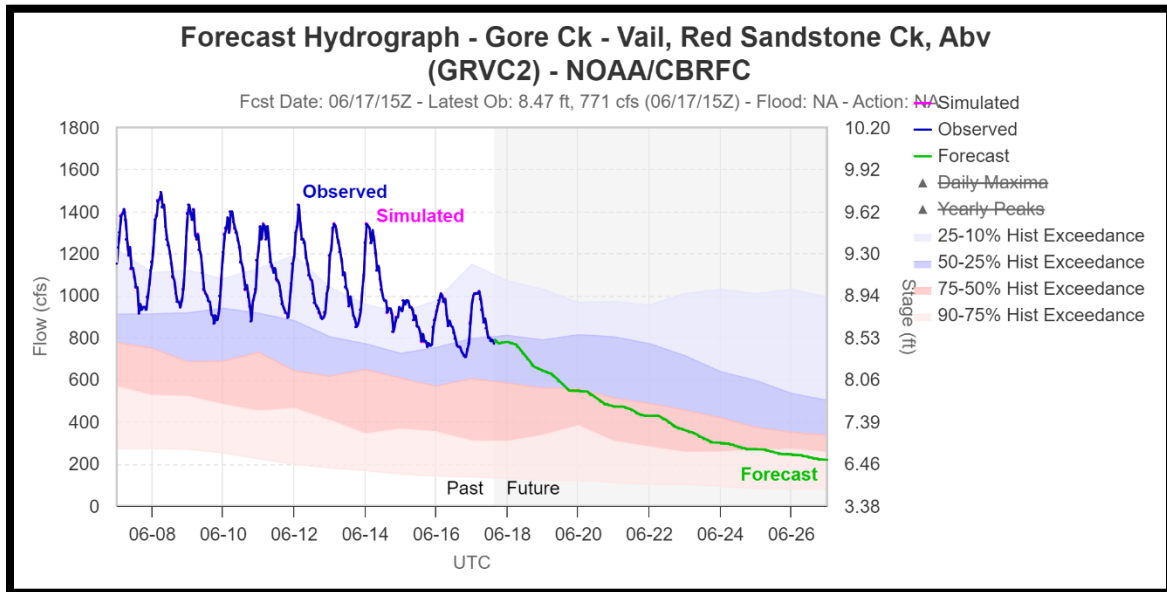


Figure 7: Forecast Hydrograph, Eagle River at Avon

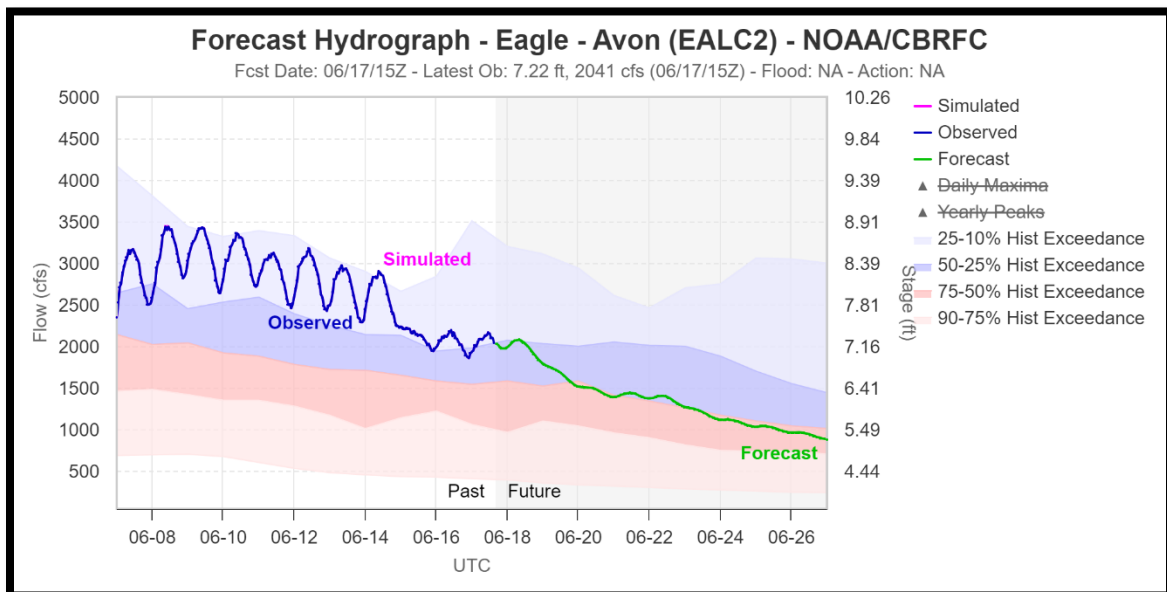
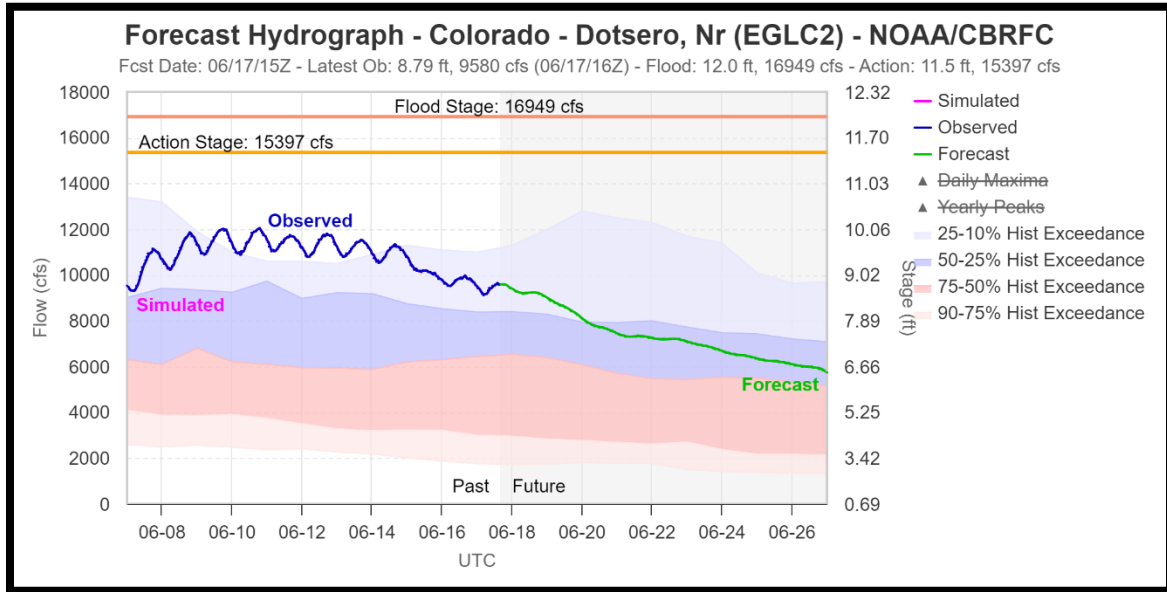


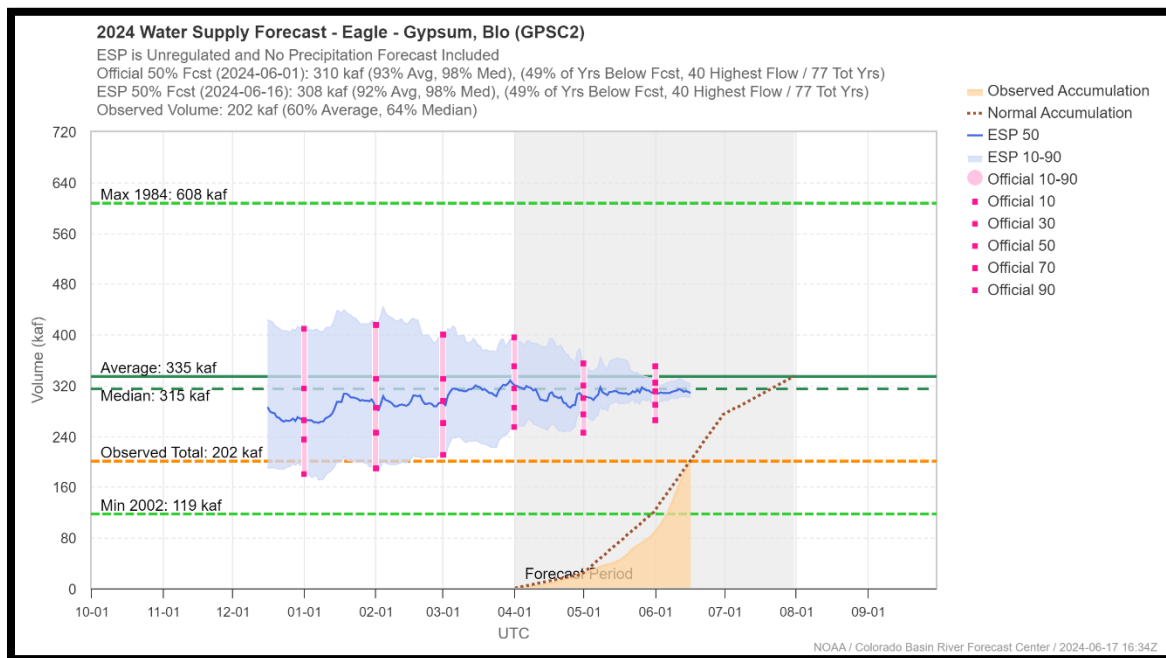
Figure 8: Forecast Hydrograph, Colorado River at Dotsero



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:

Reservoir	ERWSD		UERWA		Total	
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

	Dwelling Units	SFEs
Single Family/Duplex Residential		
Single-Family Units (185 Lots)	185	222
Duplex Units (499 Lots)	998	1,198
Subtotal Single-Family/Duplex Residential	1,183	1,420
Multi-Family Residential		
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
Subtotal Multi-Family Residential	123	123
Totals	1,306	1,543

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

Berry Creek PUD Commercial Development	SFEs
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
Total Existing Commercial SFEs in Berry Creek PUD	23.9

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 5th Filing

The Berry Creek 5th 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 5th Filing is contained within the Berry Creek Metropolitan District boundaries and receives domestic water service from the Authority. The Berry Creek 5th 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 5th 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 5th 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

Multi-Family Residential	SFEs
CMC Housing Buildings 1 & 2 (36 Units Each)	72
ECSD Housing	37
Subtotal Residential	109
Commercial	SFEs
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
Subtotal Commercial	62.8
Total Existing SFEs in Berry Creek Portion of Berry Creek/Miller Ranch PUD	171.8

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
Total	–	–	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
Total	–	–	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 5th 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 5th filing should be developed independently based on actual water use in the 5th 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 ²	In-basin Reservoir Storage, acft Unrestricted ³
Available Unallocated In-Basin Storage¹	87.40	75.00
Dedication Requirements for New Projects		
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
Total Pending Dedications	19.28	1.25
Remaining Unallocated In-Basin Storage	68.12	73.75

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								
Development Approval Process Steps:	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
Infrastructure Acceptance Process Steps:	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
Projects that have recieved Construction Acceptance						
VVMC Phase II-East Wing, Vail Marriot Residence Inn, Residences at Main Vail						
Development Approval Process Steps:	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	
Infrastructure Acceptance Process Steps:	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.

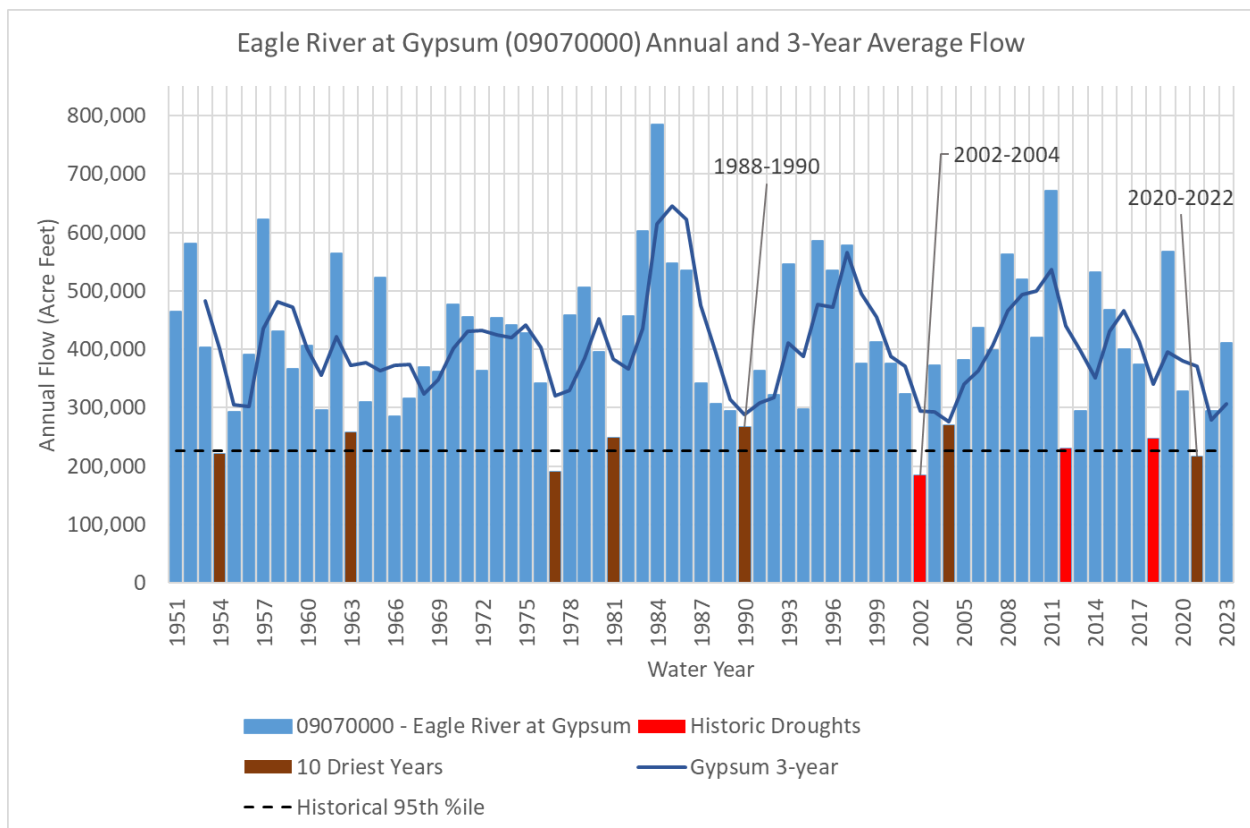
Community Engagement

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

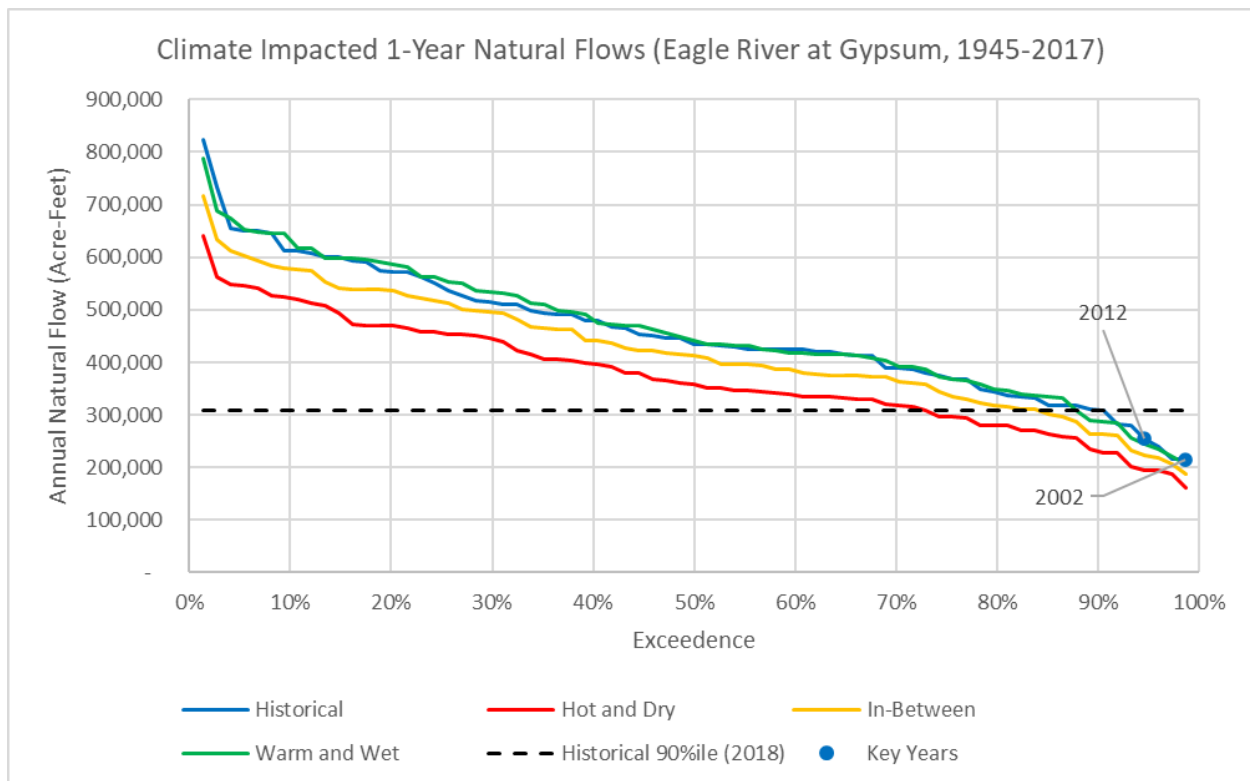
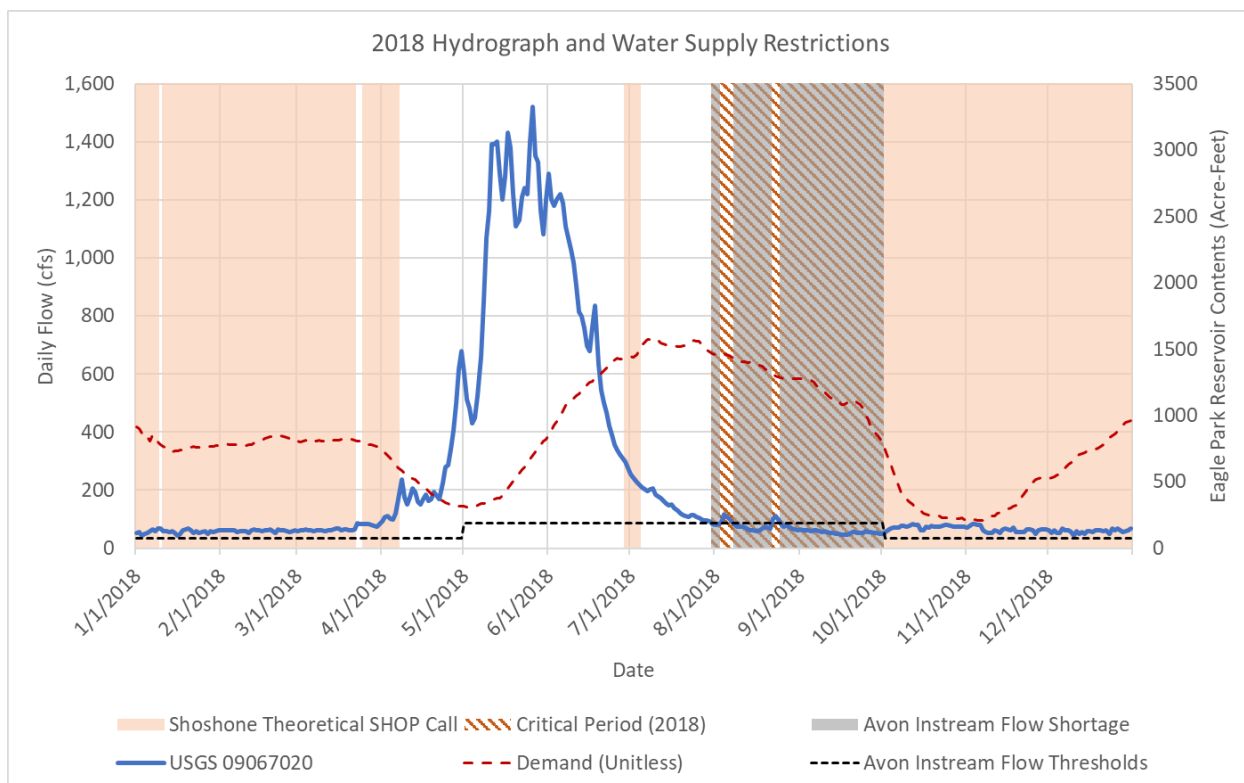


Figure 3 shows the 2018 Eagle River at Avon hydrograph, Shoshone call, minimum stream flow thresholds, water demand, and in-stream flow shortage period. For 10 months of the year, the Eagle River natural flows can meet the D&A demands and the minimum in-stream thresholds. In dry years, the combination 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 1st 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.

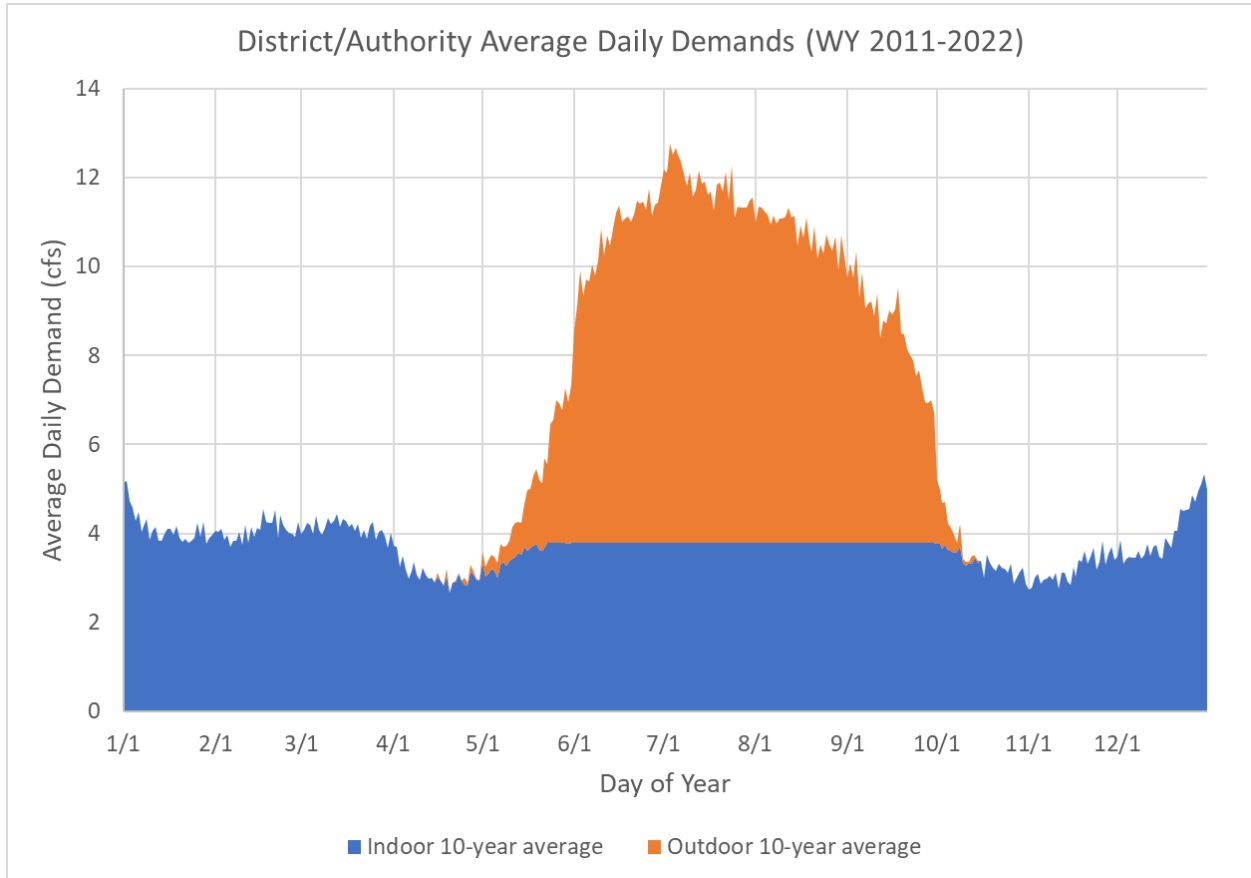
- Eagle Park Reservoir did not fill by July 1.

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

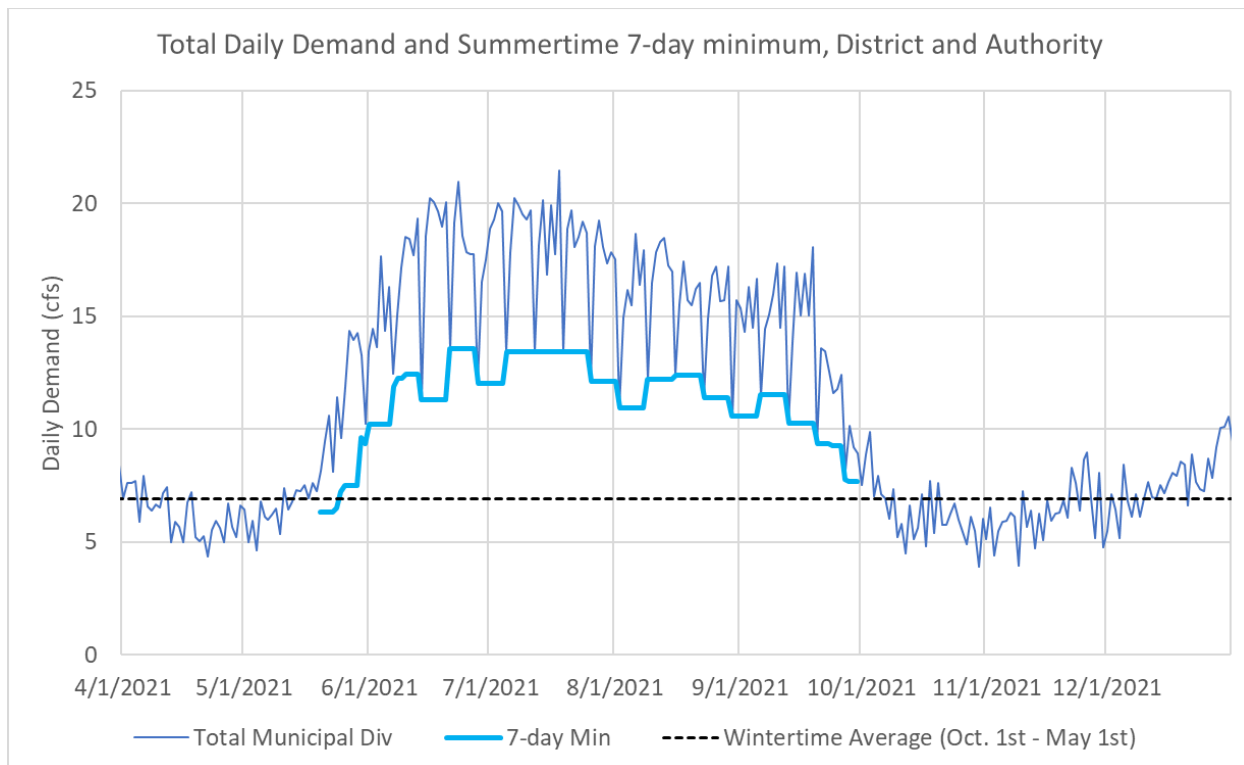
The D&A average daily demands more than double during the summer irrigation season. The D&A customers can curtail this water use and allow the D&A to meet the indoor water and public safety demands (Figure 4).

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"> Inform Board of Pending Shortage Conditions Focus on Operational Efficiencies 	<ul style="list-style-type: none"> Request Board to Declare Shortage Water Shortage Response Committee Initiate Enforcement Actions 	<ul style="list-style-type: none"> Request Board to Declare Shortage Water Shortage Response Committee Initiate Enforcement Actions 	<ul style="list-style-type: none"> Request Board to Declare Water Supply Emergency Activate ICS Water Use Enforcement Actions
External Comms	None	Drought Indicator Status	<ul style="list-style-type: none"> Drought Indicator Status Enforcement Measures 	<ul style="list-style-type: none"> Drought Indicator Status Enforcement Measures 	<ul style="list-style-type: none"> Drought Indicator Status Enforcement Measures Activation of ICS
Response Actions	None	<ul style="list-style-type: none"> Voluntary Actions Indoor/Outdoor use Outreach 	<ul style="list-style-type: none"> Mandatory Actions- 2 day watering Enforcement Outreach 	<ul style="list-style-type: none"> Mandatory Actions- 1 day watering Drought Surcharges 	<ul style="list-style-type: none"> Mandatory Actions - No Outdoor Use Drought Surcharges

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, Meterer 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.org².



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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

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, } ss.

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 doeth 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) ^{cubic} 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 DitchOctober 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

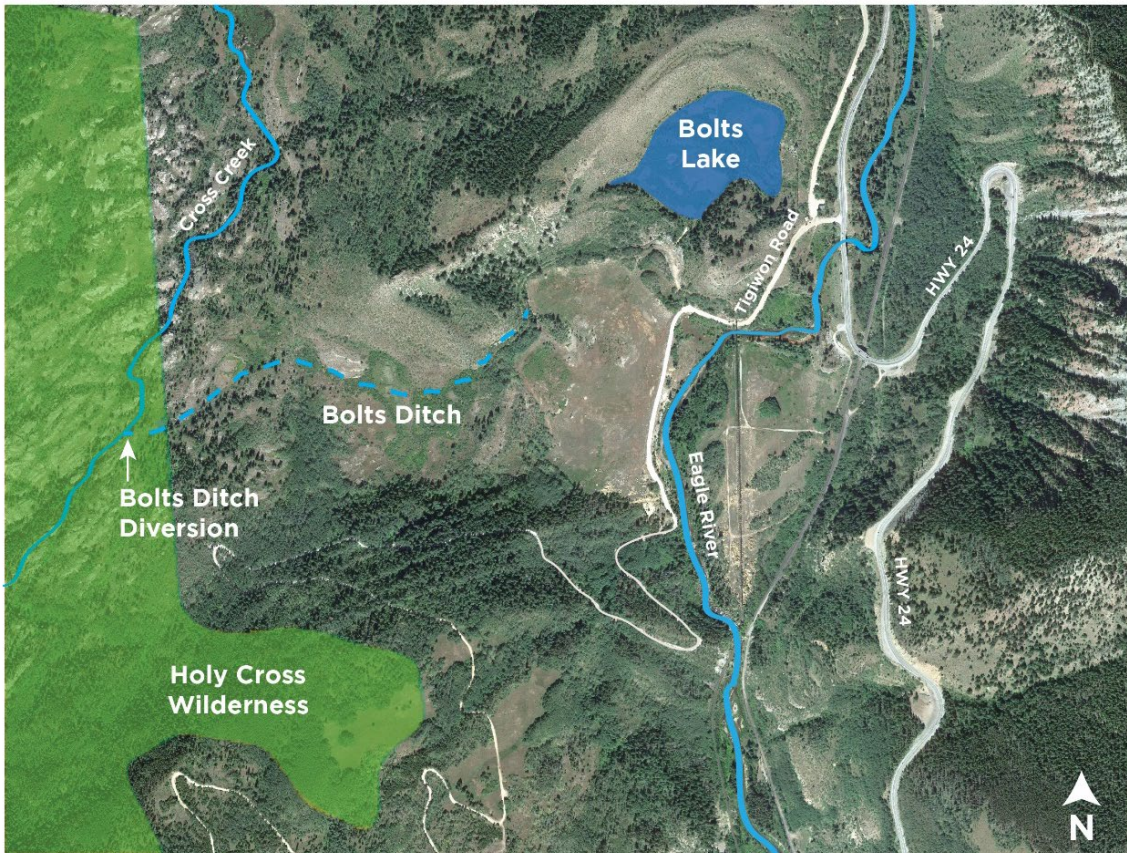




Overview of Bolts Ditch and Bolts Lake Reservoir

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

