



MEMORANDUM

TO: Board of Directors
FROM: Brian Thompson, Government Affairs Supervisor
DATE: September 20, 2024
RE: September 26, 2024, Board Meeting

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

Thursday, September 26, 2024
12:00 p.m.

This meeting will be held at:

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

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

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



BOARD OF DIRECTORS REGULAR MEETING
September 26, 2024
12:00 p.m.
Walter Kirch Conference Room

AGENDA

- | | <u>Attachment Link</u> |
|--|-------------------------------|
| 1. Introductions | |
| 2. Public Comment | |
| 3. Action Items | |
| 3.1. Minutes from Aug. 22, 2024, Special Meeting | Action Item |
| 3.2. Minutes from Aug. 22, 2024, Special Joint Meeting with UERWA Board | Action Item |
| 3.3. Contract log | Action Item |
| 3.4. Res. 2024-05: Resolution Authorizing the Issuance and Sale of Water Revenue Bonds | Action Item |
| 3.5. Request from Eagle County Conservation District to consider resolution supporting ballot question | Action Item |
| 4. Work Sessions | |
| 4.1. Board Compliance Training: Fiscal Accountability | Informational |
| 4.2. Proposed 2025 Budget | Informational |
| 5. Information Reports | |
| 5.1. Board committees | Informational |
| 5.2. Authority July meeting summary | Informational |
| 6. Board Member Input | |
| 7. General Manager Report – Siri Roman | |
| 7.1. GM information items | |
| 7.1.1. Appointment to Colorado Water Congress Board | Informational |
| 7.2. Business Administration report – David Norris | |
| 7.2.1. Water Conservation update | Informational |
| 7.3. Operations report – Brad Zachman | Informational |
| 7.3.1. 2023 macroinvertebrate sampling results | Informational |
| 7.4. Engineering and Water Resources report – Jason Cowles | Informational |
| 7.4.1. Bolts Lake update | Informational |
| 7.5. Communications and Public Affairs report – Diane Johnson | Informational |
| 8. Water Counsel Report – Kristin Moseley | |
| 9. General Counsel Report – Kathryn Winn | |

10. Executive Session

10.1. Discuss specialized details of cybersecurity arrangements, pursuant to §24-6-402(4)(d), C.R.S. Informational

10.2. Receive legal advice and discuss the purchase of real property at Timber Ridge Village, pursuant to §24-6-402(4)(a) and (b), C.R.S.

10.3. Receive legal advice regarding Water Court Case Nos. 21CW3029, 21CW3030, 21CW3180, 23CW3087, 23CW3164, 24CW3001, 24CW3092, 18CW3207, 18CW3190, 13CW3079, and 18CW3215, pursuant to §24-6-402(4)(b), C.R.S. Confidential

11. Any Action as a Result of Executive Session

11.1. Timber Ridge Purchase and Sales Agreement Action Item

12. Adjournment



2024 ERWSD CONTRACT LOG

Contract No.	Date Executed	Project Name	Contractor	Contract Amt.	Project Mgr.	Account No.	Total Amount per Account	Contract Type	Status / Description	District Total	Authority Total
24.15.070	09/05/24	ERWSD Generator Maintenance	Fleet Core Inc	\$36,000.00	S. Swartwout	10.3.9.10.12.500 10.3.9.10.13.500 10.3.9.10.20.520 10.19.00.47.150	\$8000.00 \$15,000.00 \$6,000.00 \$7,000.00	Services Agreement	Annual service (fuel testing, preventative maintenance, load bank testing) all District backup generators.		
24.15.071	08/22/24	Traer Creek Move Out Painting	Primary Colors Painting Inc	\$2,800.00	D. Duerr	10.12.10.05.056	\$2,800.00	Services Agreement	Painting and drywall repair at Traer Creek Office upon move out.		
24.15.072	08/23/24	Miscellaneous Concrete Repairs	Allied Ps LLC	\$75,000.00	J. Letourneau	10.19.10.80.105 10.3.9.20.20.520 10.3.9.10.20.520 20.19.00.35.500	\$25,000.00 \$20,000.00 \$15,000.00 \$15,000.00	Services Agreement	Various concrete repairs for housing and for distribution and collection.	\$60,000.00	\$15,000.00
24.15.073	08/29/24	101 Eagle Road Office Renovation	L2G4 Inc. dba BMA Hardware	\$5,800.00	D. Duerr	10.12.10.05.056	\$5,880.00	Services Agreement	Installation of entry door hardware/weather stripping and make door corrections. Labor to install entry and CIP ADA door openers.		
24.15.074	08/28/24	101 Eagle Road Office Renovation	Western States Fire Protection Company	\$31,320.00	D. Duerr	10.12.10.05.056	\$31,320.00	Construction Contract	Install 36 sprinkler heads throughout Eagle Vail office building, install new RPZ and PRV, and replace gal nipple with SS on fire water line riser in boiler room.		
24.15.075	08/29/24	101 Eagle Road Office Renovation	Xssentials LLC	\$20,627.88	D. Duerr	10.12.10.05.056	\$20,627.88	Services Agreement	Replacing alarm devices, relays, and panels at the new Eagle Vail office to bring up to code.		
24.15.076	Pending	Collection Manhole Improvements 2024	Upper Basin Excavating LLC	\$20,804.00	N. Nemcanin	10.3.9.10.20.520	\$20,804.00	Construction Contract	Collection Manhole repairs and improvements near Beaver Creek pavilion (2).		
24.15.077	Pending	101 Eagle Road Office Renovation	VLK, Inc.	\$5,849.15	D. Duerr	10.12.10.05.056	\$5,849.15	Services Agreement	101 Eagle Road offices - re-key existing locks, add new door hardware where needed.		
24.15.078	09/11/24	Concrete Repair Service Agreement	PRC Maintenance & Construction LLC	\$15,000.00	D. Duerr	10.3.2.10.13.114	\$15,000.00	Services Agreement	Miscellaneous concrete and leak repairs.		
24.15.079	Pending	Minturn Siphon Project	Kimley-Horn and Associates, Inc.	\$150,000.00	M. Mantua	10.3.2.10.01.012	\$150,000.00	Design Services Agreement	Consultant engineering design work for Minturn Siphon Project, including investigating existing data and videos, recommending a rehab or lining method, and designing a platform for safe access of manhole.		
24.15.080	Pending	Vail Tank 4 Temporary Soil Removal	PRC Maintenance & Construction LLC	\$14,300.00	M. Mantua	10.3.2.20.09.027	\$14,300.00	Services Agreement	Removal of a 12' x 12' patch of dirt for GPR scanning, cover hole and fence, then return and replace dirt and turf.		
24.15.081	Pending	Bolts Lake Redevelopment Design Services	AECOM Technical Services, Inc.	\$676,000.00	J. Hildreth	10.3.2.20.09.136 20.12.00.00.136	\$169,000.00 \$507,000.00	Design Services Agreement	Complete 30% design documents for the Bolts Lake Redevelopment project including appurtenant features to be included in the NEPA Environmental Assessment application.	\$169,000.00	\$507,000.00
24.15.082	Pending	Collection Manhole Improvements 2024	Upper Basin Excavating LLC	\$21,257.00	N. Nemcanin	10.3.9.10.20.520	\$21,257.00	Construction Contract	Collection Manhole repairs and improvements near Texas Town Homes (3)		



M E M O R A N D U M

TO: Board of Directors
FROM: David Norris, Director of Business Administration
DATE: September 20, 2024
RE: Resolution Authorizing the Issuance and Sale of Water Revenue Bonds

Summary of Subject: The board will be asked to consider a parameters resolution authorizing the issuance and sale of 2024 water bonds to fund ongoing and future water system projects over the next three years.

Discussion and Background: The attached resolution, Res. 2024-05, would issue \$15 million in water enterprise revenue bonds for water system improvements under the following parameters: The principal amount shall not exceed \$15,100,000. The maximum annual and total repayment costs shall not exceed \$1,210,000 and \$24,200,000, respectively. The interest rate shall not exceed 4.85% and not mature later than December 1, 2044.

At the Sept. 26 board meeting, staff will ask the board to consider Res. 2024-05. Jim Cannava and consultants from Piper Sandler & Co. (bond underwriter) and Butler Snow LLP (bond attorney) will be available to answer questions. Staff will also seek direction to sign the Bond Purchase Agreement, Continuing Disclosure Agreement, and Paying Agent Agreement to execute the issuance and sale of these bonds.

Legal Issues: Bond and general counsel have reviewed the resolution, as well as the associated agreements, and recommend approval.

Budget Implication: The 2024 bond issuance will require repayment of interest and principal starting in 2025 and continuing for twenty years. The bonds will be repaid with funds generated by a new debt service base rate beginning in 2025.

Recommendation: Staff recommends the board approve the attached resolution for the issuance and sale of the 2024 water bonds.

Suggested motion: I move to approve and adopt Resolution 2024-05, Authorizing the Issuance and Sale of Water Revenue Bonds, and to direct staff to execute the Bond Purchase Agreement, Continuing Disclosure Agreement, and Paying Agent Agreement, as presented.

Attached Supporting Documentation:

- Attachment A: Resolution 2024-05, Authorizing the Issuance and Sale of Water Revenue Bonds
- Attachment B: Bond Purchase Agreement
- Attachment C: Continuing Disclosure Agreement
- Attachment D: Paying Agent Agreement

ATTACHMENT A

EAGLE RIVER WATER & SANITATION DISTRICT

RESOLUTION NO. 2024-05

A RESOLUTION OF EAGLE RIVER WATER AND SANITATION DISTRICT AUTHORIZING THE ISSUANCE AND SALE OF ITS ENTERPRISE WATER REVENUE BONDS, SERIES 2024, PROVIDING FOR THE SOURCES OF PAYMENT OF THE BONDS, AND PROVIDING OTHER DETAILS CONCERNING THE BONDS AND THE DISTRICT'S WATER SYSTEM.

WHEREAS, Eagle River Water and Sanitation District, in the County of Eagle and State of Colorado (the "District") is a quasi-municipal corporation and political subdivision of the State of Colorado (the "State") duly organized and existing under the Constitution and laws of the State, in particular Title 32, Article 1, C.R.S. (the "Act"); and

WHEREAS, the members of the Board of Directors of the District (the "Board") have been duly elected or appointed and qualified; and

WHEREAS, the District now owns and operates a Water System (the "Water System") and a Wastewater System (the "Wastewater System" or, together with the Water System, the "Combined System"); and

WHEREAS, by resolution of the Board previously adopted on September 26, 1996, the Board has determined that the Combined System constitutes an enterprise pursuant to Article X, Section 20 of the Colorado Constitution ("TABOR") and Title 37, Article 45.1, C.R.S. (the "Water Enterprise Act"); and

WHEREAS, the District maintains a governmental function and an enterprise function; and

WHEREAS, the District collects ad valorem property taxes to finance its governmental function, which amounts constitute a "grant" from a state or local government entity for purposes of TABOR and the Water Enterprise Act; however, such grants do not exceed 10% of its annual revenues from the Combined System; and

WHEREAS, the Board has determined and does hereby determine that the Combined System constitutes an enterprise within the meaning of TABOR and the Water Enterprise Act; and

WHEREAS, the Board proposes to extend, better, otherwise improve and equip the Water System (as more fully described herein, the "Project"); and

WHEREAS, the District is authorized by TABOR, Section 32-1-1101(1)(d) of the Act, and the Water Enterprise Act and Part 4 of Article 35 of Title 31, C.R.S., to issue revenue bonds authorized by action of the Board without the approval of the electors of the District since the Combined System constitutes an enterprise within the meaning of TABOR, such bonds to be issued in the manner provided in Part 4 of Article 35 of Title 31, C.R.S.; and

WHEREAS, the District intends to issue its “Eagle River Water and Sanitation District, Eagle County, Colorado, Enterprise Water Revenue Bonds, Series 2024” (the “Bonds”) to defray in part the Cost of the Project (defined herein); and

WHEREAS, the District has heretofore issued, pursuant to a resolution adopted by the Board on November 17, 2016, as amended April 27, 2017 (the “Prior 2017 Parity Resolution”), its Eagle River Water and Sanitation District, Eagle County, Colorado, Enterprise Water Revenue Refunding Bonds, Series 2017, originally issued in the aggregate principal amount of \$12,545,000 and currently outstanding in the aggregate principal amount of \$9,780,000 (the “Prior 2017 Parity Bonds”); and

WHEREAS, the District has heretofore issued, pursuant to a resolution adopted by the Board on October 24, 2019 (the “Prior 2019 Parity Resolution” and, with the Prior 2017 Parity Resolution, the “Prior Parity Resolutions”), its Eagle River Water and Sanitation District, Eagle County, Colorado, Enterprise Water Revenue Bonds, Series 2019, originally issued in the aggregate principal amount of \$3,825,000 and currently outstanding in the aggregate principal amount of \$3,270,000 (the “Prior 2019 Parity Bonds” and, with the Prior 2017 Parity Bonds, the “Prior Parity Bonds”); and

WHEREAS, the District is not delinquent in the payment on the Prior Parity Bonds, and the issuance of the Bonds within the parameters described herein does not contravene the terms and provisions of the Prior Parity Resolutions; and

WHEREAS, except to secure the Prior Parity Bonds, the District has neither pledged nor in any way hypothecated the Gross Pledged Revenues derived or to be derived directly or indirectly from the operation of the Water System, or any part thereof, to the payment of any securities or for any other purpose, with the result that the Net Pledged Revenues may now be pledged lawfully and irrevocably to the payment of the Bonds on a parity with the Prior Parity Bonds, and the Bonds may be made payable from the Net Pledged Revenues; and

WHEREAS, the District intends to negotiate a proposal with Piper Sandler & Co. concerning the purchase of the Bonds; and

WHEREAS, pursuant to Section 11-57-203, C.R.S., as amended, the District desires to delegate to the President, the General Manager and the Finance Director the independent authority to accept the proposal to purchase the Bonds and to make final determinations relating to the Bonds, subject to the parameters contained in Section 213 of this Resolution; and

WHEREAS, the Board has determined and does hereby declare:

- i. In order to meet the present and future needs of the District, it is necessary to extend, better, and otherwise improve and equip the Water System;
- ii. The Bonds shall be issued for the Project;
- iii. Net Pledged Revenues shall be pledged to the payment of the Bonds on a parity with the Prior Parity Bonds;

iv. Because of market conditions, the Bonds shall be sold by negotiated sale to Piper Sandler & Co., in accordance with its proposal, and that such sale is to the best advantage of the District; and

v. All action preliminary to the authorization of the issuance of the Bonds has been taken, and is hereby ratified and approved.

WHEREAS, there are on file with the District the forms of the following documents: (i) the form of the Purchase Contract; (ii) the form of the Registrar and Paying Agent Agreement; (iii) the form of a Preliminary Official Statement for the Bonds; and (iv) the form of the Continuing Disclosure Agreement; and

WHEREAS, it is necessary to provide for the form of the Bonds, the Bond details, the payment of the Bonds, and other provisions relating to the authorization, issuance, and sale of the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF EAGLE RIVER WATER AND SANITATION DISTRICT, EAGLE COUNTY, COLORADO:

ARTICLE I

DEFINITIONS, INTERPRETATION, RATIFICATION AND EFFECTIVE DATE

Section 101. Definitions. The terms in this Section for all purposes of this Resolution and of any resolution amendatory hereof or supplemental hereto, or relating hereto, and of any other resolution or any other document pertaining hereto, except where the context by clear implication otherwise requires, shall have the meanings herein specified:

“acquire” or “acquisition” means the opening, laying out, establishment, purchase, construction, securing, installation, reconstruction, lease, gift, grant from the Federal Government, the State, any body corporate and politic therein, or any other Person, the endowment, bequest, devise, transfer, assignment, option to purchase, other contract, or other acquisition, or any combination thereof, of any properties pertaining to the Water System, or an interest therein, or any other properties herein designated.

“Acquisition Fund” means the special fund designated as the “Eagle River Water and Sanitation District, Enterprise Water Revenue Bonds, Series 2024, Acquisition Fund” created pursuant to Section 501 hereof.

“Act” means Title 32, Article 1, C.R.S.

“Board” means the Board of Directors of the District.

“Bond Counsel” means an attorney or a firm of attorneys, designated by the District and satisfactory to the Paying Agent of nationally recognized standing in matters pertaining to the tax status of interest on bonds issued by states and their political subdivisions, duly admitted to the

practice of law before the highest court of any state of the United States of America or the District of Columbia.

“Bond Fund” means the special fund designated as the “Eagle River Water and Sanitation District, Enterprise Water Revenue Bonds, Series 2024, Bond Fund” created pursuant to Section 605 hereof.

“Bond Requirements” means the principal of, any prior redemption premiums due in connection with, and the interest on the Bonds, any Parity Bonds, or other securities payable from the Net Pledged Revenues and heretofore or hereafter issued, if any, or such part of such securities as may be designated.

“Bonds” means the “Eagle River Water and Sanitation District, Eagle County, Colorado, Enterprise Water Revenue Bonds, Series 2024” as authorized to be issued under the provisions of this Resolution.

“Book-entry form” or “book-entry system” means, with respect to the Bonds, a form or system, as applicable, under which physical bond certificates in fully registered form are registered only in the name of The Depository Trust Company or its nominee as Owner, with the physical bond certificates “immobilized” in the custody of The Depository Trust Company. The book-entry system maintained by and the responsibility of The Depository Trust Company and not maintained by or the responsibility of the District or the Paying Agent is the record that identifies, and records the transfer of the interests of, the owners of book-entry interests in the Bonds.

“Business Day” means a day of the year, other than a Saturday or Sunday, other than a day on which commercial banks located in the city in which the principal corporate trust office of the Paying Agent is located are required or authorized to remain closed and other than a day on which the New York Stock Exchange is closed.

“Capital Improvements” means the acquisition of land, easements, facilities, and equipment (other than ordinary repairs and replacements), and those property improvements or any combination of property improvements which will constitute enlargements, extensions or betterments to the Water System and will be incorporated into the Water System.

“Closing Date” means the date of delivery of and payment for the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds, and the regulations promulgated thereunder.

“Combined Maximum Annual Principal and Interest Requirements” means the largest sum of the principal of and interest on the Bonds and any Outstanding Parity Bonds, excluding any securities the principal of which is payable within less than one year from the date on which issued, to be paid during any one Fiscal Year for the period beginning with the Fiscal Year in which such computation is made and ending with the Fiscal Year in which any Bond or other such security last becomes due at maturity or on a Redemption Date, whichever time is later (but excluding any reserve requirement to secure such payments unless otherwise expressly provided). The word “principal,” as used in the preceding sentence, means for all purposes of this paragraph, the principal which must be paid to security Owners, whether on stated maturity dates

or on mandatory Redemption Dates, or otherwise. Any such computation shall be adjusted for all purposes in the same manner as is provided in Section 803 hereof.

“Combined System” means the water and wastewater activities of the District.

“Commercial Bank” means a state or national bank or trust company which is a member of the Federal Deposit Insurance Corporation (or any successors thereto) and of the Federal Reserve System, which has a capital and surplus of \$10,000,000 or more, and which is located within the United States of America.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement entered into between the District and the Dissemination Agent.

“Cost of the Project” means all costs, as designated by the District, of the Project, or any interest therein, which cost, at the option of the District (except as may be otherwise limited by law) may include all, any one or other portion of the incidental costs pertaining to the Project, including, without limitation:

(a) All preliminary expenses or other costs advanced by the District or advanced by the Federal Government, the State or by any other Person from any source, with the approval of the Board, or any combination thereof, or otherwise;

(b) The costs of making surveys and tests, audits, preliminary plans, other plans, specifications, estimates of costs and other preliminaries;

(c) The costs of contingencies;

(d) The costs of premiums on any builders’ risk insurance and performance bonds during the construction, installation and other acquisition of the Project, or a reasonably allocated share thereof;

(e) The costs of appraising, printing, estimates, advice, inspection, other services of engineers, architects, accountants, financial consultants, attorneys at law, clerical help and other agents and employees;

(f) The costs of making, publishing, posting, mailing and otherwise giving any notice in connection with the Project and the issuance of the Bonds;

(g) All costs and expenses of issuing the Bonds including, without limitation, fees of the Paying Agent, Bond Counsel, counsel to the Purchaser, counsel to the District, financial advisor, rating agencies and printers to the extent not defrayed as an Operation and Maintenance Expense;

(h) The costs of the filing or recording of instruments and the cost of any title insurance premiums;

(i) The costs of funding any construction loans and other temporary loans pertaining to the Project and of the incidental expenses incurred in connection with such loans;

(j) The costs of demolishing, removing, or relocating any buildings, structures, or other facilities on land acquired for the Project, and of acquiring lands to which such buildings, structures or other facilities may be moved or relocated;

(k) The costs of machinery and equipment;

(l) The costs of any properties, rights, easements or other interests in properties, or any licenses, privileges, agreements and franchises;

(m) The payment of the premium for the Insurance Policy issued by the Insurer and Reserve Fund Insurance Policy issued by the Surety Provider;

(n) The costs of labor, material and obligations incurred to contractors, builders and materialmen in connection with the acquisition and construction of the Project;

(o) The costs of amending any resolution or other instrument pertaining to the Bonds or otherwise to the Water System; and

(p) All other expenses pertaining to the Project.

“C.R.S.” means the Colorado Revised Statutes, as amended and supplemented as of the date hereof.

“Dissemination Agent” means U.S. Bank National Association, or its successors and assigns, acting as Dissemination Agent under the Continuing Disclosure Agreement.

“District” means the Eagle River Water and Sanitation District, Eagle County, Colorado, a quasi-municipal corporation and political subdivision of the State.

“Events of Default” means the events stated in Section 1003 hereof.

“Federal Government” means the United States of America and any agency, instrumentality or corporation thereof.

“Federal Securities” means bills, certificates of indebtedness, notes, or bonds which are direct obligations of, or the principal and interest of which obligations are unconditionally guaranteed by, the United States of America.

“Finance Director” means the Finance Director of the District, or his or her successor in functions, if any.

“Fiscal Year” means the calendar year commencing on January 1 of each year and ending on December 31 of the same year.

“General Manager” means the general manager of the District, or his or her successor in functions, if any.

“Gross Pledged Revenues” means all income, rents, receipts, charges and revenues derived directly or indirectly by the District from the operation and use of and otherwise pertaining

to the Water System, or any part thereof, whether resulting from Capital Improvements or otherwise, and includes all income, rents, receipts, charges and revenues received by the District from the Water System, including without limitation:

(a) All fees, rates and other charges for the use of the Water System, or for any service rendered by the District in the operation thereof, directly or indirectly, the availability of any such service, or the sale or other disposal of any commodities derived therefrom, including, without limitation, connection charges, but:

(i) Excluding any moneys borrowed and used for the acquisition of Capital Improvements or for the refunding of securities, and all income or other gain from any investment of such borrowed moneys; and

(ii) Excluding any moneys received as grants, appropriations or gifts from the Federal Government, the State, or other sources, the use of which is limited by the grantor or donor to the construction of Capital Improvements, except to the extent any such moneys shall be received as payments for the use of the Water System, services rendered thereby, the availability of any such service, or the disposal of any commodities therefrom; and

(b) All income or other gain from any investment of Gross Pledged Revenues (including without limitation the income or gain from any investment of all Net Pledged Revenues, but excluding borrowed moneys and all income or other gain thereon in any acquisition or construction fund, reserve fund, or any escrow fund for any Parity Bonds payable from Net Pledged Revenues heretofore or hereafter issued and excluding any unrealized gains or losses on any investment of Gross Pledged Revenues); and

(c) All income and revenues derived from the operation of any other utility or other income-producing facilities added to the Water System and to which the pledge and lien herein provided are lawfully extended by the Board or by the qualified electors of the District.

“improve” or “improvement” means the extension, reconstruction, alteration, betterment or other improvement by the construction, purchase or other acquisition of facilities, including, without limitation, appurtenant machinery, apparatus, fixtures, structures and buildings.

“Income Fund” means the special fund designated as the “Eagle River Water and Sanitation District, Enterprise Water Revenue Bonds, Gross Income Fund” created pursuant to the Prior Parity Resolutions.

“Independent Accountant” means any certified public accountant, or any firm of certified public accountants, duly licensed to practice and practicing as such under the laws of the State:

- (a) Who is, in fact, independent and not under the domination of the District;
- (b) Who does not have any substantial interest, direct or indirect, with the District, and

(c) Who is not connected with the District as an officer or employee thereof, but who may be regularly retained to make annual or similar audits of any books or records of the District.

“Independent Engineer” means an individual, firm or corporation engaged in the engineering profession of recognized good standing and having specific experience in respect of business and properties of a character similar to those of the Water System, which individual, firm or corporation has no substantial interest, direct or indirect, in the District and in the case of an individual, is not a member of the Board, or an officer or employee of the District, and in the case of a firm or corporation, does not have a partner, director, officer or employee who is a member of the Board or an officer or employee of the District.

“Insurance Agreement” means an agreement entered into between the District and any Insurer pursuant to Section 213 of this Resolution.

“Insurance Policy” means the municipal bond new issue insurance policy, if any, issued by the Insurer that guarantees payment of principal of and interest on the Bonds when due.

“Insurer” means the issuer of the Insurance Policy, if any, as set forth in the Sale Certificate.

“Investment Securities” means any securities or other obligations permitted as investments of moneys of the District under the laws of the State.

“Moody’s” means Moody’s Investor Services, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns.

“Net Pledged Revenues” means the Gross Pledged Revenues remaining after the payment of the Operation and Maintenance Expenses of the Water System.

“Official Statement” means the Official Statement delivered in connection with the original issuance and sale of the Bonds.

“Operation and Maintenance Expenses” means all reasonable and necessary current expenses of the District, paid or accrued, of operating, maintaining and repairing the Water System or any component division or other part thereof, or any other designated facilities in connection with which such term is used including, without limitation, all salaries, labor, materials and repairs necessary to render efficient service; and the term includes, at the option of the District, acting by and through the Board, except as limited by law, without limitation:

(a) Engineering, auditing, reporting, legal and other overhead expenses of the various departments of the District directly related and reasonably allocable to the administration, operation and maintenance of the Water System;

(b) Fidelity bond premiums and property and liability insurance premiums pertaining to the Water System, or a reasonably allocable share of a premium of any blanket bond or policy pertaining to the Water System;

(c) Payments to pension, retirement, health and hospitalization funds, other insurance, and to any self-insurance fund;

(d) Any general (ad valorem) taxes, assessments, excise taxes or other charges which may be lawfully imposed on the District, the Water System, revenues therefrom, or the District's income from or operations of any properties under its control and pertaining to the Water System, or any privilege in connection with the Water System or its operation (but no payments made in lieu of taxes);

(e) The reasonable charges of the Paying Agent, any alternate Paying Agent, any paying agents or escrow agent for any securities payable from the Net Pledged Revenues which have been or will be refunded, and any other depository bank pertaining to the Bonds and any other securities payable from the Net Pledged Revenues or otherwise pertaining to the Water System, and the premium for any Reserve Fund Insurance Policy issued other than concurrently with the issuance of the Bonds;

(f) Contractual services, professional services, salaries, other administrative expenses and costs of materials, supplies, repairs and labor pertaining to the Water System or to the issuance of the Bonds or any other securities relating to the Water System, including, without limitation, the expenses and compensation of any trustee, receiver or other fiduciary;

(g) The costs incurred by the District in the collection and any refunds of all or any part of the Gross Pledged Revenues;

(h) Any costs of utility services furnished to the Water System by the District or otherwise, including, without limitation, the contracting by the District for sanitary sewer, electricity, or gas, or any combination thereof, from any Person, for distribution through the Water System or for the transmission or treatment of wastewater, electricity, or gas for use by the District and its customers and the obligations due under any contract pertaining thereto on a take-and-pay basis or take-or-pay basis or otherwise; and

(i) All other administrative, general and commercial expenses pertaining to the Water System and all other current expenses pertaining to the Water System which are properly classified as operation and maintenance expenses under generally accepted accounting principles; but

(i) Excluding any allowance for depreciation;

(ii) Excluding any costs of Capital Improvements (or any combination thereof);

(iii) Excluding any reserves for major capital replacements (other than normal repairs);

(iv) Excluding any reserves for operation, maintenance or repair of the Water System;

(v) Excluding any allowance for the redemption of any Bond or other security evidencing a loan or other obligation, or the payment of any interest thereon, or any prior redemption premium due in connection therewith, or any reserve therefor;

(vi) Excluding any liabilities incurred in the acquisition or improvement of any properties comprising any project or any existing facilities (or any combination thereof) incorporated into the Water System, or otherwise;

(vii) Excluding any liabilities incurred by the District as the result of its negligence in the operation of the Water System or any other ground of legal liability not based on contract; and

(viii) Excluding any such operation and maintenance expense as described above which are paid by District revenues which do not constitute Gross Pledged Revenues.

“Outstanding” when used with reference to the Bonds, the Parity Bonds, or any other designated securities and as of any particular date means all the Bonds, the Parity Bonds, or any such other securities payable from the Net Pledged Revenues or otherwise pertaining to the Water System, as the case may be, in any manner theretofore and thereupon being executed and delivered:

(a) Except any Bond, Parity Bond, or other security canceled by the District, by any paying agent, or otherwise on the District’s behalf, at or before such date;

(b) Except any Bond, Parity Bond, or other security deemed to be paid as provided in Section 1301 hereof or any similar provision of the resolution authorizing the issuance of such other security; and

(c) Except any Bond, Parity Bond, or other security in lieu of or in substitution for which another Bond or other security shall have been executed and delivered pursuant to Sections 305, 306 or 1108 hereof or any similar provisions of the resolution authorizing the issuance of such other security.

“Owner” means the registered owner of any designated Bond, Parity Bond, or other designated security.

“Parity Bond Resolutions” means the Prior Parity Resolutions, and any resolutions or agreements hereafter entered into by the District with respect to Parity Bonds and, without duplication, any resolutions hereafter adopted by the Board authorizing the issuance of Parity Bonds.

“Parity Bonds” means any of the Prior Parity Bonds, and any securities hereafter issued payable from and having an irrevocable lien upon the Net Pledged Revenues on a parity with the Bonds.

“Paying Agent” means U.S. Bank Trust Company, National Association, in Denver, Colorado, and being an agent of the District for the payment of the Bond Requirements

due in connection with the Bonds, the registrar for the Bonds and for other administration of moneys pertaining to the Bonds, and includes any successor Commercial Bank as paying agent.

“Paying Agent Agreement” means the Registrar and Paying Agent Agreement between the District and the Paying Agent.

“Person” means a corporation, firm, other body corporate (including, without limitation, the Federal Government, the State, or any other body corporate and politic other than the District), partnership, limited liability company, association or individual, and also includes an executor, administrator, trustee, receiver or other representative appointed according to law.

“Policy Costs” means repayment of draws under the Reserve Fund Insurance Policy, if any, plus all related reasonable expenses incurred by the Surety Provider, plus accrued interest thereon, or any similar costs related to a reserve fund insurance policy for Parity Bonds.

“Preliminary Official Statement” means the Preliminary Official Statement delivered in connection with the original issuance and sale of the Bonds.

“President” means the Chairman of the Board of Directors and President of the District.

“Prior Parity Bonds” means the District’s Enterprise Water Revenue Refunding Bonds, Series 2017 and the District’s Enterprise Water Revenue Bonds, Series 2019, issued pursuant to the Prior Parity Resolutions.

“Prior Parity Resolutions” means the resolution of the District dated November 17, 2016, as amended April 27, 2017, and the resolution of the District dated October 24, 2019, authorizing the execution and delivery of the Prior Parity Bonds.

“Project” means, the land, facilities and rights constructed, installed, purchased and otherwise acquired for the Water System, the cost of which is to be defrayed with a portion of the proceeds of the Bonds and which constitutes Capital Improvements.

“Purchase Contract” means the Bond Purchase Agreement between the District and the Purchaser concerning the purchase of the Bonds.

“Purchaser” means Piper Sandler & Co., Denver, Colorado.

“Rate Stabilization Fund” means the special fund designated as the “Eagle River Water and Sanitation District Rate Stabilization Fund” described in Section 610 hereof.

“Rating Agency” means each nationally recognized securities rating agency then maintaining a rating on the Bonds and initially means Standard & Poor’s.

“Rebate Fund” means the special fund designated as the “Eagle River Water and Sanitation District, Enterprise Water Revenue Bonds, Series 2024, Rebate Fund” created pursuant to Section 609 hereof.

“Record Date” means the close of business on the fifteenth day (whether or not a Business Day) of the calendar month next preceding an interest payment date.

“Redemption Date” means the date fixed for the redemption prior to their respective maturities of any Bonds or other designated securities payable from Net Pledged Revenues in any notice of prior redemption or otherwise fixed and designated by the District.

“Reserve Fund” if required and so provided in the Sale Certificate, means the special fund designated as the “Eagle River Water and Sanitation District, Enterprise Water Revenue Bonds, Series 2024, Reserve Fund” created pursuant to 606 hereof.

“Reserve Fund Insurance Policy” means any insurance policy, surety bond, irrevocable letter of credit or similar instrument deposited in or credited to the Reserve Fund in lieu of or in partial substitution for moneys on deposit therein.

“Reserve Fund Requirement” means such amount, if any, as so provided in the Sale Certificate.

“Resolution” means this resolution of the District, which provides for the issuance and delivery of the Bonds.

“Sale Certificate” means the sale certificate of the District relating to the Bonds issued pursuant to the Supplemental Public Securities Act and described in Section 213 hereof.

“Special Record Date” means the record date for determining ownership of the Bonds for purposes of paying accrued but unpaid interest, as such date may be determined pursuant to this Resolution.

“Standard & Poor’s” means S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC, its successors and its assigns.

“State” means the State of Colorado.

“Subdistrict” means the Eagle River Water and Sanitation District Water Subdistrict, Eagle County, Colorado, a quasi-municipal corporation and political subdivision of the State, operating within the boundaries of the District.

“Subordinate Securities” means securities payable from the Net Pledged Revenues subordinate, inferior and junior to the lien thereon of the Bonds and any Parity Bonds.

“Supplemental Public Securities Act” means Part 2 of Article 57 of Title 11, C.R.S., as amended.

“Surety Provider” means the Insurer or any other entity issuing a Reserve Fund Insurance Policy with respect to the Bonds.

“Tax Compliance Certificate” means the Tax Compliance and No Arbitrage Certificate executed by the District in connection with the initial issuance and delivery of the Bonds.

“Term Bonds” means Bonds that are payable on or before their specified maturing dates from sinking fund payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates.

“Town” means the Town of Vail, Colorado.

“Trust Bank” means a Commercial Bank which is authorized to exercise and is exercising trust powers located within or without the State, and also means any branch of the Federal Reserve Bank.

“Water System” means (1) the water system of the District serving customers located within the boundaries of the Town and of the Subdistrict, as such boundaries currently exist, consisting of all properties, real, personal, mixed or otherwise, now owned or hereafter acquired by the District, through purchase, construction and otherwise, and used in connection with such system of the District, and in any way pertaining thereto, whether or not located within or without or both within and without the boundaries of the District; and (2) any other utility or other income-producing facilities added to the Water System and to which the lien and pledge herein provided are lawfully extended by the Board.

Section 102. Parties Interested Herein. Nothing herein expressed or implied confers any right, remedy or claim upon any Person, other than the District, the Board, the Paying Agent, the Insurer, the Surety Provider, the Owners of the Bonds and the Owners of any Parity Bonds or other securities payable from the Net Pledged Revenues when reference is expressly made thereto. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the District shall be for the sole and exclusive benefit of the District, the Board, the Paying Agent, the Insurer, the Surety Provider, the Owners of the Bonds and the Owners of any such other securities in the event of such a reference.

Section 103. Ratification; Approval of Documents. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the Board, the officers, employees and agents of the District and otherwise taken by the District directed toward the Project and the sale and delivery of the Bonds for such purposes, be, and the same hereby is, ratified, approved and confirmed.

Section 104. Repealer. All bylaws, orders, resolutions or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any such bylaw, order or resolution, or part thereof, heretofore repealed. All rules of the Board, if any, which might prevent the final passage and adoption of this Resolution as an emergency measure at this meeting of the Board be, and the same hereby are, suspended.

Section 105. Severability. If any section, subsection, paragraph, clause or other provision of this Resolution for any reason is invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause or other provision shall not affect any of the remaining provisions of this Resolution.

Section 106. Resolution Irrepealable. After any of the Bonds are issued, this Resolution shall constitute an irrevocable contract between the District and the Owner or Owners of the Bonds and this Resolution shall be and shall remain irrepealable until the Bonds, as to all Bond Requirements, shall be fully paid, canceled, and discharged, except as herein otherwise provided.

Section 107. Conclusive Recitals. Pursuant to Section 11-57-210 of the Supplemental Public Securities Act, the Bonds shall contain a recital that they are issued pursuant to the Supplemental Public Securities Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value. In addition, pursuant to Section 31-35-413, C.R.S., the Bonds shall contain a recital that they are issued pursuant to Title 31, Article 35, Part 4, C.R.S. Such recital shall conclusively impart full compliance with all the provisions of such statute, and Bonds issued containing such recital shall be incontestable for any cause whatsoever after their delivery for value.

Section 108. Limitation of Actions. Pursuant to Section 11-57-212 of the Supplemental Public Securities Act, no legal or equitable action brought with respect to any legislative acts or proceedings of the District in connection with the authorization or issuance of the Bonds, including but not limited to the adoption of this Resolution, shall be commenced more than thirty days after the authorization of the Bonds.

ARTICLE II

DETERMINATION OF THE DISTRICT'S AUTHORITY AND OBLIGATIONS; APPROVAL OF RELATED DOCUMENTS; AND ELECTION TO APPLY THE SUPPLEMENTAL PUBLIC SECURITIES ACT TO THE BONDS

Section 201. Authorization. In accordance with the Constitution of the State of Colorado; the Supplemental Public Securities Act; the Act; Title 31, Article 35, Part 4, C.R.S.; Title 37, Article 45.1, C.R.S., the provisions of this Resolution; and all other laws of the State thereunto enabling, the District hereby authorizes the Bonds to be issued in the principal amount approved by the President, General Manager or Finance Director in the Sale Certificate, subject to the parameters and restrictions contained in this Resolution, for the purpose of: (i) defraying the Cost of the Project; and (ii) paying issuance and other costs in connection with the Bonds; and the District pledges irrevocably, but not necessarily exclusively, the Net Pledged Revenues to the payment of the Bond Requirements of the Bonds.

Section 202. Bonds Equally Secured. The covenants and agreements herein set forth to be performed on behalf of the District shall be for the equal benefit, protection and security of the Owners of any and all of the Outstanding Bonds and any Outstanding Parity Bonds heretofore or hereafter authorized and issued, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of such securities over any other thereof, except as otherwise expressly provided in or pursuant to this Resolution.

Section 203. Special Obligations. All of the Bond Requirements of the Bonds and the Policy Costs shall be payable and collectible solely out of the Net Pledged Revenues, which revenues are so pledged; the Owner or Owners of the Bonds, the Insurer, or the Surety Provider

may not look to any general or other fund for the payment of such Bond Requirements and Policy Costs, except the herein designated special funds pledged therefor; the Bonds and the Policy Costs shall not constitute an indebtedness or a debt within the meaning of any constitutional, or statutory provision or limitation; and the Bonds and the Policy Costs shall not be considered or held to be general obligations of the District but shall constitute its special obligations. No statutory or constitutional provision enacted after the issuance of the Bonds shall in any manner be construed as limiting or impairing the obligation of the District to comply with the provisions of this Resolution or to pay the Bond Requirements of the Bonds and the Policy Costs as herein provided.

Section 204. Character of Agreement. None of the covenants, agreements, representations and warranties contained herein or in the Bonds shall ever impose or shall be construed as imposing any liability, obligation or charge against the District (except the special funds pledged therefor), or against its general credit, or as payable out of its general fund or out of any funds derived from taxation or out of any other revenue source (other than those pledged therefor).

Section 205. No Pledge of Property. The payment of the Bonds and the Policy Costs is not secured by an encumbrance, mortgage or other pledge of property of the District, except for the Net Pledged Revenues and other moneys pledged for the payment of the Bond Requirements of the Bonds. No property of the District, subject to such exception, shall be liable to be forfeited or taken in payment of the Bonds or the Policy Costs.

Section 206. No Recourse Against Officers and Agents. No recourse shall be had for the payment of the Bond Requirements of the Bonds or the Policy Costs or for any claim based thereon or otherwise upon this Resolution or any other resolution pertaining hereto, against any individual member of the Board or any officer, employee or other agent of the District, past, present or future, either directly or indirectly through the Board, or the District, or otherwise, whether by virtue of any penalty or otherwise, all such liability, if any, being by the acceptance of the Bonds and as part of the consideration of their issuance specially waived and released.

Section 207. Authorization of the Project. The Board, on behalf of the District, does hereby determine to undertake the Project, which is hereby authorized, and the proceeds of the Bonds shall be used therefor.

Section 208. Enterprise Status. The Board, on behalf of the District, hereby confirms its determination that the Combined System shall be an “enterprise” for the purposes of Article X, Section 20 of the State Constitution and Title 37 Article 45.1, C.R.S. In particular, the Combined System shall be owned by the District and shall have the power to issue revenue bonds in the manner and payable from the sources set forth in this Resolution.

Section 209. Sale of Bonds. The Bonds shall be sold by negotiated sale to the Purchaser. Pursuant to the Supplemental Public Securities Act, the Board hereby delegates to the President, the General Manager or the Finance Director the authority to execute the proposal submitted by the Purchaser and to execute the Sale Certificate confirming the bond details set forth in Section 213.

Section 210. Official Statement. The preparation and use of the Preliminary Official Statement and of the final Official Statement are hereby authorized. The Finance Director is hereby authorized to approve, on behalf of the District, the Official Statement, in substantially the form of the Preliminary Official Statement, with such modifications, changes and updates as are hereafter approved by the President, the General Manager or the Finance Director. The execution of the Official Statement by the President, the General Manager, or the Finance Director shall be conclusively deemed to evidence the approval of the form and contents thereof by the District.

Section 211. Paying Agent Agreement. The Board hereby determines to approve the Paying Agent Agreement. If the Paying Agent appointed thereunder shall resign, or if the District shall determine to remove the Paying Agent, then the District may appoint a successor Paying Agent, upon notice mailed to each owner of any Bond at his address last shown on the registration records maintained by the Paying Agent. No resignation or dismissal of the Paying Agent may take effect until a successor has been appointed and has accepted the duties of the Paying Agent. Every such successor Paying Agent shall be a Commercial Bank.

Section 212. Other Related Documents. The forms, terms and provisions of, and the performance by the District of its obligations under the Preliminary Official Statement, the Paying Agent Agreement, the Purchase Contract, and the Continuing Disclosure Agreement are hereby approved, and the President or Vice President and the Secretary or Assistant Secretary are hereby authorized and directed to execute each of such documents on behalf of and in the name of the District, and to deliver each of such documents, in substantially the form on file with the Secretary, with such changes as are not inconsistent herewith. The President, the General Manager or the Finance Director are hereby authorized to execute and deliver any Insurance Agreement as may be required by an Insurer relating to the issuance of the Insurance Policy or a Surety Provider relating to the Reserve Fund Insurance Policy. The execution of any instrument by the appropriate officers of the District herein authorized shall be conclusive evidence of the approval by the District of such instrument in accordance with the terms hereof.

Section 213. Election to Apply Supplemental Public Securities Act to the Bonds. Pursuant to Section 11-57-204 of the Supplemental Public Securities Act, a public entity, including the District, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Public Securities Act. The Board hereby elects to apply all of the provisions of the Supplemental Public Securities Act to the Bonds. Pursuant to Section 11-57-205 of the Supplemental Public Securities Act, the Board hereby delegates to the President, the General Manager or the Finance Director the authority to make the following determinations in the Sale Certificate with respect to the Bonds, subject to the parameters and restrictions contained in this Resolution, without any requirement that the Board approve such determinations:

A. **Principal Amount.** The aggregate principal amount of the Bonds shall not exceed \$[_____].

B. **Maturity Schedule.** The maximum annual and total repayment costs shall not exceed \$[_____] and \$[_____] respectively.

C. **Interest Rate.** The net effective rate of interest to be borne by the Bonds shall not exceed [_____] %.

D. Redemption Provisions. The Bonds shall be subject to optional redemption at such time or times as permitted by law and as set forth in the Sale Certificate, at a redemption price not to exceed []%.

E. Purchase Price. The purchase price of the Bonds shall not be less than []% of the aggregate principal amount of the Bonds.

F. Term of the Bonds. The Bonds shall not mature later than December 1, 20[].

G. Capitalized Interest. The existence and amount of any capitalized interest shall be as forth in the Sale Certificate.

H. Bond Insurance. Any of the President, the General Manager or the Finance Director may determine whether it is in the best interest of the District to obtain an Insurance Policy and/or a Reserve Fund Insurance Policy, and if so determined, to execute any Insurance Agreement, commitment or any other agreement relating to same.

Such determinations shall be evidenced by the Sale Certificate signed by the President, the General Manager or the Finance Director dated and delivered as of the Closing Date, which shall not be more than one year from the date of adoption of this Resolution. If the District shall determine not to obtain an Insurance Policy to secure the payment of principal of and interest on the Bonds, or not to obtain a Reserve Fund Insurance Policy, any applicable references to the Insurer, the Insurance Policy, the Reserve Fund Insurance Policy, the Surety Provider, Policy Costs, the Insurance Agreement, or other provisions relating to bond insurance shall be of no force or effect.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION AND ISSUANCE OF BONDS

Section 301. Bond Details.

A. Basic Provisions. The Bonds shall be issued in fully registered form (*i.e.* registered as to payment of both principal and interest), in denominations of \$5,000 or any integral multiple thereof. The Bonds shall be lettered “R” and shall be numbered separately from 1 upward. The Bonds shall be dated as of the date of their delivery. The Bonds shall mature on December 1, in the years and amounts and subject to prior redemption as set forth herein and in the Sale Certificate. The Bonds shall bear interest from the most recent interest payment date to which interest has been paid, or if no interest has been paid, from their date until their respective maturities (or prior redemption) at the rates set forth in the Sale Certificate. No interest shall accrue on any Bonds owned by or on behalf of the District. Interest on the Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months, payable semiannually on each June 1 and December 1, commencing on the date provided in the Sale Certificate.

B. Payment of Bonds. The principal of each Bond shall be payable at the principal corporate trust office of the Paying Agent, or at such other office as the Paying Agent directs in writing to the Owners of the Bonds, or at the principal office of its successor, upon presentation

and surrender of the Bond. Payment of interest on any Bond shall be made to the Owner thereof by the Paying Agent on or before each interest payment date, (or, if such interest payment date is not a Business Day, on or before the next succeeding Business Day), to such Owner at such Person's address as it appears on the registration records kept by the Paying Agent on the Record Date; but any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Owner thereof at the close of business on the Record Date and shall be payable to the Person who is the Owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date and the date fixed for payment of such defaulted interest shall be fixed by the Paying Agent whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the Owners not less than ten days prior to the Special Record Date by first-class mail to each such Owner as shown on the Paying Agent's registration books on a date selected by the Paying Agent, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the Owner of such Bond and the Paying Agent. If any Bond is not paid upon its presentation and surrender at or after its maturity or prior redemption, interest shall continue at its stated rate per annum until the principal thereof is paid in full. All such payments shall be made in lawful money of the United States of America.

Section 302. Execution of Bonds. The Bonds shall be executed in the name of the District by the manual or facsimile signature of the President or the Vice President, shall be sealed with the corporate seal of the District or a facsimile thereof thereunto affixed, imprinted, engraved or otherwise reproduced and shall be attested by the manual or facsimile signature of the Secretary or the Assistant Secretary. Any Bond may be signed (manually or by facsimile), sealed or attested on behalf of the District by any Person who, at the date of such act, shall hold the proper office, notwithstanding that at the date of authentication, issuance or delivery, such Person may have ceased to hold such office. The President and the Secretary may adopt as and for his or her own facsimile signature the facsimile signature of his or her predecessor in office in the event that such facsimile signature appears on any of the Bonds. Before the execution of any Bond, the President and the Secretary shall each file with the Colorado Secretary of State his or her manual signature certified by him or her under oath.

Section 303. Authentication Certificate. The authentication certificate upon the Bonds shall be substantially in the form and tenor provided in the form of the Bonds attached to this Resolution as **Exhibit A**. No Bond shall be secured hereby or entitled to the benefit hereof, nor shall any Bond be valid or obligatory for any purpose, unless the certificate of authentication, substantially in such form, has been duly executed by the Paying Agent and such certificate of the Paying Agent upon any Bond shall be conclusive evidence that such Bond has been authenticated and delivered hereunder. The certificate of authentication shall be deemed to have been duly executed by it if manually signed by an authorized officer or employee of the Paying Agent, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the Bonds.

Section 304. Registration and Payment. The Paying Agent shall keep or cause to be kept sufficient records for the registration and transfer of the Bonds, which shall at all times be open to inspection by the District. Upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered

or transferred, on said records, Bonds as herein provided. Except as provided in Section 306 hereof, the Person in whose name any Bond shall be registered on the registration records kept by the Paying Agent shall be deemed and regarded as the absolute owner thereof for the purpose of making payment of the Bond Requirements thereof and for all other purposes; and payment of or on account of the Bond Requirements of any Bond shall be made only to the Owner thereof or such Person's legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid. The foregoing provisions of this Section are subject to the provisions of Section 307 hereof.

Section 305. Transfer and Exchange. Any Bond may be transferred upon the records required to be kept pursuant to the provisions of Section 304 hereof by the Person in whose name it is registered, in person or by such Person's duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. Whenever any Bond or Bonds shall be surrendered for transfer, the Paying Agent shall authenticate and deliver a new Bond or Bonds for a like aggregate principal amount and of the same maturity and interest rate and of any authorized denominations. The Bonds may be exchanged by the Paying Agent for a like aggregate principal amount of Bonds of the same maturity and interest rate and of other authorized denominations. The execution by the District of any Bond of any denomination shall constitute full and due authorization of such denomination and the Paying Agent shall thereby be authorized to authenticate and deliver such Bond.

The Paying Agent shall not be required to transfer or exchange (a) any Bond subject to redemption during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Bonds and ending at the close of business on the day such notice is mailed, or (b) any Bond so selected for redemption in whole or in part after the mailing of notice calling such Bond or any portion thereof for prior redemption except the unredeemed portion of Bonds being redeemed in part.

The Paying Agent shall require the payment by any Owner requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer, and may charge a sum sufficient to pay the cost of preparing each new Bond upon each exchange or transfer and any other expenses of the District or the Paying Agent incurred in connection therewith.

The foregoing provisions of this Section are subject to the provisions of Section 307 hereof.

Section 306. Bond Replacement. Upon receipt by the District and the Paying Agent of evidence satisfactory to them of the ownership of and the loss, theft, destruction or mutilation of any Bond and, in the case of a lost, stolen or destroyed Bond, of indemnity satisfactory to them, and in the case of a mutilated Bond upon surrender and cancellation of the Bond, (a) the District shall execute and the Paying Agent shall authenticate and deliver a new Bond of the same date, interest rate and denomination in lieu of such lost, stolen, destroyed or mutilated Bond, or (b) if such lost, stolen, destroyed or mutilated Bond shall have matured or have been called for redemption, in lieu of executing and delivering a new Bond as aforesaid, the District may pay such

Bond. Any such new Bond shall bear a number not previously assigned. The applicant for any such new Bond may be required to pay all expenses and charges of the District and of the Paying Agent in connection with the issuance of such Bond. All Bonds shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing conditions are exclusive with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds, negotiable instruments or other securities.

Section 307. Custodial Deposit.

A. Depository. Notwithstanding any contrary provision of this Resolution, the Bonds initially shall be evidenced by one Bond each of the same maturity and interest rate in denominations equal to the aggregate principal amount of the Bonds of the same maturity and interest rate. Such initially delivered Bonds shall be registered in the name of “Cede & Co.” as nominee for The Depository Trust Company, the securities depository for the Bonds. The Bonds may not thereafter be transferred or exchanged except:

B. (1) to any successor of The Depository Trust Company or its nominee, which successor must be both a “clearing corporation” as defined in Section 4-8-102(a)(5), C.R.S. and a qualified and registered “clearing agency” under Section 17A of the Securities Exchange Act of 1934, as amended; or

(2) upon the resignation of The Depository Trust Company or a successor or new depository institution under clause (1) or this clause (2) of this paragraph A, or a determination by the Board that The Depository Trust Company or such successor or a new depository institution is no longer able to carry out its functions, and the designation by the Board of another depository institution acceptable to the Board and to the depository then holding the Bonds, which new depository must be both a “clearing corporation” as defined in Section 4-8-102(a)(5), C.R.S. and a qualified and registered “clearing agency” under Section 17A of the Securities Exchange Act of 1934, as amended, to carry out the functions of The Depository Trust Company or such successor new depository institution; or

(3) upon the resignation of The Depository Trust Company or a successor or new depository institution under clause (1) above or designation of a new depository institution pursuant to clause (2) above, or a determination of the Board that The Depository Trust Company or such successor or depository institution is no longer able to carry out its functions, and the failure by the Board, after reasonable investigation, to locate another depository institution under clause (2) to carry out such depository institution functions.

B. Successor. In the case of a transfer to a successor of The Depository Trust Company or its nominee as referred to in clause (1) or (2) of paragraph A hereof, upon receipt of the outstanding Bonds by the Paying Agent together with written instructions for transfer satisfactory to the Paying Agent, a new Bond for each maturity and interest rate of the Bonds then outstanding shall be issued to such successor or new depository, as the case may be, or its nominee, as is specified in such written transfer instructions. In the case of a resignation or determination under clause (3) of paragraph A hereof and the failure after reasonable investigation to located another qualified depository institution for the Bonds as provided in clause (3) of paragraph A hereof, and upon receipt of the outstanding Bonds by the Paying Agent, together with written

instructions for transfer satisfactory to the Paying Agent, new Bonds shall be issued in authorized denominations as provided in and subject to the limitations of Sections 301, 304, and 305 hereof, registered in the names of such Persons, as are requested in such written transfer instructions; however, the Paying Agent shall not be required to deliver such new Bonds within a period of less than 60 days from the date of receipt of such written transfer instructions.

C. Absolute Owner. The Board and the Paying Agent shall be entitled to treat the Owner of any Bond as the absolute owner thereof for all purposes hereof and any applicable laws, notwithstanding any notice to the contrary received by any or all of them and the Board and the Paying Agent shall have no responsibility for transmitting payments or notices to the beneficial owners of the Bonds held by The Depository Trust Company or any successor or new depository named pursuant to paragraph A hereof.

D. Payment. The Board and the Paying Agent shall endeavor to cooperate with The Depository Trust Company or any successor or new depository named pursuant to clause (1) or (2) of paragraph A hereof in effectuating payment of the principal amount of the Bonds upon maturity or prior redemption by arranging for payment in such a manner that funds representing such payments are available to the depository on the date they are due.

E. Redemption. Upon any partial redemption of any maturity and interest rate of the Bonds, Cede & Co. (or its successor) in its discretion may request the District to issue and authenticate a new Bond or shall make an appropriate notation on the Bond indicating the date and amount of prepayment, except in the case of final maturity, in which case the Bond must be presented to the Paying Agent prior to payment. The records of the Paying Agent shall govern in the case of any dispute as to the amount of any partial prepayment made to Cede & Co. (or its successor).

Section 308. Bond Cancellation. Whenever any Bond shall be surrendered to the Paying Agent upon payment thereof, or to the Paying Agent for transfer, exchange or replacement as provided herein, such Bond shall be promptly canceled and destroyed by the Paying Agent.

Section 309. Bond Form. Subject to the provisions of this Resolution, each Bond shall be in substantially the form attached hereto as Exhibit A, with such omissions, insertions, endorsements and variations as to any recitals of fact or other provisions as may be required by the circumstances, be required or permitted by this Resolution, be consistent with this Resolution or be necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto.

ARTICLE IV

REDEMPTION

Section 401. Optional Redemption. The Bonds will be subject to redemption at the option of the District from any legally available funds on the dates set forth in the Sale Certificate in whole, or in part from any maturity and interest rate, in any order of maturity and by lot within a maturity and interest rate, in such manner as the District may determine (giving proportionate weight to Bonds in denominations larger than \$5,000), at a price set forth in the Sale Certificate.

Notwithstanding the foregoing, the Bonds may not be redeemed pursuant to this Section unless all Policy Costs, if any, due and owing at the time to the Surety Provider have been paid.

Section 402. Mandatory Sinking Fund Redemption. The Term Bonds, if any, shall be subject to mandatory sinking fund redemption at the times, in the amounts and at the prices provided in the Sale Certificate.

On or before the thirtieth day prior to each such sinking fund payment date, the Paying Agent shall proceed to call the Term Bonds, if any, as provided in the Sale Certificate (or any Term Bond or Term Bonds issued to replace such Term Bonds) for redemption from the sinking fund on the next December 1, and give notice of such call without further instruction or notice from the District.

At its option, to be exercised on or before the sixtieth day next preceding each such sinking fund Redemption Date, the District may (a) deliver to the Paying Agent for cancellation Term Bonds subject to mandatory sinking fund redemption on such date in an aggregate principal amount desired or (b) receive a credit in respect of its sinking fund redemption obligation for any Term Bonds of the maturity and interest rate subject to mandatory sinking fund redemption on such date, which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by the Paying Agent and not theretofore applied as a credit against any sinking fund redemption obligation. Each Term Bond so delivered or previously redeemed will be credited by the Paying Agent at the principal amount thereof against the obligation of the District on such sinking fund date and such sinking fund obligation will be accordingly reduced. The District will on or before the sixtieth day next preceding each sinking fund Redemption Date furnish the Paying Agent with its certificate indicating whether or not and to what extent the provisions of (a) and (b) of the first sentence of this paragraph are to be availed with respect to such sinking fund payment. Failure of the District to deliver such certificate shall not affect the Paying Agent's duty to give notice of sinking fund redemption as provided in this paragraph.

Section 403. Partial Redemption. In the case of Bonds of a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any integral multiple thereof) may be redeemed, in which case the Paying Agent shall, without charge to the owner of such Bond, authenticate and issue a replacement Bond or Bonds for the unredeemed portion thereof.

Section 404. Notice of Prior Redemption. Notice of optional or mandatory redemption shall be given by the Paying Agent in the name of the District by sending a copy of such notice by first-class, postage prepaid mail, not more than sixty nor less than thirty days prior to the Redemption Date to each Owner at such Person's address as it last appears on the registration books kept by the Paying Agent; but neither failure to give such notice nor any defect therein shall affect the redemption of any Bond. Such notice shall identify the Bonds to be so redeemed (if less than all are to be redeemed) and the Redemption Date, and shall further state that on such Redemption Date there will become and be due and payable upon each Bond so to be redeemed, at the principal office of the Paying Agent, the principal amount thereof, accrued interest to the Redemption Date, and the stipulated premium, if any, and that from and after such date interest will cease to accrue. Notice having been given in the manner hereinabove provided, the Bond or Bonds so called for redemption shall become due and payable on the Redemption Date so designated; and upon presentation thereof at the principal office of the Paying Agent, the Paying

Agent will pay the Bond or Bonds so called for redemption. No further interest shall accrue on the principal of any such Bond called for redemption from and after the Redemption Date, provided sufficient funds are deposited with the Paying Agent and available on the Redemption Date.

Notwithstanding the provisions of this Section, any notice of redemption shall either (a) contain a statement that the redemption is conditioned upon the receipt by the Paying Agent on or before the Redemption Date of funds sufficient to pay the redemption price of the Bonds so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the Owners of the Bonds called for redemption in the same manner as the original redemption notice was mailed, or (b) be given only if funds sufficient to pay the redemption price of the Bonds so called for redemption are on deposit with the Paying Agent in the applicable fund or account.

Section 405. Bonds Owned by the District. Bonds owned by or on behalf of the District shall not be subject to redemption. At any time the District may surrender any Bonds owned by or on behalf of the District to the Paying Agent, which shall promptly cancel such Bonds.

Additionally, any securities payable from any Net Pledged Revenues held by the District shall not be deemed to be Outstanding for the purpose of redemption nor Outstanding for the purpose of consents hereunder or for any other purpose herein.

Section 406. No Partial Redemption After Default. Anything in this Resolution to the contrary notwithstanding, if there shall have occurred and be continuing an Event of Default hereunder of which an officer of the Paying Agent has actual knowledge, there shall be no redemption of less than all of the Bonds at the time Outstanding (other than pursuant to Section 402 hereof).

ARTICLE V

USE OF BOND PROCEEDS AND OTHER MONEYS

Section 501. Disposition of Bond Proceeds. The proceeds of the Bonds (net of underwriting discount), upon the receipt thereof, shall be accounted for in the following manner and priority:

A. **Reserve Fund.** An amount equal to the Reserve Fund Requirement as described in the Sale Certificate, if any, shall be credited to the special and separate account hereby created and to be known as the “Eagle River Water and Sanitation District, Enterprise Water Revenue Bonds, Series 2024, Reserve Fund.”

B. **Capitalized Interest.** An amount designated in the Sale Certificate, if any, shall be deposited into the Bond Fund and used to pay capitalized interest.

C. **Acquisition Fund.** The remaining proceeds derived from the sale of the Bonds shall be credited to the special and separate account hereby created and to be known as the “Eagle River Water and Sanitation District, Enterprise Water Revenue Bonds, Series 2024 Acquisition Fund.”

On the date of delivery of the Bonds, the District may pay from the net proceeds of the Bonds the premiums payable to the Insurer for its Insurance Policy and to the Surety Provider for its Reserve Fund Insurance Policy, if such are designated in the Sale Certificate, or may fund the Reserve Fund with proceeds of the Bonds.

Section 502. Payment of Expenses. Moneys deposited in the Acquisition Fund pursuant to Section 501 hereof may be used and paid out by the District to defray the administrative Costs of the Project, including, without limitation, amounts to be paid to the Paying Agent, legal fees, accounting fees, financial advisory fees, printing costs and rating fees. The District may defray any such administrative costs from time to time as Operation and Maintenance Expenses to the extent the moneys deposited in the Acquisition Fund pursuant to Section 501 hereof are insufficient therefor.

Section 503. Completion of the Project. When the Project is completed in accordance with the relevant plans and specifications and all amounts due therefor, including all proper incidental expenses and all administrative costs of the Project referred to in Section 502 hereof, are paid, or for which full provision is made, the Finance Director, to the extent permitted by the Tax Compliance Certificate, shall cause all surplus moneys remaining in the Acquisition Fund, if any, except for any moneys designated in the certificate to be retained to pay any unpaid accrued costs or contingent obligations, to be transferred (a) to the Rebate Fund so as to enable the District to comply with Section 930 hereof, (b) to the Reserve Fund to such extent as shall not cause the amount in the Reserve Fund to exceed the Reserve Fund Requirement and (c) to the Bond Fund to the extent of any remaining balance of such moneys to be applied against the next principal payment or payments coming due on the Bonds. Nothing herein prevents the transfer from the Acquisition Fund to the Bond Fund, at any time prior to the termination of the Acquisition Fund, of any moneys which the Finance Director by certificate determines will not be necessary for the Project and will not be designated to be transferred to the Rebate Fund.

Section 504. Lien on Bond Proceeds. Until the proceeds of the Bonds deposited in the Acquisition Fund are applied as herein provided, such Bond proceeds are subject to a lien thereon and pledge thereof for the benefit of the Owners of the Outstanding Bonds as provided in Section 601 hereof.

Section 505. Purchaser Not Responsible. The validity of the Bonds is not dependent upon nor affected by the validity or regularity of any proceedings relating to the application of the Bond proceeds. The Purchaser and any subsequent Owners of any of the Bonds are not responsible for the application or disposal by the District or by any of its officers, agents and employees of the moneys derived from the sale of the Bonds or of any other moneys herein designated.

ARTICLE VI

ADMINISTRATION OF AND ACCOUNTING FOR PLEGGED REVENUES

Section 601. Pledge Securing Bonds. Subject only to the right of the District to cause amounts to be withdrawn and paid on account of Operation and Maintenance Expenses of the Water System, the Gross Pledged Revenues and, subject to the right of the District to cause amounts to be withdrawn to pay the Costs of the Project as provided herein and other than moneys and securities held in the Rebate Fund to the extent such amounts are required to be paid to the United States, all moneys and securities paid or to be paid to or held or to be held in any account under this Article or under Section 501 hereof are hereby pledged to secure the payment of the Bond Requirements of the Outstanding Bonds and to secure the obligations of the District to pay the Policy Costs. The pledge of the Net Pledged Revenues to secure the payment of the Bond Requirements of the Outstanding Bonds and the Outstanding Parity Bonds is on a parity with the pledge of the Net Pledged Revenues for, and lien thereon of the Prior Parity Bonds and any Parity Bonds hereafter issued in compliance with the provisions of Article VIII hereof. The pledge of the Net Pledged Revenues to secure the payment of the Policy Costs is subordinate only to the pledge to pay the Bond Requirements with respect to the Bonds and any Parity Bonds.

The pledge of the Net Pledged Revenues shall be valid and binding from and after the date of the delivery of the Bonds, and the moneys as received by the District and hereby pledged shall immediately be subject to the lien of this pledge without any physical delivery thereof, any filing, or further act. The lien of this pledge and the obligation to perform the contractual provisions hereby made shall have priority over any or all other obligations and liabilities of the District except any Outstanding Parity Bonds heretofore or hereafter authorized and any Policy Costs as provided herein. The lien of the pledge of the Net Pledged Revenues as described in this Section shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the District (except as herein otherwise provided) irrespective of whether such parties have notice thereof.

Section 602. Income Fund Deposits. So long as any of the Bonds and any Parity Bonds shall be Outstanding, as to any Bond Requirements related to the Bonds and any Parity Bonds, the entire Gross Pledged Revenues, upon their receipt from time to time by the District, shall be set aside and credited immediately to the special and separate account created pursuant to the Prior Parity Resolution, and hereby reaffirmed, known as the "Eagle River Water and Sanitation District, Enterprise Water Revenue Bonds, Gross Income Fund."

Section 603. Administration of Income Fund. So long as any of the Bonds and any Parity Bonds shall be Outstanding, as to any Bond Requirements and Policy Costs related to the Bonds and any Parity Bonds, the following payments shall be made from the Income Fund, as provided in Sections 604 through 612 hereof.

Section 604. Operation and Maintenance Expenses. First, as a first charge on the Income Fund, from time to time there shall continue to be held therein moneys sufficient to pay Operation and Maintenance Expenses, as they become due and payable, and thereupon they shall

be promptly paid. Any surplus remaining in the Income Fund at the end of the Fiscal Year and not needed for Operation and Maintenance Expenses shall be used for other purposes of the Income Fund as herein provided.

Section 605. Bond Fund Payments. Second, from any remaining Net Pledged Revenues, there shall be credited, concurrently with amounts required to meet the Bond Requirements with respect to any Outstanding Parity Bonds, to the special and separate account hereby created and to be known as the “Eagle River Water and Sanitation District, Enterprise Water Revenue Bonds, Series 2024, Bond Fund,” the following amounts:

A. Interest Payments. Monthly, commencing on the first day of the calendar month immediately succeeding the delivery of any of the Bonds, to the Bond Fund, an amount in equal monthly installments necessary, together with any moneys therein and available therefor, to pay the interest due and payable on the Outstanding Bonds on the next succeeding interest payment date.

B. Principal Payments. Monthly, commencing on the first day of the month immediately succeeding the delivery of any of the Bonds, or commencing on the first day of the month one year next prior to the first principal payment date of any of the Bonds, whichever commencement date is later, an amount in equal monthly installments necessary, together with any moneys therein and available therefor, to pay the principal and redemption premium, if any, due and payable on the Outstanding Bonds on the next succeeding principal payment date.

If prior to any interest payment date or principal payment date, there has been accumulated in the Bond Fund the entire amount necessary to pay the next maturing installment of interest or principal, or both, the payment required in paragraph A or B (whichever is applicable) of this Section 605 may be appropriately reduced; but the required annual amounts again shall be so credited to such account commencing on such interest payment date or principal payment date.

The moneys credited to the Bond Fund shall be used to pay the Bond Requirements of the Bonds then Outstanding, as such Bond Requirements become due, except as provided in Sections 607 and 1301 hereof. No interest or principal shall be paid on any Bonds owned by or on behalf of the District.

Section 606. Reserve Fund Payments. Upon delivery of the Bonds, if specified in the Sale Certificate, either proceeds of the Bonds, cash or a Reserve Fund Insurance Policy in the amount of the Reserve Fund Requirement being provided by Surety Provider shall be deposited in the special and separate account hereby created and to be known as the “Eagle River Water and Sanitation District, Enterprise Water Revenue Bonds, Series 2024, Reserve Fund” in satisfaction of the Reserve Fund Requirement. Any Reserve Fund Insurance Policy shall be held by the Paying Agent. Any Reserve Fund Insurance Policy deposited to the credit of the Reserve Fund shall be valued at the amount available to be drawn or otherwise paid pursuant to such Reserve Fund Insurance Policy at the time of calculation. The Paying Agent shall maintain adequate records as to the amount available to be drawn at any time under the Reserve Fund Insurance Policy and as to the amounts, of which it has knowledge, of Policy Costs paid and owing to the Surety Provider.

Such records shall be open to inspection and verification by the Surety Provider during business hours of the Paying Agent.

Thereafter, third, except as provided in Section 607 and 608 hereof, and concurrently with any payments required to be made pursuant to any Parity Bond Resolutions with respect to any reserve funds which may be, but are not required to be, established thereby and concurrently with any repayment or similar obligations payable to any surety provider issuing any reserve fund insurance policy with respect to any Parity Bonds, from any moneys remaining in the Income Fund there shall be credited to the Reserve Fund monthly, commencing on the first day of the month next succeeding each date on which the moneys accounted for in the Reserve Fund for any reason are less than the Reserve Fund Requirement, such amounts in substantially equal monthly payments on the first day of each month to re-accumulate the Reserve Fund Requirement by not more than 12 such monthly payments. If a Reserve Fund Insurance Policy is on deposit in the Reserve Fund to fund all or a part of the Reserve Fund Requirement, the amounts payable into the Reserve Fund pursuant to the immediately preceding sentence shall be paid by the District first to the Surety Provider to reimburse it for Policy Costs due and owing and second to replenish cash in the Reserve Fund. If there are insufficient Net Pledged Revenues to comply with the requirements of the first sentence of this paragraph, available Net Pledged Revenues shall be credited or paid to the Reserve Fund and to reserve funds which may be established by any Parity Bond Resolutions (or to the Surety Provider or any other surety provider issuing any reserve fund insurance policy with respect to any Parity Bonds) pro rata, based upon the aggregate principal amount of the Bonds and any such Parity Bonds then Outstanding; provided, however, that compliance with the provisions of this sentence shall not cure any Event of Default caused by non-compliance with the first sentence of this paragraph. If there are insufficient Net Pledged Revenues to comply with the requirements of the first sentence of this paragraph and more than one Reserve Fund Insurance Policy is on deposit in the Reserve Fund, available Net Pledged Revenues credited to or paid to the Reserve Fund shall be applied to reimburse the Surety Provider and any other surety provider providing a Reserve Fund Insurance Policy pro rata, based upon the original amount available to be drawn on each. The Reserve Fund Requirement shall be accumulated and, if necessary, re-accumulated from time to time, in the Reserve Fund from Net Pledged Revenues, except to the extent other moneys are credited to the Reserve Fund, and maintained as a continuing reserve to be used, except as hereinafter provided in Sections 607, 608, 704 and 1301 hereof, only to prevent deficiencies in the payment of the Bond Requirements of the Bonds Outstanding from time to time from the failure to deposit into the Bond Fund sufficient moneys to pay such Bond Requirements as the same accrue and become due. No payment need be made into the Reserve Fund at any time so long as the moneys and/or the Reserve Fund Insurance Policy therein equal not less than the Reserve Fund Requirement and there are no Policy Costs due and owing. The Reserve Fund Requirement shall be re-calculated upon (i) any principal payment, whether at stated maturity or upon redemption, or (ii) the defeasance of all or a portion of the Bonds.

The District may at any time substitute (a) cash or Investment Securities for a Reserve Fund Insurance Policy or (b) a Reserve Fund Insurance Policy for cash or Investment Securities, so long as the amount on deposit in the Reserve Fund after such substitution is at least equal to the Reserve Fund Requirement. Notwithstanding the foregoing, no Reserve Fund Insurance Policy shall be deposited by the District in the Reserve Fund for such substitution unless the District has received an opinion of Bond Counsel to the effect that such substitution and the intended use by the District

of the cash or Investment Securities to be released from the Reserve Fund will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds.

Section 607. Termination of Deposits. No payment need be made into the Bond Fund or the Reserve Fund if there are no Policy Costs due and owing and if the amount in the Bond Fund and the amount in the Reserve Fund (exclusive of the amount available under a Reserve Fund Insurance Policy) total a sum at least sufficient so that all Bonds Outstanding are deemed to have been paid pursuant to Section 1301 hereof, in which case moneys therein (taking into account the known minimum gain from any investment if such moneys in Investment Securities from the time of any such investment or deposit shall be needed for such payment which will not be designated for transfer to the Rebate Fund) shall be used (together with any such gain from such investments) solely to pay the Bond Requirements of the Outstanding Bonds as the same become due; and any moneys in excess thereof in those two accounts and any other moneys derived from the Net Pledged Revenues or otherwise pertaining to the Water System may be used to make required payments into the Rebate Fund or in any other lawful manner determined by the District, as directed in writing by the Finance Director.

Section 608. Defraying Delinquencies. If at any time the District shall for any reason fail to pay into the Bond Fund the full amount above stipulated from the Net Pledged Revenues, then, subject to Section 610, an amount shall be paid into the Bond Fund at such time from the Reserve Fund equal to the difference between that paid from the Net Pledged Revenues and the full amount so stipulated. The District shall use all cash in the Reserve Fund before drawing on a Reserve Fund Insurance Policy. If, (i) upon notice from the District requesting a draw or (ii) failure of the Paying Agent to receive the Bond Requirements by the third Business Day prior to June 1 or December 1 in each year, the Paying Agent determines that it is necessary to draw on the Reserve Fund Insurance Policy, the Paying Agent shall present a demand for payment, in the form and manner required by the Reserve Fund Insurance Policy, at least two Business Days before funds are needed. If there is more than one Reserve Fund Insurance Policy on deposit in the Reserve Fund, the Paying Agent shall draw on them on a pro rata basis, based upon the amount available to be drawn on each.

Any money so used or drawn shall be replaced as provided in Section 606 hereof from the first Net Pledged Revenues thereafter received and not required to be otherwise applied by this Article. Except as provided in Section 606 hereof, the moneys in the Bond Fund and in the Reserve Fund (including any Reserve Fund Insurance Policy) shall be used solely and only for the purpose of paying the Bond Requirements of the Bonds from time to time.

If the amount on deposit in the Reserve Fund exceeds the Reserve Fund Requirement for any reason, the amount to be released from the Reserve Fund shall be as directed in writing by the Finance Director. Any excess amount released from the Reserve Fund may be deposited in the Bond Fund, or deposited into a defeasance escrow account, or may be applied for other purposes, as directed in writing by the Finance Director for such purposes authorized by law.

Section 609. Rebate Fund. Fourth, concurrently with any payments required to be made pursuant to any Parity Bond Resolutions with respect to any rebate funds established thereby, there shall be deposited into the special and separate account hereby created and to be known as the “Eagle River Water and Sanitation District, Enterprise Water Revenue Bonds, Series 2024, Rebate

Fund” moneys in the amounts and at the times specified in the Tax Compliance Certificate so as to enable the District to comply with Section 930 hereof. Amounts on deposit in the Rebate Fund shall not be subject to the lien and pledge of this Resolution to the extent that such amounts are required to be paid to the United States Treasury. The District shall cause amounts on deposit in the Rebate Fund to be forwarded to the United States Treasury (at the address provided in the Tax Compliance Certificate) at the times and in the amounts set forth in the Tax Compliance Certificate.

If the moneys on deposit in the Rebate Fund are insufficient for the purposes thereof, the District shall transfer moneys in the amount of the insufficiency to the Rebate Fund from the Acquisition Fund and, to the extent permitted by Section 608 hereof, from the Reserve Fund and the Bond Fund. Upon receipt by the District of an opinion of Bond Counsel to the effect that the amount in the Rebate Fund is in excess of the amount required to be contained therein, such excess may be transferred to the Income Fund.

Section 610. Rate Stabilization Fund. Fifth, in order to help offset or reduce any increases in fees, rates and other charges to the users of the Water System required by Section 921 hereof, the District has previously created a separate fund of the District known as the “Eagle River Water and Sanitation District, Enterprise Water Revenue Bonds Rate Stabilization Fund.” The Rate Stabilization Fund was funded in the amount of \$600,000.

Moneys on deposit in the Rate Stabilization Fund shall be used only to pay the principal of and interest on the Bonds and the Parity Bonds. The District may transfer moneys on deposit in the Rate Stabilization Fund to the Bond Fund at such times and in such amounts as determined by the Finance Director or as directed by the Board. The District shall be required to transfer moneys on deposit in the Rate Stabilization Fund to the Bond Fund to the extent necessary to prevent a default in the payment of the principal of and interest due on the Bonds resulting from a deficiency of moneys on deposit in the Bond Fund. Any such required transfer of moneys from the Rate Stabilization Fund to the Bond Fund shall be made by the District prior to any draws being made on the Reserve Fund.

If at any time amounts on deposit in the Rate Stabilization Fund are less than \$600,000, there shall be credited to the Rate Stabilization Fund monthly, commencing on the first day of the month next succeeding each date on which the moneys accounted for in the Rate Stabilization Fund for any reason are less than \$600,000, Net Pledged Revenues in such amounts in substantially equal monthly payments on the first day of each month to re-accumulate the Rate Stabilization Fund to the required amount by not more than 12 such monthly payments. The Board may determine from time to time to increase, but not decrease, amounts on deposit in the Rate Stabilization Fund.

Section 611. Payment of Subordinate Securities. Sixth, and subject to the provisions hereinabove in this Article, but subsequent to the payments required by Sections 604, 605, 606, 609 and 610 hereof, any moneys remaining in the Income Fund may be used by the District for the payment of Bond Requirements of Subordinate Securities, including reasonable reserves for such Subordinate Securities and for rebate of amounts to the United States Treasury with respect to such Subordinate Securities.

Section 612. Use of Remaining Revenues. After the payments hereinabove required to be made by Sections 602 through 611 hereof are made, any remaining Net Pledged Revenues in the Income Fund shall be used, firstly, for any one or any combination of reasonably necessary purposes and in the Board's discretion relating to the operation, improvement or debt management of the Water System and, secondly, to the extent of any remaining surplus, for any one or any combination of lawful purposes as the Board may from time to time conclusively determine.

ARTICLE VII

GENERAL ADMINISTRATION

Section 701. Administration of Accounts. The special accounts designated in Articles V and VI hereof shall be administered as provided in this Article (but not any account under Section 1301 hereof).

Section 702. Places and Times of Deposits. Except as hereinafter provided, each of such special accounts shall be maintained by the District as a book account and kept separate from all other accounts as a trust account solely for the purposes herein designated therefor. The moneys accounted for in such special book accounts may be in one or more bank accounts in one or more Commercial Banks. Each such bank account shall be continuously secured to the fullest extent required or permitted by the laws of the State for the securing of public funds and shall be irrevocable and not withdrawable by anyone for any purpose other than the respective designated purposes. Each periodic payment shall be credited to the proper book account not later than the date therefor herein designated, except that when any such date shall not be a Business Day, then such payment shall be made on or before the next preceding Business Day. Moneys shall be deposited with the Paying Agent for the Bonds not less than (a) three Business Days prior to each interest payment date and each maturity or mandatory Redemption Date, if funds are delivered by wire transfer, or (b) five Business Days prior to each payment date if funds are delivered by another method of payment, in immediately available amounts sufficient to pay the Bond Requirements then becoming due on the Outstanding Bonds.

Section 703. Investment of Moneys. Any moneys in the Acquisition Fund, the Income Fund, the Bond Fund, the Reserve Fund, the Rate Stabilization Fund, and the Rebate Fund that are not needed for immediate use shall be invested or reinvested by the Finance Director in Investment Securities. All such investments shall (a) either be subject to redemption at any time at a fixed value by the holder thereof at the option of such holder, or (b) mature not later than the estimated date or respective dates on which the proceeds are to be expended as estimated by the Finance Director at the time of such investment or reinvestment; provided that (1) Investment Securities credited to the Reserve Fund shall not mature later than ten years from the date of such investment or reinvestment and (2) collateral securities of any Investment Securities may have a maturity of more than five years from the date of purchase thereof. For the purpose of any such investment or reinvestment, Investment Securities shall be deemed to mature at the earliest date on which the obligor is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligations.

Section 704. Accounting for Investments. The Investment Securities so purchased as an investment or reinvestment of moneys in any such account hereunder shall be deemed at all times to be a part of the account. Any interest or other gain from any investments and

reinvestments of moneys accounted for in the Acquisition Fund, the Income Fund, the Bond Fund, the Rate Stabilization Fund, and the Rebate Fund shall be credited to such account, and any loss resulting from any such investments or reinvestments of moneys accounted for in the Acquisition Fund, the Income Fund, the Bond Fund, the Reserve Fund, the Rate Stabilization Fund, and the Rebate Fund shall be charged or debited to such Fund.

Any interest or other gain from any investment or reinvestment of moneys accounted for in the Reserve Fund (a) shall be credited to the Rebate Fund or the Bond Fund, at the discretion of the Finance Director, if the amount credited to the Reserve Fund immediately after such credit to the Rebate Fund or the Bond Fund is not less than the Reserve Fund Requirement and (b) if the amount credited to the Reserve Fund is less than the Reserve Fund Requirement, shall be credited to the Reserve Fund (up to the amount of the deficiency).

Any interest or other gain from any investment or reinvestment of moneys accounted for in the Rate Stabilization Fund (a) shall be credited to the Rate Stabilization Fund if the amount credited to the Rate Stabilization Fund immediately after such credit to the Rate Stabilization Fund is less than \$600,000 and (b) if the amount on deposit in the Rate Stabilization Fund is equal to or greater than \$600,000, any earnings on investments may be used for any lawful purpose.

No loss or profit in any account on any investments or reinvestments in Investment Securities shall be deemed to take place as a result of market fluctuations of the Investment Securities prior to the sale or maturity thereof. In the computation of the amount in any account for any purpose hereunder, except as herein otherwise expressly provided or for rebate purposes, as described in the Tax Compliance Certificate, Investment Securities shall be valued at the cost thereof (including any amount paid as accrued interest at the time of purchase of the obligation); provided that any time or demand deposits shall be valued at the amounts deposited, in each case exclusive of any accrued interest or any other gain to the District until such gain is realized by the presentation of matured coupons for payment or otherwise.

Section 705. Redemption or Sale of Investment Securities. The Finance Director shall present for redemption or sale on the prevailing market at the best price obtainable any Investment Securities so purchased as an investment or reinvestment of moneys in the account whenever it shall be necessary in order to provide moneys to meet any withdrawal, payment or transfer from such account. Neither the Finance Director nor any other officer, employee, or agent of the District shall be liable or responsible for any loss resulting from any such investment or reinvestment made in accordance with this Resolution.

Section 706. Character of Funds. The moneys in any account designated in Articles V and VI hereof shall consist either of lawful money of the United States or Investment Securities, or both such money and such Investment Securities. Moneys deposited in a demand or time deposit account in a bank or savings and loan association, appropriately secured according to the laws of the State, shall be deemed lawful money of the United States.

Section 707. Payment of Bond Requirements. The moneys credited to any fund or account designated in Article VI hereof for the payment of the Bond Requirements of any Bonds shall be used without requisition, voucher, warrant, further order or authority (other than is contained herein), or any other preliminaries, to pay promptly the Bond Requirements of any

Bonds payable from such fund or account as such amounts are due, except to the extent any other moneys are available therefor.

ARTICLE VIII

SECURITIES LIENS AND ADDITIONAL SECURITIES

Section 801. Lien on Bonds. The Bonds constitute an irrevocable lien (but not necessarily an exclusive lien) upon the Net Pledged Revenues on a parity with the lien of the Net Pledged Revenues of the Parity Bonds. The Policy Costs constitute an irrevocable and subordinate lien (but not necessarily an exclusive subordinate lien) upon the Net Pledged Revenues.

Section 802. Equality of Bonds. The Bonds and any Parity Bonds heretofore issued or hereafter authorized to be issued and from time to time Outstanding are equitably and ratably secured by a lien on the Net Pledged Revenues and amounts on deposit in the Rate Stabilization Fund and shall not be entitled to any priority over the other in the application of the Net Pledged Revenues and amounts on deposit in the Rate Stabilization Fund regardless of the time or times of the issuance of the Bonds and any other such Parity Bonds, it being the intention of the Board that there shall be no priority among the Bonds and any such Parity Bonds regardless of the fact that they may be actually issued and delivered at different times, except that (a) moneys in the Acquisition Fund, the Bond Fund and the Reserve Fund shall secure only the Bonds and the moneys in any acquisition, bond, reserve or similar funds established for Parity Bonds shall secure only such Parity Bonds and (b) Parity Bonds may have a lien on Net Pledged Revenues on a parity with the lien thereon of the Bonds even if no reserve fund is established for such Parity Bonds or a reserve fund is established but with a different requirement as to the amount of moneys (or the value of a reserve fund insurance policy with respect to such Parity Bonds) required to be on deposit therein or the manner in which such reserve fund is funded or the period of time over which such reserve fund is funded or additional or separate revenues are also pledged to such Parity Bonds.

Section 803. Issuance of Parity Bonds. Nothing herein prevents the issuance by the District of additional securities payable from the Net Pledged Revenues and constituting a lien thereon on a parity with, but not prior nor superior to, the lien thereon of the Bonds; but before any such additional Parity Bonds, except as provided in Section 808, are authorized or actually issued all of the following conditions must be satisfied:

A. **Absence of Default.** At the time of the adoption of the resolution authorizing the issuance of the additional securities, the District shall not be in default in making any payments required by Article VI hereof or other Parity Bond Resolutions, including any payments of Policy Costs.

B. **Historic Earnings Test.** The Net Pledged Revenues derived in any consecutive twelve month period within the eighteen months immediately preceding the date of issuance of the additional Parity Bonds shall be not less than 115% of the Combined Maximum Annual Principal and Interest Requirements of the Outstanding Bonds, any Outstanding Parity Bonds and the Parity Bonds proposed to be issued and 100% of the Policy Costs then due and owing, if any, except as hereinafter otherwise expressly provided.

C. Adjustment of Gross Pledged Revenues. In any computation under paragraph B of this Section, the amount of the Gross Pledged Revenues for the applicable period shall be decreased and may be increased by the amount of loss or gain conservatively estimated by an Independent Accountant, Independent Engineer or the Finance Director, as the case may be, which results from any changes, which became effective not less than 60 days prior to the last day of the period for which Gross Pledged Revenues are determined, in any schedule of fees, rates and other charges constituting Gross Pledged Revenues based on the number of users during the applicable period as if such modified schedule of fees, rates and other charges shall have been in effect during such entire time period. However, the Gross Pledged Revenues need not be decreased by the amount of any such estimated loss to the extent the Independent Accountant, the Independent Engineer or the Finance Director estimates the loss is temporary in nature or will be offset within a reasonable temporary period by an increase in revenues or a reduction in Operation and Maintenance Expenses not otherwise included in the calculations under this Section, and estimates any loss under this sentence will not at any time materially and adversely affect the District's apparent ability to comply with the rate maintenance covenant stated in Section 921 hereof without modification because of any restrictive legislation, regulation or other action under the police power exercised by any governmental body.

D. Reduction of Annual Requirements. The respective annual Bond Requirements (including as such a requirement the amount of any prior redemption premiums due on any Redemption Date) shall be reduced to the extent such Bond Requirements are scheduled to be paid in each of the respective Fiscal Years with moneys held in trust or in escrow for that purpose by any Trust Bank, including the known minimum yield from any investment in Federal Securities and any bank deposits, including any certificate of deposit.

E. Consideration of Additional Expenses. In determining whether or not additional Parity Bonds may be issued as aforesaid, consideration shall be given to any probable increase (but not reduction) in the Operation and Maintenance Expenses of the Water System as estimated by the Finance Director that will result from the expenditure of the funds proposed to be derived from the issuance and sale of the additional securities; but the Finance Director may reduce any such increase in Operation and Maintenance Expenses by the amount of any increase in revenues or any reduction in Operation and Maintenance Expenses resulting from the Capital Improvements to which such expenditure relates and not otherwise included in the calculations under this Section, if the Finance Director also opines that any such increase in revenues or reduction in any increase in Operation and Maintenance Expenses will not materially and adversely affect the District's apparent ability to comply with the rate maintenance covenant stated in Section 921 hereof without modification because of any restrictive legislation, regulation or other action under the police power exercised by any governmental body.

Section 804. Certification of Revenues. A written certificate or written opinion by the Finance Director under Paragraph B of Section 803 that such annual revenues, when adjusted as hereinabove provided in paragraphs C, D, and E of Section 803 hereof, are sufficient to pay such amounts, as provided in paragraph B of Section 803 hereof, shall be conclusively presumed to be accurate in determining the right of the District to authorize, issue, sell and deliver additional securities on a parity with the Bonds.

Section 805. Subordinate Securities Permitted. Nothing herein prevents the District from issuing additional securities payable from the Net Pledged Revenues and having a lien thereon subordinate, inferior and junior to the lien thereon of the Bonds.

Section 806. Superior Securities Prohibited. Nothing herein permits the District to issue additional securities payable from the Net Pledged Revenues and having a lien thereon prior, senior and superior to the lien thereon of the Bonds.

Section 807. Use of Proceeds. The proceeds of any Parity Bonds or other securities payable from any Net Pledged Revenues shall be used only to finance Capital Improvements and/or to refund all or any portion of the Bonds, Parity Bonds, or other securities payable from Net Pledged Revenues, regardless of the priority or the lien of such securities on Net Pledged Revenues.

Section 808. Issuance of Refunding Securities. The District may issue any refunding securities payable from Net Pledged Revenues to refund any Outstanding Bonds, Parity Bonds or any Subordinate Securities hereafter issued, with such details as the Board may by resolution provide so long as there is no material impairment of any contractual obligation imposed upon the District by any proceedings authorizing the issuance of any unrefunded portion of such Outstanding securities of any one or more issues; but so long as the Bonds, or any part thereof, are Outstanding, refunding securities payable from Net Pledged Revenues may be issued on a parity with the unrefunded Bonds only if:

A. Prior Consent. The District first receives the consent of the Owner or Owners of the unrefunded portion of the Bonds; or

B. Requirements Not Increased. The Combined Maximum Annual Principal and Interest Requirements for the Bonds and Parity Bonds Outstanding immediately after the issuance of the refunding securities is not greater than the Combined Maximum Annual Principal and Interest Requirements for all Bonds and Parity Bonds Outstanding immediately prior to the issuance of the refunding securities and the lien of any refunding Parity Bonds on the Net Pledged Revenues is not raised to a higher priority than the lien thereon of any securities thereby refunded; or

C. Earnings Test. The refunding securities are issued in compliance with Paragraph B of Section 803 hereof.

ARTICLE IX

PROTECTIVE COVENANTS

Section 901. General. The District hereby covenants and agrees with the Owners of the Bonds and makes provisions which shall be a part of its contract with such Owners to the effect and with the purpose set forth in the following Sections of this Article.

Section 902. Performance of Duties. The District, acting by and through the Board or otherwise, shall faithfully and punctually perform, or cause to be performed, all duties with respect to the Gross Pledged Revenues and the Water System required by the Constitution and laws of the

State and the various resolutions of the District, including, without limitation, the making and collection of reasonable and sufficient fees, rates and other charges for services rendered or furnished by or the use of the Water System, as herein provided, and the proper segregation of the proceeds of the Bonds and of any securities hereafter authorized and the Gross Pledged Revenues and their application from time to time to the respective accounts provided therefor.

Section 903. Contractual Obligations. The District shall reasonably perform all contractual obligations undertaken by it under any agreements relating to the Bonds, the Gross Pledged Revenues, the Project, or the Water System, or any combination thereof, with any other Persons.

Section 904. Further Assurances. At any and all times the District shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge, deliver and file or record all and every such further instruments, acts, deeds, conveyances, assignments, transfers, other documents and assurances as may be reasonably necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, the Gross Pledged Revenues and other moneys and accounts hereby pledged or assigned, or intended so to be, or which the District may hereafter become bound to pledge or to assign, or as may be reasonable and required to carry out the purposes of this Resolution and to comply with any instrument of the District amendatory thereof, or supplemental thereto. The District, acting by and through the Board, or otherwise, shall at all times, to the extent permitted by law, reasonably defend, preserve and protect the pledge of the Gross Pledged Revenues and other moneys and accounts pledged hereunder and all the rights of every Owner of any Bond hereunder against all claims and demands of all Persons whomsoever.

Section 905. Conditions Precedent. Upon the date of issuance of the Bonds, all conditions, acts and things required by the Federal or State Constitution, the Water Activity Act, the Supplemental Public Securities Act, the Act, this Resolution, or any other applicable law to exist, to have happened and to have been performed precedent to or in the issuance of the Bonds shall exist, have happened, and have been performed; and the Bonds, together with all other obligations of the District, shall not contravene any debt or other limitation prescribed by the State Constitution.

Section 906. Efficient Operation and Maintenance. The District shall at all times operate the Water System properly and in a sound and economical manner; and the District shall maintain, preserve and keep the same properly or cause the same so to be maintained, preserved and kept, with the appurtenances and every part and parcel thereof in good repair, working order and condition, and shall from time to time make or cause to be made all necessary and proper repairs, replacements and renewals so that at all times the operation of the Water System may be properly and advantageously conducted. All salaries, fees, wages and other compensation paid by the District in connection with the maintenance, repair and operation of the Water System shall be reasonable and proper.

Section 907. Rules, Regulations and Other Details. The District, acting by and through the Board, shall establish and enforce reasonable rules and regulations governing the operation, use and services of the Water System. The District shall observe and perform all of the terms and conditions contained in this Resolution, and shall comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the

Water System or to the District, except for any period during which the same are being contested in good faith by proper legal proceedings.

Section 908. Payment of Governmental Charges. The District shall pay or cause to be paid all taxes and assessments or other governmental charges, if any, lawfully levied or assessed upon or in respect of the Water System, or upon any part thereof, or upon any portion of the Gross Pledged Revenues, when the same shall become due, and shall duly observe and comply with all valid requirements of any governmental authority relative to the Water System or any part thereof, except for any period during which the same are being contested in good faith by proper legal proceedings. The District shall not create or suffer to be created any lien upon the Water System, or any part thereof, or upon the Gross Pledged Revenues, except the pledge and lien created by this Resolution for the payment of the Bond Requirements of the Bonds and except as herein otherwise permitted, including for Parity Bonds issued under the Parity Bond Resolutions. The District shall pay or cause to be discharged or shall make adequate provision to satisfy and to discharge, within 60 days after the same shall become payable, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the Water System, or any part thereof, or the Gross Pledged Revenues; but nothing herein requires the District to pay or cause to be discharged or to make provision for any such tax, assessment, lien or charge, so long as the validity thereof is contested in good faith and by appropriate legal proceedings.

Section 909. Protection of Security. The District, the officers, agents and employees of the District, and the Board shall not take any action in such manner or to such extent as might materially prejudice the security for the payment of the Bond Requirements of the Bonds, the Parity Bonds, and any other securities payable from the Net Pledged Revenues or any Policy Costs relating thereto according to the terms thereof. No contract shall be entered into nor any other action taken by which the rights of any Owner of any Bond or other security payable from Net Pledged Revenues or any Policy Costs relating thereto might be prejudicially and materially impaired or diminished.

Section 910. Prompt Payment of Bonds. The District shall promptly pay the Bond Requirements of the Bonds at the places, on the dates and in the manner specified herein and in the Bonds according to the true intent and meaning hereof.

Section 911. Use of Bond and Reserve Funds. The Bond Fund and the Reserve Fund shall be used solely and only, and the moneys credited to such accounts are hereby pledged for the purpose of paying the Bond Requirements of the Bonds to their respective maturities or any Redemption Date or Dates, subject to the provisions of Sections 606, 607, 608, 704 and 1301 hereof.

Section 912. Other Liens. Other than as provided herein, there are no liens or encumbrances of any nature whatsoever on or against the Water System, or any part thereof, or on or against the Gross Pledged Revenues on a parity with or superior to the lien thereon of the Bonds.

Section 913. Corporate Existence. The District shall maintain its corporate identity and existence so long as any of the Bonds remain Outstanding, unless another body corporate and politic by operation of law succeeds to the powers, privileges, rights, liabilities, disabilities, duties

and immunities of the District and is obligated by law to operate and maintain the Water System and to fix and collect the Gross Pledged Revenues as herein provided without adversely and materially affecting at any time the privileges and rights of any Owner of any Outstanding Bond.

Section 914. Disposal of Water System Prohibited. Except for the use of the Water System and services pertaining thereto in the normal course of business, or as provided in Section 915 hereof, neither all nor a substantial part of the Water System shall be sold, leased, mortgaged, pledged, encumbered, alienated or otherwise disposed of, until all the Bonds have been paid in full, as to all Bond Requirements, or unless provision has been made therefor, or until the Bonds have otherwise been redeemed, including, without limitation, the termination of the pledge as herein authorized; and the District shall not dispose of its title to the Water System or to any useful part thereof, including any property necessary to the operation and use of the Water System and the lands and interests in lands comprising the sites of the Water System.

Section 915. Disposal of Unnecessary Property. The District at any time and from time to time may sell, exchange, lease or otherwise dispose of any property constituting a part of the Water System and not useful in the construction, reconstruction or operation thereof, or which shall cease to be necessary for the efficient operation of the Water System, or which shall have been replaced by other property of at least equal operational value. Any proceeds of any such sale, exchange, lease or other disposition received and not used to replace such property so sold or so exchanged or otherwise so disposed of, shall be deposited by the District in the Income Fund or into a special book account for the betterment, enlargement, extension, other improvement and equipment of the Water System, or any combination thereof, as the Board may determine, provided that any proceeds of any such lease received shall be deposited by the District as Gross Pledged Revenues in the Income Fund.

Section 916. Competing System. So long as any of the Bonds are Outstanding, the District shall not grant any franchise or license to any competing facilities so that the Gross Pledged Revenues shall not be sufficient to satisfy the covenant in Section 921 hereof.

Section 917. Loss From Condemnation. If any part of the Water System is taken by the exercise of the power of eminent domain, the amount of any award received by the District as a result of such taking shall be paid into the Income Fund or into a capital improvement account pertaining to the Water System for the purposes thereof, or, applied to the redemption of the Outstanding Bonds and any Outstanding Parity Bonds relating thereto, all as the District may determine.

Section 918. Employment of Management Engineers. If the District defaults in paying the Bond Requirements of the Bonds, the Parity Bonds, and any other securities or Policy Costs relating thereto payable from the Gross Pledged Revenues promptly as the same fall due, or an Event of Default has occurred and is continuing, or if the Net Pledged Revenues in any Fiscal Year fail to equal at least the amount of the Bond Requirements of the Outstanding Bonds, Parity Bonds, and any other securities (including all reserves therefor specified in the authorizing proceedings, including, without limitation, this Resolution) or Policy Costs relating thereto payable from the Net Pledged Revenues in that Fiscal Year, the District shall retain a firm of competent management engineers skilled in the operation of such facilities to assist the management of the Water System

so long as such default continues or so long as the Net Pledged Revenues are less than the amount hereinabove designated in this Section.

Section 919. Budgets. The Board and officials of the District shall annually and at such other times as may be provided by law prepare and adopt a budget pertaining to the Water System.

Section 920. Reasonable and Adequate Charges. While the Bonds remain Outstanding and unpaid, the fees, rates and other charges due to the District for the use of or otherwise pertaining to and services rendered by the Water System to the District, to its inhabitants and to all other users within and without the boundaries of the District shall be reasonable and just, taking into account and consideration public interests and needs, the cost and value of the Water System, the Operation and Maintenance Expenses thereof, and the amounts necessary to meet the Bond Requirements of all Bonds, the Parity Bonds, and any other securities payable from the Net Pledged Revenues, including, without limitation, reserves and any replacement accounts therefor.

Section 921. Adequacy and Applicability of Charges. There shall be charged against users of service pertaining to and users of the Water System, including the District, except as provided by Section 922 hereof, such fees, rates and other charges so that the Gross Pledged Revenues shall be adequate to meet the requirements of this Section and the preceding Sections hereof. Such charges pertaining to the Water System shall be at least sufficient so that the Gross Pledged Revenues annually are sufficient to pay in each Fiscal Year:

A. Operation and Maintenance Expenses. An amount equal to the annual Operation and Maintenance Expenses for such Fiscal Year,

B. Principal and Interest. An amount equal to 115% of both the principal and interest on the Bonds and any Parity Bonds then Outstanding payable from the Net Pledged Revenues in that Fiscal Year (excluding the reserves therefor), and

C. Deficiencies. Any amounts required to pay all Policy Costs, if any, due and owing and all sums, if any, due and owing to meet then existing deficiencies pertaining to any fund or account relating to the Gross Pledged Revenues or any securities payable therefrom.

When determining the principal and interest requirements due on the Bonds for a Fiscal Year for purposes of this Section 921, there shall be excluded from such principal and interest requirements amounts on deposit in such Fiscal Year in the Rate Stabilization Fund.

Section 922. Limitations Upon Free Service. No free service or facilities shall be furnished by the Water System, except as hereinafter provided. If the District elects to use for District purposes any water facilities, or other services and facilities provided by the Water System or otherwise to use the Water System or any part thereof, any such use will be paid for from the District's general fund or from other available revenues other than Gross Pledged Revenues at the reasonable value of the use so made; provided that the District need not pay for any such use by the District or a fire service provider of any facilities of the water system for fire protection purposes. All the income so derived from the District shall be deemed to be income derived from the operation of the Water System, to be used and to be accounted for in the same manner as any other income derived from the operation of the Water System.

Section 923. Levy of Charges. The District shall forthwith and in any event prior to the delivery of any of the Bonds, fix, establish and levy the fees, rates and other charges which are required by Section 921 of this Resolution, if such action is necessary therefor. No reduction in any initial or existing rate schedule for the Water System may be made:

A. Proper Application. Unless the District has fully complied with the provisions of Article VI of this Resolution for at least the full Fiscal Year immediately preceding such reduction of the initial or any other existing rate schedule; and

B. Sufficient Revenues. Unless the audit required by the Independent Accountant by Section 927 hereof for the full Fiscal Year immediately preceding such reduction discloses that the estimated revenues resulting from the proposed rate schedule for the Water System, after the schedule's proposed reduction, shall be at least sufficient to produce the amounts required by Section 921 hereof.

Section 924. Collection of Charges. The District shall use commercially reasonable best efforts to cause all fees, rates and other charges pertaining to the Water System to be collected as soon as is reasonable, shall reasonably prescribe and enforce rules and regulations or impose contractual obligations for the payment of such charges, and for the use of the Water System, and shall provide methods of collection and penalties, to the end that the Gross Pledged Revenues shall be adequate to meet the requirements of this Resolution and any other resolution supplemental thereto.

Section 925. Procedure for Collecting Charges. All bills for water services and all other services or facilities furnished or served by or through the Water System shall be rendered to customers on a regularly established basis. The fees, rates and other charges due shall be collected in a lawful manner, including, without limitation, discontinuance of service.

Section 926. Maintenance of Records. So long as any of the Bonds and any Parity Bonds payable from the Gross Pledged Revenues remain Outstanding, proper books of record and account shall be kept by the District, separate and apart from all other records and accounts.

Section 927. Audits Required. The District, within 60 days following the close of each Fiscal Year, shall order an audit for the Fiscal Year of such books and accounts to be made forthwith by an Independent Accountant, and order an audit report showing the receipts and disbursements for each account pertaining to the Water System and the Gross Pledged Revenues.

Section 928. Accounting Principles. Water System records and accounts, and audits thereof, shall be currently kept and made, as nearly as practicable, in accordance with the then generally accepted accounting principles, methods and terminology followed and construed for utility operations comparable to the Water System, except as may be otherwise provided herein or required by applicable law or regulation or by contractual obligation existing on the effective date of this Resolution.

Section 929. Insurance and Reconstruction. Except to the extent of any self-insurance, the District shall at all times maintain with responsible insurers fire and extended coverage insurance, worker's compensation insurance, public liability insurance and all such other insurance as is customarily maintained with respect to utilities of like character against loss of or damage to

the Water System and against loss of revenues and against public and other liability to the extent reasonably necessary to protect the interests of the District and of each Owner of a Bond. If any useful part of the Water System shall be damaged or destroyed, the District shall, as expeditiously as may be possible, commence and diligently proceed with the repair or replacement of the damaged property so as to restore the same to use. The proceeds of any such insurance shall be payable to the District and (except for proceeds of any use and occupancy insurance) shall be applied to the necessary costs involved in such repair and replacement and to the extent not so applied shall (together with the proceeds of any such use and occupancy insurance) be deposited in the Income Fund by the District as revenues derived from the operation of the Water System. If the costs of such repair and replacement of the damaged property exceed the proceeds of such insurance available for the payment of the same, moneys in the Income Fund may be used to the extent necessary for such purposes, as permitted by Section 612 hereof.

Section 930. Federal Income Tax Exemption. The District covenants for the benefit of the Owners of the Bonds that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the District or any facilities financed or refinanced with the proceeds of the Bonds if such action or omission (a) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code, (b) would cause interest on the Bonds to become a specific preference item for purposes of federal alternative minimum tax under the Code, except as such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 58(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations, or (c) would cause the Bonds and the income therefrom to lose their exemption from taxation, except inheritance, estate and transfer taxes under present State law. In furtherance of this covenant, the District agrees to comply with the procedures set forth in the Tax Compliance Certificate. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the District in fulfilling the above covenant under the Code and Colorado law have been met.

Section 931. Continuing Disclosure. The District shall comply with the provisions of the Continuing Disclosure Agreement. Any failure by the District to perform in accordance with this Section shall not constitute an Event of Default under this Resolution, and the rights and remedies provided by this Resolution upon the occurrence of an Event of Default shall not apply to any such failure. The Paying Agent shall not have any power or duty to enforce this Section. No Owner of a Bond shall be entitled to damages for the District's non-compliance with its obligations under this Section; however, the Owners of the Bonds may enforce specific performance of the obligations contained in this Section by any judicial proceeding available.

ARTICLE X

PRIVILEGES, RIGHTS AND REMEDIES

Section 1001. Owners' Remedies. Each Owner of any Bond shall be entitled to all of the privileges, rights and remedies provided or permitted in this Resolution, and as otherwise provided or permitted by law or in equity or by any statutes, except as provided in Sections 202 through 206 and 1201 hereof, but subject to the provisions herein concerning the pledge of and the covenants

and the other contractual provisions concerning the Gross Pledged Revenues and the proceeds of the Bonds.

Section 1002. Right to Enforce Payment. Nothing in this Article affects or impairs the right of any Owner of any Bond to enforce the payment of the Bond Requirements due in connection with such Person's Bond or the obligation of the District to pay the Bond Requirements of each Bond to the Owner thereof at the time and the place expressed in the Bond.

Section 1003. Events of Default. Each of the following events is hereby declared an "Event of Default," provided however, that in determining whether a payment default has occurred pursuant to paragraphs A or B of this Section, no effect shall be given to payments made under the Insurance Policy:

A. Nonpayment of Principal. Payment of the principal of any of the Bonds is not made when the same becomes due and payable, either at maturity or by proceedings for prior redemption, or otherwise;

B. Nonpayment of Interest. Payment of any installment of interest on any of the Bonds is not made when the same becomes due and payable;

C. Cross Defaults. The occurrence and continuance of an "event of default," as defined in any Parity Bond Resolution;

D. Failure to Reconstruct. The District unreasonably delays or fails to carry out with reasonable dispatch the reconstruction of any part of the Water System which is destroyed or damaged and is not promptly repaired or replaced (whether such failure promptly to repair the same is due to impracticability of such repair or replacement or is due to a lack of moneys therefor or for any other reason), but it shall not be an Event of Default if such reconstruction is not essential to the efficient operation of the Water System or the collection of Gross Revenues;

E. Appointment of Receiver. An order or decree is entered by a court of competent jurisdiction with the consent or acquiescence of the District appointing a receiver or receivers for the Water System or for the Gross Pledged Revenues and any other moneys subject to the lien to secure the payment of the Bonds, or if an order or decree having been entered without the consent or acquiescence of the District is not vacated or discharged or stayed on appeal within 60 days after entry;

F. Default Under Insurance Agreement. If an event of default shall have occurred and be continuing under the provisions of the Insurance Agreement; and

G. Default of Any Provision. The District defaults in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the Bonds or in this Resolution on its part to be performed (other than Section 931 hereof), and such default continues for 60 days after written notice specifying such default and requiring the same to be remedied is given to the District and the Insurer specifying the failure and requiring that it be remedied, which notice may be given by the Paying Agent in its discretion and, except as provided in Section 1201 hereof, shall be given by the Paying Agent at

the written request of the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding.

Section 1004. Remedies for Defaults. Except as provided in Section 1201 hereof, upon the happening and continuance of any Event of Default, the Owner or Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the District and its agents, officers and employees to protect and to enforce the rights of any Owner of Bonds under this Resolution by mandamus or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained herein or in an award of execution of any power herein granted for the enforcement of any proper legal or equitable remedy as such Owner or Owners may deem most effectual to protect and to enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any Owner of any Bond, or to require the District to act as if it were the trustee of an expressed trust, or any combination of such remedies. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of the Bonds. The District shall not be liable for incidental, punitive, exemplary or consequential damages, or for lost profits, whether direct or indirect. Acceleration shall not be a remedy upon the happening or continuance of any Event of Default. Notwithstanding the foregoing provisions of this Section, nothing in this Resolution shall act as or be deemed to be a waiver by the District of the Colorado Governmental Immunity Act, Title 24, Article 10, C.R.S., as now or hereafter amended.

Section 1005. Receiver's Rights and Privileges. Any receiver appointed in any proceedings to protect the rights of such Owners hereunder, the consent to any such appointment being hereby expressly granted by the District, may enter and may take possession of the Water System, may operate and maintain the same, may prescribe fees, rates and other charges, and may collect, receive and apply all Gross Pledged Revenues arising after the appointment of such receiver in the same manner as the District itself might do.

Section 1006. Rights and Privileges Cumulative. The failure of any Owner of any Outstanding Bond to proceed in any manner herein provided shall not relieve the District, or any of its officers, agents or employees of any liability for failure to perform or carry out any duty, obligation or other commitment. Each right or privilege of any such Owner (or trustee thereof) is in addition and is cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any Owner shall not be deemed a waiver of any other right or privilege thereof.

Section 1007. Duties upon Defaults. Upon the happening of any Event of Default, the District shall do and perform all proper acts on behalf of and for the Owners of Bonds to protect and to preserve the security created for the payment of the Bonds and to insure the payment of the Bond Requirements promptly as the same become due. While any Event of Default exists, except to the extent it may be unlawful to do so, all Gross Pledged Revenues shall be paid into the Bond Fund and into bond or similar funds established for any Parity Bonds then Outstanding, pro rata based upon the aggregate principal amount of the Bonds and Parity Bonds then Outstanding. Except as provided in Section 1201 hereof, if the District fails or refuses to proceed as in this Section provided, the Owner or Owners of not less than 25% in aggregate principal amount of the

Bonds then Outstanding, after demand in writing, may proceed to protect and to enforce the rights of the Owners of the Bonds as hereinabove provided, and to that end any such Owners of the Outstanding Bonds shall be subrogated to all rights of the District under any agreement, lease or other contract involving the Water System or the Gross Pledged Revenues entered into prior to the effective date of this Resolution or thereafter while any of the Bonds are Outstanding.

ARTICLE XI

AMENDMENT OF RESOLUTION

Section 1101. Privilege of Amendments.

A. Except as hereafter provided, this Resolution may be amended or supplemented by resolutions adopted by the Board in accordance with law, without receipt by the District of any additional consideration, but with the written consent of the Insurer and, subject to Section 1201 hereof, the Owners of not less than a majority of aggregate principal amount of the Bonds Outstanding (or such higher percentage if required by a Parity Bond Resolution) at the time of the adoption of such amendatory or supplemental resolution excluding, pursuant to Section 405 hereof, any Bonds which may then be held or owned for the account of the District. Notwithstanding the foregoing, no such resolution shall permit:

- (1) Changing Payment. A change in the maturity, terms of redemption or interest payment of any Outstanding Bond; or
- (2) Reducing Return. A reduction in the principal amount of any Bond or the rate of interest thereon, without the consent of the Owner of the Bond; or
- (3) Prior Lien. The creation of a lien upon or a pledge of revenues ranking prior, superior and senior to the lien or to the pledge created by this Resolution; or
- (4) Modifying Any Bond. A reduction of the principal amount or percentages or otherwise affecting the description of Bonds the consent of the Owners of which is required for any such modification or amendment; or
- (5) Priorities Between Bonds. The establishment of priorities as between Bonds issued and Outstanding; or
- (6) Modification of Less Than All the Bonds. The modification of or otherwise affecting the rights of the Owners of less than all of the Outstanding Bonds.

B. Notwithstanding the foregoing provisions of this Section, this Resolution and the rights and obligations of the District and of the Owners of the Bonds may also be modified or amended at any time, with the written consent of the Insurer but without the consent of any Owners of the Bonds, but only to the extent permitted by law and only for any or all of the following purposes:

- (1) to add to the covenants and agreements of the District contained in this Resolution other covenants and agreements thereafter to be observed;

(2) to subject to the covenants and agreements of the District in this Resolution additional Water System revenues, to be defined and treated as Gross Pledged Revenues, for the purpose of providing additional security for the Bonds and any Parity Bonds;

(3) in connection with the provision of a Reserve Fund Insurance Policy subsequent to the issuance of the Bonds;

(4) to provide for the appointment of a new Paying Agent;

(5) to make such provisions for the purpose of curing any ambiguity or of curing or correcting any formal defect or omission in this Resolution, or in regard to questions arising under this Resolution, as the District may deem necessary or desirable, and which shall not adversely affect the interests of the Owners of the Bonds; or

(6) in order to preserve or protect the excludability from gross income for federal income tax purposes of the interest allocable to the Bonds.

Section 1102. Notice of Amendment. Whenever the Board proposes to amend or modify this Resolution under the provisions of this Article, it shall cause notice of the proposed amendment to be mailed to Owners of all Outstanding Bonds at their addresses as the same last appear on the registration records maintained by the Paying Agent and to the Insurer. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory resolution is on file with the General Manager for public inspection. Notice of the proposed amendment, together with a copy of the proposed amendatory resolution, shall be delivered to the Rating Agencies then maintaining a rating on the Bonds at least 15 days in advance of the adoption of the amendment. A full transcript of all proceedings relating to the execution of such amendatory resolution shall be provided to the Insurer.

Section 1103. Time for Amendment. If the resolution is required to be consented to by the Owners of the Bonds, whenever at any time within one year from the date of the giving of such notice there shall be filed with the General Manager an instrument or instruments executed by the Owners of at least a majority of aggregate principal amount of the Bonds Outstanding (or such higher percentage if required by a Parity Bond Resolution), which instrument or instruments shall refer to the proposed amendatory resolution described in such notice and shall specifically consent to and approve the adoption of such resolution, the Board may adopt such amendatory resolution and such resolution shall become effective. If the resolution is not required to be consented to by the Owners of the Bonds, the amendatory resolution may be adopted by the Board at any time.

Section 1104. Binding Consent to Amendment. If the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such amendatory resolution requiring consent of the Owners of the Bonds (or such higher percentage if required by a Parity Bond Resolution), or the predecessors in title of such Owners, shall have consented to and approved the adoption thereof as herein provided, no Owner of any Bond, whether or not such Owner shall have consented to or shall have revoked any consent as in this Article provided, shall have any right or interest to object to the adoption of such amendatory resolution or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the District from taking any action pursuant to the provisions thereof.

Section 1105. Time Consent Binding. Any consent given by the Owner of a Bond pursuant to the provisions of this Article shall be irrevocable for a period of 6 months from the date of the giving of the notice above provided for and shall be conclusive and binding upon all future Owners of the same Bond during such period. Such consent may be revoked at any time after 6 months from the date of such giving of such notice by the Owner who gave such consent or by a successor in title by filing notice of such revocation with the General Manager, but such revocation shall not be effective if the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding (or such higher percentage if required by a Parity Bond Resolution) as in this Article provided, prior to the attempted revocation, consented to and approved the amendatory resolution referred to in such revocation.

Section 1106. Unanimous Consent. Notwithstanding anything in the foregoing provisions of this Article, the terms and provisions of this Resolution or of any resolution amendatory thereof or supplemental thereto and the rights and the obligations of the District and of the Owners of the Bonds thereunder may be modified or amended in any respect upon the adoption by the District and upon the filing with the General Manager of a resolution to that effect and with the consent of the Insurer and the Owners of all the then Outstanding Bonds, such consent to be given as provided in Section 1103 hereof; and no notice to Owners of Bonds shall be required as provided in Section 1102 hereof, nor shall the time of consent be limited except as may be provided in such consent.

Section 1107. Exclusion of District's Bonds. At the time of any consent or of other action taken under this Article, the District shall furnish to the General Manager a certificate of the Finance Director, upon which the District may rely, describing all Bonds to be excluded for the purpose of consent or of other action or of any calculation of Outstanding Bonds provided for in this Article, and the District shall not be entitled with respect to such Bonds to give any consent or to take any other action provided for in this Article, as provided in Section 405 hereof.

Section 1108. Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as in this Article provided may bear a notation by endorsement or otherwise in form approved by the Board as to such action; and after the approval of such notation, then upon demand of the Owner of any Bond Outstanding and upon presentation of such Person's Bond for that purpose at the principal office of the Paying Agent, suitable notation shall be made on such Bond by the Paying Agent as to any such action. If the Board so determines, new Bonds, so modified as in the opinion of the Board conform to such action, shall be prepared, executed, authenticated and delivered; and upon demand of the Owner of any Bond then Outstanding, shall be exchanged without cost to such Owner for Bonds then Outstanding upon surrender of such Bonds.

Section 1109. Proof of Instruments and Bonds. The fact and date of execution of any instrument under the provisions of this Article, the amount and number of the Bonds held by any Person executing such instrument, and the date of such Person's holding the same may be proved as provided by Section 1303 hereof.

Section 1110. Copies of Supplemental Resolutions to Rating Agencies. Copies of any supplemental or amendatory resolution shall be sent by the District to the Rating Agencies at least 10 days prior to the effective date thereof.

ARTICLE XII

INSURANCE POLICY AND RESERVE POLICY PROVISIONS

Section 1201. Insurer To Be Deemed Owner, Rights of Insurer, Payments by the Insurer, Notices.

A. Notwithstanding any provision of this Resolution to the contrary, so long as the Insurer is not in default in its payment obligations under the Insurance Policy, the Insurer shall at all times be deemed the sole and exclusive Owner of the Outstanding Bonds for the purposes of all approvals, consents, waivers, institution of any action, and the direction of all remedies pursuant to this Resolution, including but not limited to approval of or consent to any amendment of or supplement to this Resolution which requires the consent or approval of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding pursuant to this Resolution (or such higher percentage if required by a Parity Bond Resolution); provided, however, that the Insurer shall not be deemed to be the sole and exclusive Owner of the Outstanding Bonds with respect to any amendment or supplement to this Resolution which seeks to amend or supplement this Resolution for the purposes set forth in clauses A (1) through A (6) of Section 1101 hereof, and provided, further, that the Insurer shall not have the right to direct or consent to District, Paying Agent or Owner action as provided herein, if:

(1) the Insurer shall be in default under the Insurance Policy;

(2) any material provision of the Insurance Policy shall be held to be invalid by a final, non-appealable order of a court of competent jurisdiction, or the validity or enforceability thereof shall be contested by the Insurer; or

(3) a proceeding shall have been instituted in a court having jurisdiction in the premises seeking an order for relief, rehabilitation, reorganization, conservation, liquidation or dissolution in respect of the Insurer and such proceeding is not terminated for a period of 90 consecutive days or such court enters an order granting the relief sought in such proceeding.

B. To the extent that the Insurer makes payment of any principal of or interest on a Bond, it shall be fully subrogated to all of the Owners' rights thereunder in accordance with the terms of the Insurance Policy to the extent of such payment, including the Owners' rights to payment thereof.

C. In the event that the principal of or interest on a Bond shall be paid by the Insurer pursuant to the terms of the Insurance Policy: (1) such Bond shall continue to be "Outstanding" under this Resolution, and (2) the Insurer shall be fully subrogated to all of the rights of the Owner thereof in accordance with the terms and conditions of paragraph B of this Section and the Insurance Policy.

D. This Resolution shall not be discharged unless and until all amounts due to the Insurer have been paid in full or duly provided for.

E. The rights granted under this Resolution to the Insurer to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit of or on behalf of the Owners, nor does such action evidence any position of the Insurer, positive or negative, as to whether Owner consent is required in addition to consent of the Insurer.

F. No modification, amendment or supplement to this Resolution shall become effective except upon obtaining the prior written consent of the Insurer.

G. No contract shall be entered into nor any action taken by the District or the Paying Agent pursuant to which the rights of the Insurer or security for or sources of payment of the Bonds under this Resolution may be materially impaired or prejudiced except upon obtaining the prior written consent of the Insurer.

ARTICLE XIII

MISCELLANEOUS

Section 1301. Defeasance. If, when the Bonds shall be paid in accordance with their terms (or payment of the Bonds has been provided for in the manner set forth in the following paragraph), then this Resolution and all rights granted hereunder shall thereupon cease, terminate and become void and be discharged and satisfied.

Payment of any Outstanding Bond shall prior to the maturity or Redemption Date thereof be deemed to have been provided for within the meaning and with the effect expressed in this Section if (a) in case said Bond is to be redeemed on any date prior to its maturity, the District shall have given to the Paying Agent in form satisfactory to it irrevocable instructions to give on a date in accordance with the provisions of Section 404 hereof, notice of redemption of such Bond on said Redemption Date, such notice to be given in accordance with the provisions of Section 404 hereof, (b) there shall have been deposited with the Paying Agent or a Trust Bank either moneys in an amount which shall be sufficient, and/or Federal Securities which shall not contain provisions permitting the redemption thereof at the option of the issuer, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held by the Paying Agent or Trust Bank at the same time, shall be sufficient to pay when due the Bond Requirements due and to become due on said Bond on and prior to the Redemption Date or maturity date thereof, as the case may be, and (c) in the event said Bond is not by its terms subject to redemption within the next sixty days, the District shall have given the Paying Agent in form satisfactory to it irrevocable instructions to give, as soon as practicable in the same manner as the notice of redemption is given pursuant to Section 404 hereof, a notice to the Owner of such Bond that the deposit required by (b) above has been made with the Paying Agent or Trust Bank and that payment of said Bond has been provided for in accordance with this Section and stating such maturity or Redemption Date upon which moneys are to be available for the payment of the Bond Requirements of said Bond. Neither such securities nor moneys deposited with the Paying Agent or Trust Bank pursuant to this Section or principal or interest payments on any such Federal Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the Bond Requirements of said Bond;

provided any cash received from such principal or interest payments on such Federal Securities deposited with the Paying Agent or other Trust Bank, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities of the type described in (b) of the first sentence of this paragraph maturing at times and in amounts sufficient to pay when due the Bond Requirements to become due on said Bond on or prior to such Redemption Date or maturity date thereof, as the case may be. At such time as payment of a Bond has been provided for as aforesaid, such Bond shall no longer be secured by or entitled to the benefits of this Resolution, except for the purpose of any payment from such moneys or securities deposited with the Paying Agent or other Trust Bank.

The release of the obligations of the District under this Section shall be without prejudice to the right of the Paying Agent to be paid reasonable compensation for all services rendered by it hereunder and all its reasonable expenses, charges and other disbursements incurred on or about the administration of and performance of its powers and duties hereunder.

Upon compliance with the foregoing provisions of this Section with respect to all Bonds then Outstanding, this Resolution may be discharged in accordance with the provisions of this Section but the liability of the District in respect of the Bonds shall continue; provided that the Owners thereof shall thereafter be entitled to payment only out of the moneys or Federal Securities deposited with the Paying Agent or other Trust Bank as provided in this Section.

Section 1302. Delegated Powers. The officers, employees and agents of the District be, and they hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Resolution, including, without limitation:

A. Final Certificates. the execution of such certificates as may be reasonably required by the Purchaser, including the Continuing Disclosure Agreement and Insurance Agreement, if any;

B. Paying Agent Agreement. the execution and delivery of an agreement with the Paying Agent as is necessary or desirable to evidence the acceptance by the Paying Agent of its duties hereunder;

C. Official Statement. the execution and delivery of the preliminary and final Official Statement; and

D. Purchase Contract. the execution and delivery of the Purchase Contract between the District and the Purchaser.

Section 1303. Evidence of Bond Owners. Any request, consent or other instrument which this Resolution may require or may permit to be signed and to be executed by the Owners of any Bonds may be in one or more instruments of similar tenor and shall be signed or shall be executed by each such Owner in person or by such Person's attorney appointed in writing. Proof of the execution of any such instrument or of an instrument appointing any such attorney, or the holding by any Person of the Bonds shall be sufficient for any purpose of this Resolution (except as otherwise herein expressly provided) if made in the following manner:

A. Proof of Execution. The fact and the date of the execution by any Owner of any Bonds or such Person's attorney of such instrument may be established by a certificate, which need not be acknowledged or verified, of an officer of a bank or trust company satisfactory to the General Manager or Finance Director of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which such Person purports to act, that the individual signing such request or other instrument acknowledged to such Person the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer; the authority of the individual or individuals executing any such instrument on behalf of a corporate Owner of any securities may be established without further proof if such instrument is signed by an individual purporting to be the president or vice president of such corporation with a corporate seal affixed and attested by an individual purporting to be its secretary or an assistant secretary; and the authority of any Person or Persons executing any such instrument in any fiduciary or representative capacity may be established without further proof if such instrument is signed by a Person or Persons purporting to act in such fiduciary or representative capacity; and

B. Proof of Holdings. The amount of Bonds held by any Person and the numbers, date and other identification thereof, together with the date of such Person's holding the Bonds, shall be proved by the registration records maintained by the Paying Agent.

Section 1304. Parties Interested Herein. Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the District, the Paying Agent, the Insurer and the Owners of the Bonds, any right, remedy or claim under or by reason of this Resolution or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this Resolution contained by and on behalf of the District shall be for the sole and exclusive benefit of the District, the Paying Agent, the Insurer, the Surety Provider and the Owners of the Bonds.

Section 1305. Notices. Except as otherwise may be provided in this Resolution, all notices, certificates, requests or other communications pursuant to this Resolution shall be in writing and shall be sufficiently given and shall be deemed given by personal delivery or when mailed by first class mail, and either delivered or addressed as follows:

If to the District at: Eagle River Water and Sanitation District
846 Forest Road
Vail, Colorado 81657
Attention: Finance Director

With a copy to:
Collins Cole Winn & Ulmer, PLLC
390 Union Blvd., Suite 400
Lakewood, Colorado 80228
Attn: James P. Collins, Esq.

If to the Paying Agent at:

U.S. Bank Trust Company, National Association

950 17th Street, 12th Floor
Denver, Colorado 80202
Attn: Corporate Trust Services

Any of the foregoing Persons may, by notice given hereunder to each of the other Persons, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

Section 1306. Additional Notices to Rating Agencies. The Paying Agent hereby agrees that if at any time (a) the District shall redeem any portion of the Bonds Outstanding prior to maturity, but excluding redemptions pursuant to Section 402 hereof, (b) the District shall provide for the payment of any portion of the Bonds pursuant to Section 1301 hereof, (c) a successor Paying Agent is appointed hereunder, or (d) any supplement to this Resolution shall become effective or any Person shall waive any provision of this Resolution, then, in each case, the Paying Agent shall give notice to each Rating Agency.

Section 1307. Business Days. If the date for making any payment or the last date for performance of any act or the exercising of any rights, as provided in this Resolution, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Resolution, and no interest shall accrue for the period after such nominal date.

ADOPTED AND APPROVED this 26th day of September, 2024.

Chairman/President

(SEAL)

Attest:

Secretary or Assistant Secretary

EXHIBIT A

(FORM OF BOND)

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the District or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

UNITED STATES OF AMERICA

STATE OF COLORADO

COUNTY OF EAGLE

**EAGLE RIVER WATER AND SANITATION DISTRICT
EAGLE COUNTY, COLORADO
ENTERPRISE WATER REVENUE BOND
SERIES 2024**

No. R- _____ \$ _____

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED AS OF</u>	<u>CUSIP</u>
_____ %	_____, 20__	[Date of Delivery]	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The Eagle River Water and Sanitation District (the “District”), in the County of Eagle and State of Colorado (the “State”), for value received, hereby promises to pay to the registered owner specified above, or registered assigns, upon the presentation and surrender of this bond, solely from the special funds provided therefor, as hereinafter set forth, the principal amount set forth above on the maturity date specified above (unless this bond shall have been called for prior redemption, in which case on the Redemption Date) and to pay solely from such special funds interest hereon at the interest rate per annum specified above, payable semiannually on June 1 and December 1 in each year, beginning on [_____, 20__], until the principal amount is paid or payment has been provided for, as described in a resolution adopted by the Board of Directors of the District on September 26, 2024 (the “Resolution”) as supplemented by the Sale Certificate. This is one of an authorized series of bonds issued under the Resolution (the “Bonds”). The Bonds are all issued under and equally and ratably secured by and entitled to the security of the Resolution. To the extent not defined herein, terms used in this Bond shall have the same meanings as set forth in the Resolution. This Bond bears interest, matures, is payable, is subject to redemption and is transferable as provided in the Resolution.

Reference is made to the Resolution and to all Resolutions supplemental thereto, with respect to the nature and extent of the security for the Bonds, the accounts, funds or revenues pledged, rights, duties and obligations of the District, the Paying Agent, the rights of the Owners of the Bonds, the events of defaults and remedies, the circumstances under which any Bond is no longer Outstanding, the issuance of additional bonds and the terms on which such additional bonds may be issued under and secured by the Resolution, the ability to amend the Resolution, and to all the provisions of which the Owner hereof by the acceptance of this Bond assents.

THE BONDS ARE ISSUED PURSUANT TO AND IN FULL COMPLIANCE WITH THE CONSTITUTION AND LAWS OF THE STATE OF COLORADO, AND PURSUANT TO THE RESOLUTION. THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE DISTRICT, SECURED BY THE NET PLEDGED REVENUES. THE BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION DEBT OF THE DISTRICT, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, AND NEITHER THE DISTRICT, THE STATE NOR ANY OF THE POLITICAL SUBDIVISIONS THEREOF IS LIABLE THEREFOR. NEITHER THE MEMBERS OF THE BOARD OF DIRECTORS OF THE DISTRICT NOR ANY PERSONS EXECUTING THIS BOND SHALL BE PERSONALLY LIABLE FOR THIS BOND.

It is certified, recited and warranted that all the requirements of law have been fully complied with by the proper officers of the District in the issuance of this Bond; that it is issued pursuant to and in strict conformity with the Constitution of the State, and with the Resolution and any resolutions supplemental thereto; and that this Bond does not contravene any Constitutional or statutory limitation.

This Bond is one of a series of bonds issued pursuant to the Resolution designated as the “Eagle River Water and Sanitation District, Enterprise Water Revenue Bonds, Series 2024 (the “Bonds”) in the aggregate principal amount of \$[_____]. The Bonds have been duly authorized for the purpose of providing moneys to defray a portion of the cost of extending, bettering or otherwise improving and equipping the water system (the “Water System”).

It is also certified, recited, and warranted that the Bonds are issued under the authority of Title 32, Article 1, C.R.S.; Title 31, Article 35, Part 4, C.R.S., Title 37, Article 45.1, C.R.S., the Resolution, and the Supplemental Public Securities Act. It is the intention of the District, as expressed in the Resolution, that pursuant to Section 11-57-210, C.R.S., such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value; and pursuant to Section 31-35-413, C.R.S., such recital shall conclusively impart full compliance with all the provisions of such statute and Bonds issued containing such recital shall be incontestable for any cause whatsoever after their delivery for value.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the certificate of authentication hereon shall have been duly executed by the Paying Agent.

IN WITNESS WHEREOF, the District has caused this Bond to be signed and executed in its name and upon its behalf with the facsimile signature of its President, has caused the facsimile of the seal of the District to be affixed hereon and has caused this Bond to be signed, executed and attested with the facsimile signature of its Secretary, all as of the date specified above.

By _____ (For Facsimile Signature)
Chairman of the Board and
President of the District

(FACSIMILE SEAL)

Attest:

(For Facsimile Signature)
District Secretary

STATEMENT OF INSURANCE

[TO BE PROVIDED IF BOND INSURANCE IS OBTAINED]

(FORM OF CERTIFICATE OF AUTHENTICATION)

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within mentioned Resolution.

U.S. Bank Trust Company, National
Association, as Paying Agent

By _____
Authorized Signatory

Date of Authentication and Registration: _____

(END OF FORM OF CERTIFICATE OF AUTHENTICATION)

(FORM OF ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ to transfer the within Bond on the records kept for the registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatever. The signature must be guaranteed by an eligible guarantor institution as defined in 17 CFR § 240.17 Ad-15(a)(2).

Signature Guaranteed:

Signature must be guaranteed by a member of a Medallion Signature Program.

Address of Transferee:

Social Security or other tax identification number of transferee:

(END OF FORM OF ASSIGNMENT)

(FORM OF PREPAYMENT PANEL)

PREPAYMENT PANEL

The following installments of principal (or portions thereof) of this Bond have been prepaid in accordance with the terms of the Resolution.

<u>Date of Prepayment</u>	<u>Principal Prepaid</u>	<u>Signature of Authorized Representative of the Depository</u>

(END OF FORM OF PREPAYMENT PANEL)

(END OF FORM OF BOND)

STATE OF COLORADO)
)
 COUNTY OF EAGLE) SS.
)
 EAGLE RIVER WATER AND)
 SANITATION DISTRICT)

I, Robert Warner, Jr., the Secretary of the Eagle River Water and Sanitation District, Eagle County, Colorado (the “District”), do hereby certify that:

1. The foregoing pages are a true and correct, and complete copy of a resolution (the “Resolution”) passed and adopted by the Board of Directors (the “Board”) of the District at a regular meeting held on September 26, 2024.

2. The Resolution was duly moved and seconded, and the Resolution was adopted at the meeting of September 26, 2024, by an affirmative vote of a majority of the members of the Board as follows:

Name	“Yes”	“No”	Absent	Abstain
Dick Cleveland, Chairman of the Board and President				
Steve Coyer, Treasurer				
Robert Warner, Jr., Secretary				
Sarah Smith Hymes, Assistant Secretary/Treasurer				
Kate Burchenal, Assistant Secretary/Treasurer				
Timm Paxson, Assistant Secretary/Treasurer				
Rick Pylman, Assistant Secretary/Treasurer				

3. The members of the Board were present at such meeting and voted on the passage of such Resolution as set forth above.

4. The Resolution was approved and authenticated by the signature of the Chairman of the Board and President, sealed with the District seal, attested by the Secretary and recorded in the minutes of the Board.

5. There are no bylaws, rules or regulations of the Board which might prohibit the adoption of said Resolution.

6. Notice of the meeting of September 26, 2024, in the form attached hereto as Exhibit A was posted in accordance with law.

IN WITNESS-WHEREOF, I have hereunto set-my hand and affixed the seal of said
District this 26th day of September, 2024.

Secretary

(SEAL)

Exhibit "A" to Secretary's Certificate

(Attach Notice of Meeting)

ATTACHMENT B

BOND PURCHASE AGREEMENT

**EAGLE RIVER WATER AND SANITATION DISTRICT
EAGLE COUNTY, COLORADO
ENTERPRISE WATER REVENUE BONDS
SERIES 2024**

[_____]

Board of Directors
Eagle River Water and Sanitation District
846 Forest Road
Vail, Colorado 81657

Ladies and Gentlemen:

The undersigned, Piper Sandler & Co. (the “*Underwriter*”) acting on its own behalf and not acting as fiduciary or agent for you, offers to enter into the following agreement (this “*Agreement*”) with the Eagle River Water and Sanitation District, Eagle County, Colorado (the “*Issuer*”) which, upon the Issuer’s written acceptance of this offer, will be binding upon the Issuer and upon the Underwriter. This offer is made subject to the Issuer’s written acceptance hereof on or before 5:00 p.m., Mountain Time, on the date hereof and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer. Terms not otherwise defined in this Agreement shall have the same meanings set forth in the Bond Resolution (as defined herein) or in the Official Statement (as defined herein).

1. *Purchase and Sale of the Bonds.* Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriter, all, but not less than all, of the Issuer’s Enterprise Water Revenue Bonds, Series 2024 (the “*Bonds*”). Inasmuch as this purchase and sale represents a negotiated transaction, the Issuer acknowledges and agrees that: (i) the transaction contemplated by this Agreement is an arm’s length, commercial transaction between the Issuer and the Underwriter in which the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Issuer; (ii) the Underwriter has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer on other matters); (iii) the Underwriter is acting solely in its capacity as underwriter for its own accounts, (iv) the only obligations the Underwriter has to the Issuer with respect to the transaction contemplated hereby are expressly set forth in this Agreement; and (v) the Issuer has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate. The Underwriter has been duly authorized to execute this Agreement and to act hereunder.

The principal amount of the Bonds to be issued, the dated date therefor, the maturities and interest rates per annum are set forth in Exhibit A hereto. The Bonds shall be as described in, and shall be issued and secured under

and pursuant to the provisions of the resolution adopted by the Issuer on September 26, 2024 (the “Bond Resolution”), as supplemented by the Sale Certificate .

The purchase price for the Bonds shall be \$[] (the “Purchase Price”). The Purchase Price represents the par amount of the Bonds of \$[] plus/less [net] original issue premium/discount of \$[] less an underwriting discount of \$[].

2. *Public Offering/Establishment of Issue Price.* The Underwriter agrees to make a bona fide public offering of all of the Bonds at a price not to exceed the public offering price set forth on the cover of the Official Statement and may subsequently change such offering price without any requirement of prior notice. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the public offering price stated on the cover of the Official Statement.

(a) The Underwriter agrees to assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) Except as otherwise set forth in Schedule I attached to Exhibit B hereto, the Issuer will treat the first price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Issuer the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Issuer the prices at which it sells the unsold Bonds of that maturity to the public.

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. Schedule I also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Issuer and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the Issuer promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain

language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The Issuer acknowledges that, in making the representations set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement, to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(f) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party,

- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “sale date” means the date of execution of this Bond Purchase Agreement by all parties.

3. *The Official Statement.* (a) Attached hereto as Exhibit A is a copy of the Preliminary Official Statement dated [] (the “*Preliminary Official Statement*”), including the cover page and Appendices thereto, of the Issuer relating to the Bonds.

(b) The Preliminary Official Statement has been prepared for use by the Underwriter in connection with the public offering, sale and distribution of the Bonds. The Issuer hereby represents and warrants that the Preliminary Official Statement was deemed final by the Issuer as of its date, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12 under the Securities Exchange Acts of 1934 (the “*Rule*”).

(c) The Issuer represents that the governing body of the Issuer has reviewed and approved the information in the Preliminary Official Statement and has authorized the final Official Statement (the “*Official Statement*”) to be used by the Underwriter in connection with the public offering and the sale of the Bonds. The Issuer consents to and ratifies the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds. The Issuer shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the Issuer’s acceptance of this Agreement (but, in any event, not later than within seven business days after the Issuer’s acceptance of this Agreement and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the Official Statement which is complete as of the date of its delivery to the Underwriter in such quantity as the Underwriter shall request in order for the Underwriter to comply with Section (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board.

(d) If, after the date of this Agreement to and including the date the Underwriter is no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the “end of the underwriting period” (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System, with a portal at <http://emma.msrb.org>. (“EMMA”), but in no case less than 25 days after the “end of the underwriting period” for the Bonds), the Issuer becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended,

to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the Issuer will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time request), and if, in the opinion of the Underwriter, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the Issuer will forthwith prepare and furnish, at the Issuer's own expense (in a form and manner approved by the Underwriter), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or so that the Official Statement will comply with law. If such notification shall be subsequent to the Closing, the Issuer shall furnish such legal opinions, certificates, instruments and other documents as the Underwriter may deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

(e) The Underwriter hereby agrees to file the Official Statement with EMMA. Unless otherwise notified in writing by the Underwriter, the Issuer can assume that the "end of the underwriting period" for purposes of the Rule is the date of the Closing.

4. *Representations, Warranties, and Covenants of the Issuer.* The Issuer hereby represents and warrants to and covenants with the Underwriter that:

(a) The Issuer is a political subdivision and public corporation duly organized and existing under the laws and constitution of the State of Colorado (the "State") validly constituted, created and existing pursuant to the provisions of Title 32, Article 1, Colorado Revised Statutes, as amended (the "Act"), and at the date of the Closing will have full legal right, power and authority under the Act and the Bond Resolution (i) to enter into, execute and deliver this Agreement, the Bond Resolution, the Continuing Disclosure Agreement, in the form attached as Appendix C to the Preliminary Official Statement (the "*Disclosure Agreement*"), and all documents required hereunder and thereunder to be executed and delivered by the Issuer (this Agreement, the Bond Resolution, the Disclosure Agreement and the other documents referred to in this clause are hereinafter referred to as the "*Issuer Documents*"), (ii) to sell, issue and deliver the Bonds to the Underwriter as provided herein, and (iii) to carry out and consummate the transactions contemplated by the Issuer Documents and the Official Statement, and the Issuer has complied, and will at the Closing be in compliance in all respects, with the terms of the Acts and the Issuer Documents as they pertain to such transactions;

(b) By all necessary official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has duly authorized all necessary action to be taken by it for (i) the adoption of the Bond Resolution and the issuance and sale of the Bonds, (ii) the approval, execution and delivery of, and the performance by the Issuer of the obligations on its part, contained in the Bonds and the Issuer Documents and (iii) the consummation by it of all other transactions contemplated by the Official Statement, and the Issuer Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Issuer in order to carry out, give effect to, and consummate the transactions contemplated herein and in the Official Statement;

(c) The Issuer Documents constitute legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; the Bonds, when issued, delivered and paid for, in accordance with the Bond Resolution and this Agreement,

will constitute legal, valid and binding obligations of the Issuer entitled to the benefits of the Bond Resolution and enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; upon the issuance, authentication and delivery of the Bonds as aforesaid, the Bond Resolution will provide, for the benefit of the holders, from time to time, of the Bonds, the legally valid and binding pledge of and lien it purports to create as set forth in the Bond Resolution;

(d) The Issuer is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is or any of its property or assets are otherwise subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Issuer under any of the foregoing; and the execution and delivery of the Bonds, the Issuer Documents and the adoption of the Bond Resolution and compliance with the provisions on the Issuer's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is or to which any of its property or assets are otherwise subject nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer to be pledged to secure the Bonds or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Bond Resolution;

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Issuer of its obligations under the Issuer Documents, and the Bonds have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any jurisdiction in connection with the offering and sale of the Bonds;

(f) Except as otherwise provided in the Preliminary Official Statement, there is no legislation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the Issuer, threatened against the Issuer, affecting the existence of the Issuer or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or in any way contesting or affecting the validity or enforceability of the Bonds, the Issuer Documents, or contesting the exclusion from gross income of interest on the Bonds for federal income tax purposes or state income tax purposes, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption of the Bond Resolution or the execution and delivery of the Issuer Documents, nor, to the best knowledge of the Issuer, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Issuer Documents;

(g) As of the date thereof, the Preliminary Official Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(h) At the time of the Issuer's acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to paragraph (d) of Section 3 of this Agreement) at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(i) If the Official Statement is supplemented or amended pursuant to paragraph (d) of Section 3 of this Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading;

(j) The Issuer will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Bond Resolution and not to take or omit to take any action which action or omission will adversely affect the exclusion from gross income of the interest on the Bonds for federal income tax or state income tax purposes;

(k) The Issuer will furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request (A) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (B) to continue such qualifications in effect so long as required for the distribution of the Bonds (provided, however, that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Underwriter immediately of receipt by the Issuer of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(l) The financial statements of, and other financial information regarding the Issuer, in the Official Statement fairly present the financial position and results of the Issuer as of the dates and for the periods therein set forth. Prior to the Closing, there will be no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the Issuer. The Issuer is not a party to any litigation or other proceeding pending or, to its knowledge, threatened which, if decided adversely to the Issuer, would have a materially adverse effect on the financial condition of the Issuer;

(m) Prior to the Closing the Issuer will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by any of the revenues or assets which will secure the Bonds without the prior approval of the Underwriter;

(n) Any certificate, signed by any official of the Issuer authorized to do so in connection with the transactions contemplated by this Agreement, shall be deemed a representation and warranty by the Issuer to the Underwriter as to the statements made therein.

5. *Closing.*

(a) At 9:00 A.M. Mountain Time, on [CLOSING DATE], or at such other time and date as shall have been mutually agreed upon by the Issuer and the Underwriter (the "*Closing*"), the Issuer will, subject to

the terms and conditions hereof, deliver the Bonds to the Underwriter duly executed and authenticated, together with the other documents hereinafter mentioned, and the Underwriter will, subject to the terms and conditions hereof, accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 of this Agreement by a certified or bank cashier's check or checks or wire transfer payable in immediately available funds to the order of the Issuer. Payment for the Bonds as aforesaid shall be made at the offices of Bond Counsel, or such other place as shall have been mutually agreed upon by the Issuer and the Underwriter.

(b) Delivery of the Bonds shall be made to The Depository Trust Company, New York, New York. The Bonds shall be delivered in definitive fully registered form, bearing CUSIP numbers without coupons, with one Bond for each maturity and interest rate of the Bonds, registered in the name of Cede & Co., all as provided in the Bond Resolution, and shall be made available to the Underwriter at least one business day before the Closing for purposes of inspection.

6. *Closing Conditions.* The Underwriter has entered into this Agreement in reliance upon the representations, warranties and agreements of the Issuer contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriter's obligations under this Agreement to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Issuer of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions, including the delivery by the Issuer of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Underwriter:

(a) The representations and warranties of the Issuer contained herein shall be true, complete and correct on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) The Issuer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing;

(c) At the time of the Closing, (i) the Issuer Documents and the Bonds shall be in full force and effect in the form heretofore approved by the Underwriter and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Underwriter; and (ii) all actions of the Issuer required to be taken by the Issuer shall be performed in order for Bond Counsel to deliver their respective opinions referred to hereafter;

(d) At or prior to the Closing, the Bond Resolution shall have been duly executed and delivered by the Issuer and the Issuer shall have duly executed and delivered and the registrar shall have duly authenticated the Bonds;

(e) At the time of the Closing, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, or in the revenues or operations of the Issuer, from that set forth in the Official Statement that in the judgment of the Underwriter, is material and adverse and that makes it, in the judgment of the Underwriter, impracticable to market the Bonds on the terms and in the manner contemplated in the Official Statement;

(f) The Issuer shall not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money;

(g) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions contemplated by this Agreement shall be reasonably satisfactory in legal form and effect to the Underwriter;

(h) At or prior to the Closing, the Underwriter shall have received copies of each of the following documents:

(1) a specimen of the Bonds;

(2) the Official Statement, and each supplement or amendment thereto, if any, executed on behalf of the Issuer by its Chairman, or such other official as may have been agreed to by the Underwriter, and the reports and audits referred to or appearing in the Official Statement;

(3) a fully executed copy of the Bond Resolution certified by the Secretary or Assistant Secretary as having been duly adopted by the Board of Directors of the Issuer and as being in effect, with such changes or amendments as may have been agreed to by the Underwriter;

(4) executed copies of each of the Paying Agent Agreement, this Agreement, the Sale Certificate, the Official Statement, and the Disclosure Agreement (which satisfies the requirements of section (b)(5)(i) of the Rule);

(5) the approving opinion of Butler Snow LLP, as Bond Counsel (“Bond Counsel”), dated the date of Closing, substantially in the form attached to the Official Statement;

(6) a letter from Butler Snow LLP, as Special Counsel, in form and substance satisfactory to the Underwriter, dated as of the date of Closing and addressed to the Issuer, stating, in substance, that as of the date of the Official Statement, no information came to the attention of the attorneys in our firm rendering legal services in connection with such assistance which leads us to believe that the Official Statement (except for any financial statements, demographic, economic, engineering, financial or statistical data and any statements of trends, forecasts, estimates, projections, assumptions, or any expressions of opinion, and information concerning The Depository Trust Company and its procedures contained in the Official Statement and its appendices, as to which we express no view), contained any untrue statement of a material fact or omitted any material fact required to be stated therein or necessary to make the statements in the Official Statement, in light of the circumstances under which they were made, not misleading;

(7) A certificate, dated the date of Closing, of the Issuer to the effect that (i) the representations and warranties of the Issuer contained herein are true and correct in all material respects on and as of the date of Closing as if made on the date of Closing; (ii) except as disclosed in the Preliminary Official Statement, no litigation or proceeding against it is pending or, to its knowledge, threatened in any court or administrative body nor is there a basis for litigation which would (a) contest the right of the members or officials of the Issuer to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Issuer, (c) contest the validity, due authorization and execution of the Bonds or the Issuer Documents or (d) attempt to limit, enjoin or otherwise restrict or prevent the Issuer from functioning and collecting revenues, including payments on the Bonds, pursuant to the Bond Resolution, and other income; (iii) the Resolution or resolutions of the Issuer authorizing the execution, delivery and/or performance of the Official Statement, the Bonds and Issuer Documents have been duly adopted by the Issuer, are in full force and effect and have not been modified, amended or repealed, and (iv) to the best of its knowledge,

no event affecting the Issuer has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein, in light of the circumstances under which made, not misleading in any respect as of the time of Closing, and the information contained in the Official Statement is correct in all material respects and, as of the date of the Official Statement did not, and as of the date of the Closing does not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(8) A certificate of the Issuer in form and substance satisfactory to Bond Counsel and counsel to the Underwriter (a) setting forth the facts, estimates and circumstances in existence on the date of the Closing, which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and any applicable regulations (whether final, temporary or proposed), issued pursuant to the Code, and (b) certifying that to the best of the knowledge and belief of the Issuer there are no other facts, estimates or circumstances that would materially change the conclusions, representations and expectations contained in such certificate;

(9) The opinion of the Collins Cole Winn & Ulmer, PLLC, counsel to the Issuer, dated the Closing Date and addressed to the Issuer, together with a reliance letter to the Underwriter, in form acceptable to the Issuer and the Underwriter;

(10) Any other certificates and opinions required by the Bond Resolution for the issuance thereunder of the Bonds;

(11) Evidence that the Bonds received an underlying rating and insured rating of “[]” and “[],” respectively, by Standard & Poors;

(12) A specimen copy of the Insurance Policy and the Reserve Fund Insurance Policy; and

(13) Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the Issuer’s representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Issuer on or prior to the date of the Closing of all the respective agreements then to be performed and conditions then to be satisfied by the Issuer.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter.

If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Agreement, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and neither the Underwriter nor the Issuer shall be under any further obligation hereunder, except that the

respective obligations of the Issuer and the Underwriter set forth in Sections 4, 6 and 8(c) hereof shall continue in full force and effect.

7. *Termination.* The Underwriter shall have the right to cancel its obligation to purchase the Bonds if, between the date of this Agreement and the Closing, the market price or marketability of the Bonds shall be materially adversely affected, in the sole judgment of the Underwriter, by the occurrence of any of the following:

(a) legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or any member of the Congress or the Colorado General Assembly or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, federal income taxation or state income taxation upon revenues or other income of the general character to be derived by the Issuer pursuant to the Bond Resolution, or upon interest received on obligations of the general character of the Bonds or, with respect to state taxation, of the interest on the Bonds as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences or state income tax consequences of any of the transactions contemplated herein;

(b) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the 1933 Act, or that the Bond Resolution is not exempt from qualification under or other requirements of the Trust Indenture Act, or that the issuance, offering, or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(c) any state blue sky or securities commission or other governmental agency or body shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(d) a general suspension of trading in securities on the New York Stock Exchange or the American Stock Exchange, the establishment of minimum prices on either such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so;

(e) the New York Stock Exchange or other national securities exchange or any governmental authority, shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, Underwriter;

- (f) any amendment to the federal or state Constitution or action by any federal or state court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the Issuer, its property, income securities (or interest thereon), or the validity or enforceability of the assessments or the levy of taxes to pay principal of and interest on the Bonds;
- (g) any event occurring, or information becoming known which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;
- (h) there shall have occurred since the date of this Agreement any materially adverse change in the affairs or financial condition of the Issuer;
- (i) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak or escalation of hostilities or a national or international calamity or crisis, financial or otherwise;
- (j) any fact or event shall exist or have existed that, in the Underwriter's judgment, requires or has required an amendment of or supplement to the Official Statement;
- (k) there shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal or any notice shall have been given of any intended or potential downgrading, suspension, or withdrawal by a national rating service to any of the Issuer's obligations;
- (l) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission.

8. *Expenses.*

- (a) The Underwriter shall be under no obligation to pay, and the Issuer shall pay all expenses incident to the performance of the Issuer's obligations hereunder, including, but not limited to (i) the cost of preparation and printing of the Bonds, Preliminary Official Statement, Official Statement and any amendment or supplement thereto, (ii) the fees and disbursements of Bond Counsel and counsel to the District; (iii) the fees and disbursements of any Trustee, Paying Agent or engineers, accountants, and other experts, consultants or advisers retained by the Issuer; and (iv) all fees and expenses in connection with obtaining bond ratings. The Issuer shall also pay for any expenses (included in the expense component of the Underwriter's discount) incurred by the Underwriter which are incidental to implementing this Agreement and the issuance of the Bonds, including, but not limited to, meals, transportation and lodging, if any, and any other miscellaneous closing costs.
- (b) The Issuer acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.
- (c) Except as provided for above, the Underwriter shall pay (i) the cost of preparation and printing of this Agreement, the Blue Sky Survey and Legal Investment Memorandum, if any; (ii) all advertising expenses in connection with the public offering of the Bonds; and (iii) all other expenses incurred by it in

connection with the public offering of the Bonds, including the fees and disbursements of counsel retained by the Underwriter.

If this Agreement shall be terminated by the Underwriter because of any failure or refusal on the part of the Issuer to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Issuer shall be unable to perform its obligations under this Agreement, the Issuer will reimburse the Underwriter for all out-of-pocket expenses (including the fees and disbursements of counsel to the Underwriter) reasonably incurred by the Underwriter in connection with this Agreement or the offering contemplated hereunder

9. *Notices.* All communications hereunder will be in writing, and, if sent to the Underwriter, will be mailed, delivered, or telecopied and confirmed to it at Piper Sandler & Co., 1144 15th Street, Suite 2050, Denver, Colorado 80202, Attention: Robyn Moore, or, if sent to the District, will be mailed, delivered, or telecopied and confirmed to it at its address set forth above, to the attention of the Director of Finance.

10. *Parties in Interest.* This Agreement as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the Issuer and the Underwriter (including successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. This Agreement may not be assigned by the Issuer. All of the Issuer's representations, warranties and agreements contained in this Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of the Underwriter; (ii) delivery of and payment for the Bonds pursuant to this Agreement; and (iii) any termination of this Agreement.

11. *Effectiveness.* This Agreement shall become effective upon the acceptance hereof by the Issuer and shall be valid and enforceable at the time of such acceptance.

12. *Choice of Law.* This Agreement shall be governed by and construed in accordance with the law of the State without regard to choice of law analysis. Venue for any judicial proceeding to enforce or interpret this Agreement shall be in the District Court located in Eagle County, Colorado.

13. *Severability.* If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

14. *Business Day.* For purposes of this Agreement, "business day" means any day on which the New York Stock Exchange is open for trading.

15. *Section Headings.* Section headings have been inserted in this Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

16. *Counterparts.* This Agreement may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document.

If you agree with the foregoing, please sign the enclosed counterpart of this Agreement and return it to the

Underwriter. This Agreement shall become a binding agreement between you and the Underwriter when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

Respectfully submitted,

PIPER SANDLER & CO., as the Underwriter

BY: _____
Authorized Officer

ACCEPTANCE

ACCEPTED at _____ am/pm Mountain Daylight Time this ____ day of _____, 2024.

EAGLE RIVER WATER AND SANITATION DISTRICT

By _____
Name: Jim Cannava
Title: Finance Director

EXHIBIT A

MATURITY SCHEDULE

Maturity (December 1)	Principal Amount	Interest Rate	Price	10% Test Used

^c Priced to first optional redemption date of December 1, 20[] at par.

Optional Redemption. The Bonds maturing on and before December 1, 20[], are not subject to optional prior redemption. The Bonds maturing on and after December 1, 20[], are subject to redemption prior to maturity at the option of the District, in whole, or in part from such maturities as are selected by the District and by lot within a maturity (giving proportionate weight to Bonds in denominations larger than \$5,000), in such a manner as the District may determine, on December 1, 20[], or any date thereafter, at a price equal to the principal amount so redeemed plus accrued interest to the redemption date without a redemption premium.

Mandatory Sinking Fund Redemption. The Bonds maturing December 1, 20[] are subject to mandatory sinking fund redemption at a price equal to the principal amount thereof plus accrued interest to the redemption date. Bonds subject to mandatory sinking fund redemption shall be selected by lot in such manner as the Registrar shall determine (giving proportionate weight to Bonds in denominations larger than \$5,000).

As and for a sinking fund for the redemption of the Bonds maturing December 1, 20[], the District will deposit in the Bond Fund on or before December 1, 20[], and on or before December 1, 20[], a sum which together with other moneys available in the Bond Fund is sufficient to redeem (after credit as provided in the Resolution) the following principal amounts of the Bonds maturing December 1, 20[]:

Redemption Date (December 1)	Principal Amount
_____	\$ _____
_____*	_____

EXHIBIT B
FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Piper Sandler & Co., (the “Underwriter”), hereby certifies as set forth below with respect to the sale and issuance of the Eagle River Water and Sanitation District, Eagle County, Colorado, Enterprise Water Revenue Bonds, Series 2024 (the “Bonds”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule I.

2. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule I hereto as the “General Rule Maturities.”

(b) *Issuer* means the Eagle River Water and Sanitation District, Eagle County, Colorado.

(c) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(d) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(e) *Underwriter* means: (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public; and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Butler Snow, LLP in connection with rendering their opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

PIPER SANDLER & CO.

By: _____
Name: _____

Dated: [CLOSING DATE]

SCHEDULE I
SALE PRICES OF THE GENERAL RULE MATURITIES
(Attached)

ATTACHMENT C

**EAGLE RIVER WATER AND SANITATION DISTRICT
EAGLE COUNTY, COLORADO**

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is between the Eagle River Water and Sanitation District, Eagle County, Colorado (the “District”), and U.S. Bank Trust Company, National Association, as dissemination agent, and is executed and delivered in connection with the issuance of the District’s Enterprise Water Revenue Bonds, Series 2024 in the aggregate principal amount of \$[_____], dated as of [CLOSING DATE] (the “Bonds”). The Bonds are being issued pursuant to a bond resolution adopted by the Board of Directors of the District on September 26, 2024 (the “Bond Resolution”). The District covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Bond Resolution or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“*Board*” means the Board of Directors of the District.

“*Bond Resolution*” means the resolution adopted by the Board on September 26, 2024, authorizing the issuance of the Bonds.

“*Bonds*” means the District’s Enterprise Water Revenue Bonds, Series 2024, issued pursuant to the Bond Resolution.

“*Dissemination Agent*” means, initially, U.S. Bank Trust Company, National Association, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“*Fiscal Year*” means the calendar year commencing on January 1 of each year and ending on December 31 of the same year.

“*Listed Events*” means any of the events listed in Section 5 of this Disclosure Agreement.

“*MSRB*” means the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB’s required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system, which is currently available at <http://emma.msrb.org>.

“*Official Statement*” means the final Official Statement prepared in connection with the Bonds.

“*Participating Underwriter*” means the original underwriter of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as in effect on the date of this Disclosure Agreement.

“*SEC*” means the Securities and Exchange Commission.

Section 2. Purpose of Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the District and the Dissemination Agent for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

Section 3. Provision of Annual Reports.

(a) The District shall provide an Annual Report to the Dissemination Agent not later than five (5) business days prior to the end of the ninth (9th) month following the end of the District’s Fiscal Year of each year, commencing with the ninth (9th) month following the end of the District’s Fiscal Year ending December 31, 2024. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report. The information to be updated may be reported in any format chosen by the District; it is not required that the format reflected in the Official Statement be used in future years. The District shall include with each submission of the Annual Report to the Dissemination Agent a written representation addressed to the Dissemination Agent to the effect that such Annual Report is the Annual Report required by this Disclosure Agreement and that it complies with the requirements of Section 4 of this Disclosure Agreement.

(b) The Dissemination Agent shall provide the Annual Report to the MSRB in electronic format as prescribed by the MSRB within four (4) business days of its receipt from the District.

(c) If the District is unable to provide to the Dissemination Agent an Annual Report (or any portion thereof) by the date required in subsection (a), the Dissemination Agent shall, in a timely manner, file a notice with the MSRB in substantially the form attached to this Disclosure Agreement as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the appropriate electronic format prescribed by the MSRB;

(ii) send written notice to the District at least 30 but no more than 60 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and

(iii) file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and listing all the entities to which it was provided.

(e) The Dissemination Agent is not responsible for reviewing or determining the District's compliance with the content requirements of, and the Dissemination Agent shall have no duty to review, the Annual Report.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following:

(a) A copy of its annual financial statements prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, audited financial statements shall be provided to the Dissemination Agent when and if available.

(b) An update of the type of information identified in Exhibit B hereto, which is contained in the tables in the Official Statement with respect to the Bonds.

Any or all of the items listed above may be incorporated by reference from other documents (including official statements), which are available to the public on the MSRB's Internet Web Site or filed with the SEC. The District shall clearly identify each such document incorporated by reference.

Section 5. Reporting of Listed Events. The District shall file or cause to be filed with the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the events listed below with respect to the Bonds. All of the events currently mandated by the Rule are listed below; however, some may not apply to the Bonds.

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, *if material*;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(7) Modifications to rights of bondholders, *if material*;

(8) Bond calls, *if material*, and tender offers;

(9) Defeasances;

(10) Release, substitution or sale of property securing repayment of the Bonds, *if material*;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the obligated person;¹

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, *if material*;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, *if material*;

(15) Incurrence of a financial obligation² of the obligated person, *if material*, or agreement to covenants, events of default, remedies, priority rights, or other similar terms

¹ For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12) of the Rule, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

² For purposes of the events identified in subparagraphs (b)(5)(i)(C)(15) and (16) of the Rule, the term “financial obligation” is defined to mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term “financial obligation” shall not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule. In complying with Listed Events (15) and (16), the issuer intends to apply the guidance provided by the Rule or other applicable federal securities law, SEC Release No. 34-83885 (August 20, 2018) and any future guidance provided by the SEC or its staff.

of a financial obligation of the Issuer, any of which affect security holders, *if material*;
and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation² of the obligated person, any of which reflect financial difficulties.

Section 6. Format; Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Agreement shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Disclosure Agreement, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

Section 7. Termination of Reporting Obligation. The District's and the Dissemination Agent's obligations under this Disclosure Agreement shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Bonds; (ii) the date that the District shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds, which determination shall be evidenced by an opinion of nationally recognized bond counsel selected by the District.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the District and the Dissemination Agent may amend this Disclosure Agreement and may waive any provision of this Disclosure Agreement, without the consent of the holders and beneficial owners of the Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule, as evidenced by an opinion of nationally recognized bond counsel selected by the District and delivered to the Dissemination Agent. The Dissemination Agent shall provide notice of such amendment or waiver to the MSRB.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the District shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the District or the Dissemination Agent to comply with any provision of this Disclosure Agreement, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an event of default under the Bond Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of the District or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance. The Dissemination Agent shall have no power or duty to enforce this Disclosure Agreement, nor shall the Dissemination Agent have any responsibility for the content of any report, disclosure or notice provided by the District. The Dissemination Agent shall have no liability to any person, including any holder or beneficial owners of the Bonds, with respect to any reports, notices or disclosures provided to it by the District hereunder.

Section 11. Resignation or Removal of Dissemination Agent. The present or any future Dissemination Agent may resign at any time upon 30 days' prior written notice to the District. The District may remove the present or any future Dissemination Agent upon 30 days' prior written notice to the Dissemination Agent. Such resignation or removal shall take effect upon the appointment by the District of a successor Dissemination Agent or upon execution by the District of a written undertaking in which the District agrees to assume all of the obligations of the Dissemination Agent hereunder, but in no event later than 30 days after such written notice of resignation or removal has been given. The new Dissemination Agent or the District, as the case may be, shall forthwith give notice thereof to the MSRB.

Section 12. Compensation. As compensation for its services under this Disclosure Agreement, the Dissemination Agent shall be compensated or reimbursed by the District for its reasonable fees and expenses (including without limitation, legal fees and expenses) in performing the services specified under this Disclosure Agreement.

Section 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter, and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Colorado without regard to choice of law analysis. Venue for any judicial proceeding to enforce or interpret this Disclosure Agreement shall be in the District Court located in Eagle County, Colorado.

IN WITNESS WHEREOF, the District and the Dissemination Agent have caused this Continuing Disclosure Agreement to be executed in their respective names, all as of the date first above written.

**EAGLE RIVER WATER AND SANITATION
DISTRICT, EAGLE COUNTY, COLORADO**

By _____
President, Board of Directors

[SEAL]

Attest:

Secretary, Board of Directors

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,**
as Dissemination Agent

By: _____
Title: _____

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Eagle River Water and Sanitation District, Eagle County, Colorado (the “District”).

Name of Bond Issue: Eagle River Water and Sanitation District, Eagle County, Colorado, Enterprise Water Revenue Bonds, Series 2024 (the “Bonds”).

Date of Issuance: [CLOSING DATE]

CUSIP No. ____.

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Resolution, adopted on September 26, 2024, and by the Continuing Disclosure Agreement, dated as of [CLOSING DATE], between the District and U.S. Bank Trust Company, National Association, as Dissemination Agent. The District has represented that the Annual Report will be filed by [date]_____.

Dated: _____, 20__.

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,**
as Dissemination Agent

By: _____

Name: _____

Title: _____

EXHIBIT B

OFFICIAL STATEMENT TABLES TO BE UPDATED

See page iv of the Official Statement

ATTACHMENT D

**EAGLE RIVER WATER AND SANITATION DISTRICT
EAGLE COUNTY, COLORADO
ENTERPRISE WATER REVENUE BONDS
SERIES 2024**

REGISTRAR AND PAYING AGENT AGREEMENT

THIS AGREEMENT, dated as of [CLOSING DATE], is by and between Eagle River Water and Sanitation District, in the County of Eagle and State of Colorado (the “District”), and U.S. Bank Trust Company, National Association, in Denver, Colorado (the “Bank”).

WITNESSETH:

WHEREAS, by a resolution of the Board of Directors of the District duly adopted on September 26, 2024, (the “Bond Resolution”), the District has authorized the issuance of its Enterprise Water Revenue Bonds, Series 2024, in the aggregate principal amount of \$[_____] (the “Bonds”); and

WHEREAS, it is mutually desirable to the District and the Bank that the Bank, through its Corporate Trust Department, located in Denver, Colorado, act as Paying Agent (as defined in the Bond Resolution) for the Bonds; and

WHEREAS, it is mutually desirable that this agreement (the “Agreement”) be entered into between the District and the Bank to provide for certain aspects of such Registrar and Paying Agent services.

NOW, THEREFORE, the District and the Bank, in consideration of the mutual covenants herein contained, agree as follows:

1. The Bank hereby accepts all duties and responsibilities of the Registrar and Paying Agent as provided in the Bond Resolution. The Bank shall cause the Bonds to be honored in accordance with their terms, provided that the District causes to be made available to the Bank all funds necessary in order to so honor the Bonds. Nothing in this Agreement shall require the Bank to pay or disburse any funds in excess of the amount then on deposit in the “Principal and Interest Payment Account” provided for in Section 2 of this Agreement. Nothing in this Agreement shall require the District to pay or disburse any funds for payment of the Bonds or interest thereon except at the times and in the manner provided in the Bond Resolution. In addition,

the Bank hereby accepts the duties and responsibilities pertaining to the authentication, registration, transfer, exchange and replacement of Bonds, and the duties and responsibilities pertaining to calling the Bonds for prior redemption, all as provided in the Bond Resolution.

2. Not less than (a) three business days prior to each payment date, if funds are delivered by wire transfer, or (b) five business days prior to each payment date if funds are delivered by another method of payment, funds for the payment of the Bonds and interest thereon are to be deposited by the District with the Bank in an account designated "Principal and Interest Payment Account." The funds so deposited shall be held and applied by the Bank through its Corporate Trust Department solely for the payment of principal of, premium, if any, and interest on the Bonds. From such funds, the Bank agrees to pay at the times and in the manner provided in the Bond Resolution, the principal of, premium, if any, and interest on the Bonds. In the event a payment date is not a business day, the Bank shall make the principal and/or interest payment on the following business day with the same effect as if it had been made on the date scheduled for such payment. The Bank shall not be required to invest or to pay interest on any funds of the District for any period during which such funds are held by the Bank awaiting the presentation of the Bonds for payment.

3. The District shall pay to the Bank fees in accordance with its then existing fee schedule. Attached to this Agreement as Exhibit A is the Bank's current fee schedule. No new fee schedule shall become effective until 30 days after the Bank has given the District notice thereof.

4. Unless waived by the Bank, the District agrees to provide the Bank with not less than 60 days' notice of any prior redemption of the Bonds.

5. The Bank agrees to annually notify the District, in writing, of the District's obligation to file its Annual Report (as such term is defined in the Continuing Disclosure Agreement dated [CLOSING DATE], relating to the issuance of the Bonds), at least 30 but not more than 60 days prior to time which the Annual Report is required to be filed pursuant to the terms of the Continuing Disclosure Agreement. The Bank shall have no further obligation or duty relating to the District's obligation under the Continuing Disclosure Agreement other than the provision of the notice as required by this Section or as otherwise required under the Continuing Disclosure Agreement.

6. At least 30 but not more than 60 days prior to [CLOSING DATE], 2029, [CLOSING DATE], 2034, [CLOSING DATE], 2039, [CLOSING DATE], 2044, and on the date on which the last Bond is discharged, the Bank shall send written notice to the District stating that the District must: (i) compute the amount of rebatable arbitrage, if any, which is due to the federal government pursuant to Sections 103 and 148(f) of the Internal Revenue Code of 1986, as amended, and (ii) pay such amount no later than sixty days after [CLOSING DATE], 2029, [CLOSING DATE], 2034, [CLOSING DATE], 2039, [CLOSING DATE], 2044, and on the date on which the last Bond is discharged. The Bank shall have no further obligation or duty related to the District's requirements under Sections 103 and 148(f) of the Internal Revenue Code of 1986 other than providing the notice required by this Section.

7. Upon request of the Bank, the District agrees to provide the Bank with a supply of blank Bonds for use in the transfer, exchange and replacement of Bonds.

8. Any moneys held by the Bank for the owners of the Bonds remaining unclaimed for one year after principal and/or interest of the respective Bonds with respect to which such money has been set aside has become due and payable shall without further request by the District be paid to the District.

9. The Bank is authorized to act on the order, directions or instructions of all such officials as the District by resolution or other proper action shall designate. The Bank shall be protected in acting upon any paper or document reasonably believed by it to be genuine and to have been signed by the proper official(s), and shall not be held to have notice of any change of authority of any official until receipt of written notice thereof from the District.

10. The Bank may consult with legal counsel, including but not limited to legal counsel for the District with respect to any matter in connection with this Agreement or the Bonds, if, while in the performance of its duties as Registrar and Paying Agent hereunder or under the Bonds, the Bank shall deem it necessary or desirable to do so. The Bank shall not be liable for any action taken or omitted by it in good faith in reasonable reliance upon the advice of such counsel.

11. No provision of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

12. Any company or national banking association into which the Bank may be merged or converted or with which it may be consolidated or any company or national banking association resulting from any merger, conversion or consolidation to which it shall be a party or any company or national banking association to which the Bank may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible, shall be the successor to such Bank without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

13. This Agreement may be terminated as provided in the Bond Resolution.

14. In the event of any conflict between the provisions of this Agreement and the provisions of the Bond Resolution, the provisions of the Bond Resolution shall be controlling.

15. This Agreement is governed by the laws of the State of Colorado without regard to choice of law analysis. The parties consent to the exclusive jurisdiction of any court of the State of Colorado located in Eagle County for the purpose of any suit, action or other proceeding arising under this Agreement, and the parties hereby irrevocably agree that all claims in respect of any such suit, action or proceeding may be heard and determined by such court.

16. There is hereby created and established with the Paying Agent an account to be designated "Eagle River Water and Sanitation District, Eagle County, Colorado, Enterprise Water Revenue Bonds, Series 2024, Costs of Issuance Fund" (the "Costs of Issuance Fund"). Into such fund shall be deposited \$[] of the proceeds of the Bonds which shall be used to pay costs of issuance and expenses incurred as a result of the issuance of the Bonds. The Paying Agent is hereby directed to pay the costs of issuance to the parties and in the amounts listed in a copy of the closing memorandum upon presentation of an invoice from each party for the amount listed. Moneys held as part of the Costs of Issuance Fund shall remain uninvested. Any amounts remaining in the Costs of Issuance Fund 90 days after closing shall be transferred to the District subject to written confirmation from the District to the Paying Agent that all costs of issuance have been paid.

17. All moneys received by the Bank hereunder shall be held by the Bank for the purposes for which they were received, but need not be segregated from other funds. All such funds held by the Bank shall be held uninvested in cash, without liability for interest.

IN WITNESS WHEREOF, the Bank and the District have caused this Agreement to be duly executed and delivered as of the day and year first above written.

EAGLE RIVER WATER AND SANITATION DISTRICT
EAGLE COUNTY, COLORADO

By: _____
Chairman of the Board and President of the District

(SEAL)

Attest:

Secretary

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Paying Agent

By _____
Title: Vice President

EXHIBIT A

(Attach Paying Agent's Fee Schedule)



To: Eagle River Water and Sanitation District Board
From: Eagle County Conservation District
Date: September 18, 2024
Subject: Resolution of Support

The Eagle County Conservation District (ECCD or “the District”) is a Title 35 Special District that was established during the Soil Conservation Act of 1935 after the Dust Bowl. The District was created to represent and work with all landowners, agricultural producers and water rights holders to assist them with conservation practices and natural resource management within the District boundaries. The Eagle County Conservation District boundaries covers the majority of Eagle County, plus small portions of Grand and Garfield county.

ECCD’s current operating budget is roughly \$700,000 annually and is predominately provided through grant funding that will expire in the next couple of years and is non-renewable. Grant funded programs include the Beyond Lawn Program (turf replacement and irrigation system rebates), the Drought Resiliency Program (cost-share to improve ditch infrastructure and large-scale irrigation systems), Virtual Fencing (sustainable rangeland and grazing management), the Noxious Weed Cost-Share Program (cost-share to eradicate noxious weeds and revegetate resilient landscapes), the District Conservation Technician Program (provides technical assistance for landowners on conservation planning and implementation), and the CO Soil Health Program (cost-share for agricultural producers to improve soil health practices).

The District now seeks support for Ballot Issue 7A, a ballot issue placed by the Eagle County Conservation District which seeks authorization for a property tax of 0.15 mills to generate revenues for the Eagle County Conservation District. The math: a property valued at \$1 million would equate to \$10 in annual taxes. The levy will provide roughly \$645,000 annually for the District, which will cover existing operation costs while allowing for the District to continue to grow. Roughly 65% of the funding will be returned to the community through technical expertise provided to local landowners on conservation planning and practices with many cost share opportunities provided.

The District sent out a county wide survey this summer to determine if voters would support a small mill levy in this fall's election and the results came back fairly favorable. 60%, or three-in-five qualified voters in the District say they would vote yes on the potential measure if the election were being held today. Due to the positive feedback, the District has continued its mill levy efforts to go to ballot for a .15 mill levy. At this time, the District is looking for support from their partners and is hoping for a Resolution of support from the Eagle River Water and Sanitation District.

Thank you for your consideration,

Laura Bohannon
Executive Director,
Eagle County Conservation District

EAGLE RIVER WATER & SANITATION DISTRICT

RESOLUTION NO. 2024-06

A RESOLUTION OF SUPPORT FOR EAGLE COUNTY CONSERVATION DISTRICT BALLOT QUESTION

WHEREAS, the Eagle County Conservation District (“ECCD”) is a Colorado special purpose district and a body corporate with those powers of a public corporation which are specifically authorized by, and in compliance with Title 35, Article 70 of the Colorado Revised Statutes created under the “Colorado Soil Conservation Act”; and

WHEREAS, the ECCD Board of Directors has decided to place the following measure on the Nov. 5, 2024, general election ballot:

Shall Eagle County Conservation District taxes be increased \$650,000 annually commencing in tax payment year 2025, and by such amounts as may be collected thereafter, from a property tax of 0.15 mills (estimated to cost \$10 per year for every \$1 million in home value) for the following purposes:

- *Ensuring adequate water supplies and maintaining drinking water quality and the health of rivers and streams such as the Eagle and Colorado rivers by working with local residents and ranchers to improve water conservation;*
- *Restoring and protecting forest and grassland health to reduce the risk of wildfires to communities;*
- *Conserving populations of native birds, fish and wildlife such as bald eagles, elk, moose, and trout;*

With all expenditures subject to applicable legal requirements regarding an annual independent audit, as required by law; and shall such tax revenues and the earnings from the investment of such tax revenues be collected, retained, and spent as a voter-approved revenue change under Article X, section 20 of the Colorado Constitution or any other law?; and

WHEREAS, the Colorado Fair Campaign Practices Act expressly authorizes local governments to adopt and distribute in normal fashion a Resolution regarding any ballot issue of import to that local government; and

WHEREAS, the Eagle River Water & Sanitation District (“ERWSD”) is a quasi-municipal corporation and political subdivision of the State of Colorado and a duly organized and existing special district pursuant to Title 32, Article 1, Colorado Revised Statutes; and

WHEREAS, ERWSD works cooperatively with private landowners and various local Colorado governments, including ECCD, toward the accomplishment of its mission of providing efficient, effective, and reliable water and wastewater utility services in a manner that respects the natural environment; and

WHEREAS, ECCD provides programs that align with ERWSD’s mission.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Eagle River Water & Sanitation District that:

1. The Board expresses support for the ballot question that will be placed before the Eagle County Conservation District voters; and
2. The Board expresses further support for electors of Eagle County Conservation District to vote YES on the ballot issue at the Nov. 5, 2024, election.

ADOPTED this 26th day of September.

Eagle River Water & Sanitation District

By: _____
Dick Cleveland, Chair

Attest:

Robert Warner, Jr., Secretary



MEMORANDUM

TO: Boards of Directors
FROM: Brian Thompson, Government Affairs Supervisor
DATE: September 20, 2024
RE: Board Compliance Training

At the Sept. 26 board meetings, David Norris will present the third component of the four-part 2024 board compliance training series. This training will focus on **Fiscal Accountability**.

As discussed at the July and August board meetings, these compliance trainings are intended to help directors fulfill their legal and ethical responsibilities, avoid potential risks and liability, and make informed decisions that protect the integrity of the boards. These trainings align with recommendations and standards supported by industry experts, including the Colorado Municipal League (CML), Department of Local Affairs (DOLA), and Special District Association (SDA).

The primary objectives of the fiscal accountability training are:

- 1) Review the critical role that directors have in financial oversight, risk management, and carrying out the boards' fiduciary responsibilities.
- 2) Discuss core elements of board fiscal accountability, including transparency, strategic financial planning, policy development, and compliance with legal and ethical standards.
- 3) Provide tools and best practices to help board members effectively oversee financial operations while avoiding potential conflicts of interests and pitfalls, such as fund mismanagement or audit irregularities.
- 4) Provide protocols for appropriate actions in addressing financial issues.

As with previous board compliance trainings, David's presentation is intended to be informational. If a director wishes to ask a detailed question or discuss a personal situation, we can arrange a private meeting with the GM and/or counsel. There are 15-20 minutes dedicated on the ERWSD and UERWA board meeting agendas for this training. We appreciate your ongoing participation.



MEMORANDUM

TO: Board Directors
FROM: David Norris, Director of Business Administration
DATE: September 18, 2024
RE: Proposed 2025 Budget

Introduction

An effective and efficient budget proposal is a team effort and a cross-collaboration between all department managers and staff. This budget season, we continued the hybrid approach of zero-based budgeting and looking at revenue first. Using a collaborative effort of a cross-departmental team to aide in developing the proposed 2025 District and Authority budgets, the attached draft budget packet includes the staff recommended budgets for 2025.

For the 2025 budget, the following are strategic priorities that will show throughout the budget material:

2025 District & Authority Budgetary Strategic Priorities:

Priority	Strategic Objective
1. Affordability, Debt, and Financial Health	<ul style="list-style-type: none">• Set fund balance targets aimed to increase financial health & limit future bonding• Balance rates with fund balance targets and financial ratios• Implement new rate structures and impact fees playing a role in affordability for Multi-Family• Vail Water bond issuance to address deferred maintenance<ul style="list-style-type: none">• Debt strategically leveled to 20 years<ul style="list-style-type: none">• Focused on funds

<p>2. Preventive & Deferred Maintenance</p>	<ul style="list-style-type: none"> • Decision items align to strategies • O&M budgets aligned to focus on total asset costs • Investing annually in aging infrastructure to prevent future cost increases for asset maintenance • Aimed at reducing future bonding needs and keeping assets maintained sustainably
<p>3. Prioritize COLA/Merit and Benefits</p>	<ul style="list-style-type: none"> • Decision items align to strategy, focused on sustaining investment in staffing, reduce turnover, and support recruitment efforts

2025 District & Authority Operations Strategic Priorities:

Program	Strategic Objective
<p>1. Sewer Collection System</p>	<ul style="list-style-type: none"> • Initiate interceptor characterization and rehab (Avon & Vail) • Improve O&M metrics to meet industry standards • Add critical equipment redundancy • Upgrade equipment to improve emergency response capabilities • Initiate multi-year sewer rehab program
<p>2. Water Distribution System</p>	<ul style="list-style-type: none"> • Develop West Vail water main replacement strategic plan • Improve O&M metrics to meet industry standards • Complete major CRP projects in progress (Wildridge, Arrowhead, Beaver Creek)
<p>3. Staffing, Coordination, and Efficiency Improvements</p>	<ul style="list-style-type: none"> • Improve strategic planning capacity • Improve operation project coordination and execution • Provide staff resiliency, mitigate fatigue, and burnout risk
<p>4. Water Production & Storage</p>	<ul style="list-style-type: none"> • Initiate Vail Well R7 replacement design • Complete Vail Tank 4 rehabilitation • Complete Booth Falls emergency power project • Initiate EDWF improvements plan

	<ul style="list-style-type: none"> Complete ADWF electrical service evaluation
5. Wastewater Treatment	<ul style="list-style-type: none"> Complete EWW NUP design Complete VWW improvements (in progress)
6. Emergency Preparedness	<ul style="list-style-type: none"> Complete high priority improvements in Risk and Resilience Assessment (RRA) Improve RRA risk score
7. Asset Management	<ul style="list-style-type: none"> Proactively replace critical equipment and assets
8. Water Supply	<ul style="list-style-type: none"> Concerted focus on Bolts Lake design, NEPA, timelines and funding plans, balanced with fund strategies and timing of bonding

The budget schedule is largely driven by statutory requirements. Critical dates are:

- Oct 15: Draft Budget must be submitted to each Board (Section 29-1-105, CRS)
- Dec 15: Adopt Budget and appropriate moneys, if certifying a mill levy (Section 29-1- 108 (2, CRS)

Executive Summary

The largest takeaways from the budget subcommittee meetings and the associated materials are as follows:

- 17 proposed decision items with a combined budget impact of \$2,872,735.
- \$1,486,235 of the proposed decision items are related to personnel services.
 - 2 additional full-time equivalents
 - 4% COLA/ 2.4% Merit package
 - Wellness benefit increase from \$650 to \$700 per year, with 125 employees participating in the program.

Request	FTE	Operating	Capital	Total
Field Operations – Field Operator	1	97,203	3,000	100,203
Operations – Project Manager II	1	188,420	3,000	191,420
Cost of Living Adjustment		643,030		643,030
Merit Increase		385,818		385,818
Wellness Benefit Increase		22,500		22,500
On Call Improvements		143,264		143,264
Total	2	1,480,235	6,000	1,486,235

- Vail Water proposed water rates:
 - Commercial, Mixed Use, Multifamily:

Proposed Vail Water Use Rates

Commercial, Mixed Use, Multi-Family/Multiplier/Month

	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Water Base Service	Wastewater Base Service
2024 Rate <i>(SFE Multiplier)</i>	\$3.70	\$6.72	\$13.28	\$27.67	\$41.51	\$39.11	\$62.04
CO & MU <i>(Meter Size)</i>	\$4.39	\$7.31	\$13.00	\$20.92	\$35.97	\$71.97	\$82.14
MX <i>(Meter Size)</i>	\$4.39	\$7.31	\$13.00	\$16.66	\$25.63	\$65.12	\$73.59
MF <i>(Meter Size)</i>	\$3.50	\$5.20	\$13.00	\$20.92	\$35.97	\$71.97	\$82.14

						
↑	↓	↓	↓	↓	↑	↑
+19% (CO, MX) -5% (MF)	+8.78% (CO, MX) -22.62% (MF)	-2.11% (CO, MX, MF)	-24.4% (CO, MF) -39.79% (MX)	-13.4% (CO, MF) -38.26% (MX)	+84% (CO, MF) +66.51% (MX)	+32.4 (CO, MF) +18.62% (MX)

- Individually Metered Residential:
 - Transitioned away from SFE values for tier multiplier in 2024
 - Maintained use of SFE values for base rate multiplier

Tier	Increase/Decrease
1	0%
2	3%
3	3%
4	5%
5	5%

- Wastewater rates: 5.26% increase
- Combined total increase to rates: 10.94%
- Irrigation-only rates:
 - Increased base rates to align with water service base rates.
 - Transitioned to coverage-based irrigation rates for all irrigation-only customers in 2024.

Tier	Increase/Decrease
1	0%
2	3%
3	3%
4	4%
5	6%

Clean Water. Quality Life.™

- Authority Operating Agreement Revenue increase of \$792,043 or 8% over projection.
- To improve financial health and anchor to the recent Standard & Poor’s median of 546 days cash on hand, and given the recent bond ratings, it is recommended that the fund balance policies are updated to reflect these changes. As part of the strategic plan, a revised fund balance policy will be proposed in 2024 in conjunction with budget approval, setting a floor of 500 days and a ceiling of 600 days. In addition, the updated policies aim to protect against unforeseen economic events and supplement future bond issuances.

	Wastewater Fund	Vail Water Fund
Projected 2025 Fund Balance	36,324,491	10,991,151
Target Floor (500 days of non-bonded expenses)	41,130,527	10,959,729
Over/(Under)	(4,806,036)	31,422

Budget Summary

Below is a summary of the proposed 2025 budget, each topic discussed in greater detail during the budget subcommittee meeting.

(Table 1: Proposed 2025 Budget Summary)

Total Budget Comparison	Amount	\$ Change	% Change
2024 Revised Budget	60,189,802		
2024 Projection	57,729,310	(2,460,492)	-4%
2025 Proposed Budget	65,187,487		
2024 Projected Carryforward	2,906,986		
2025 Total Proposed Appropriated Funds	68,094,473	10,365,163	18%

- Operating budget increase of 8.5% over 2024 projection, and 11% over 2024 Budget
- Cap/CRP decrease 27% from the 2024 projection, and 32% from the 2024 Budget
- Bond increase 50% from the 2024 projection, 17.1% increase from the 2024 Budget

Wastewater Budget Comparison	Amount	\$ Change	% Change
2024 Revised Budget	49,001,739		
2024 Projection	46,530,468	(2,471,271)	-5%
2025 Proposed Budget	48,280,585		
2024 Projected Carryforward	2,632,925		
2025 Total Proposed Appropriated Funds	50,913,510	4,383,042	9.4%

- Operating budget increase of 8.8% over 2024 projection, and 11.7% over 2024 Budget
- Capital/CRP decrease 26% from the 2024 projection, 33% decrease from 2024 Budget
- Bond increase 7% from 2024 projection, 18.5% decrease from 2024 Budget

Vail Water Budget Comparison	Amount	\$ Change	% Change
2024 Revised Budget	11,188,063		
2024 Projection	11,198,842	10,779	0.1%
2025 Proposed Budget	16,906,902		
2024 Projected Carryforward	274,061		
2025 Total Proposed Appropriated Funds	17,180,963	5,982,121	53.4%

- Operating budget increase of 7.8% over 2024 projection, and 9% over 2024 Budget
- Capital/CRP decrease 31.5% from the 2024 projection, and 28.1% from 2024 Budget
- Bond increase 3.2 times over the 2024 projection and 2.8 times budget with new bond proceeds expected in the fourth quarter of 2024.

Net Income Summary

The proposed 2025 net income is \$5,282,788, with \$3,427,454 from the Wastewater Fund and \$1,858,335 from the Vail Water Fund, intended to build fund balances and increase days cash on hand-to-reduce future bonding costs and safeguard against unforeseen economic events. The 2025 proposed CRP revenues and expenses are balanced, with the wastewater capital deficit offset by the operating surplus.

(Table 2: Combined Net Income Summary)

ERWSD Combined Funds Net Income			
Type	Revenue	Expense	Net
Operating	37,699,894	34,178,387	3,521,507
Housing	883,894	655,300	228,594
Debt Service	12,062,995	11,434,800	628,195
CRP	3,091,393	2,637,500	453,893
Capital	1,660,599	1,210,000	450,599
Subtotal	55,398,775	50,115,987	5,282,788
Bond Projects		15,071,500	
Total		65,187,487	

Wastewater Fund Net Income			
Type	Revenue	Expense	Net
Operating	29,348,621	26,935,285	2,413,336
Housing	883,894	655,300	228,594
Debt Service	8,952,024	8,334,800	617,224
CRP	2,029,463	2,037,000	(7,537)
Capital	1,228,837	1,053,000	175,837
Subtotal	42,442,839	39,015,385	3,427,454
Bond Projects		9,265,200	
Total		48,280,585	

Vail Water Fund Net Income			
Type	Revenue	Expense	Net
Operating	8,351,273	7,243,102	1,108,171
Debt Service	3,110,972	3,100,000	10,972
CRP	1,061,930	600,500	461,430
Capital	431,762	157,000	274,762
Subtotal	12,955,937	11,100,602	1,855,335
Bond Projects		5,806,300	
Total		16,906,902	

- Sources and uses of funds are balanced by type

Rate Summary

- Rate Structure update is revenue neutral with increases for debt services and operating increases.

(Table 3: Proposed 2025 Water Base Service Charges)

Individually Metered Residential Water Service Base Charges/SFE/Month				
	2024	2025	\$ Change	% Increase
Base Rate Per SFE	22.76	23.44	0.68	3.0%
Typical Use (5kgal)	18.50	18.50	0.00	0.0%
Capital Replacement Program	7.70	7.93	0.23	3.0%
Debt Service 2017 Bonds	6.37	6.85	0.48	8.0%
Debt Service 2019 Bonds	2.28	2.21	(0.07)	-3.0%
Debt Service 2024 Bonds	0.00	8.90	8.90	100%
Base Portion of Bill/SFE/Month	57.61	67.42	9.81	17%

Individually Metered Residential Water Usage Rates (per Kgal)/SFE/Month				
Water Usage Rates (per kgal)	2024	2025	\$ Change	% Increase
Tier 1 (0 - 6,000 gallons)	3.70	3.70	0.00	0%
Tier 2 (6,001 - 12,000 gallons)	6.72	6.92	0.20	3%
Tier 3 (12,001 - 18,000 gallons)	13.28	13.68	0.40	3%
Tier 4 (18,001 – 30,000 gallons)	20.15	21.16	1.01	5%
Tier 5 (Greater than 30,000 gallons)	28.21	29.62	1.41	5%

Multi-Family/Commercial Water Base Service Charges/Multiplier/Month				
	2024	2025	\$ Change	% Increase
Base Rate Per SFE	22.76	35.17	12.41	55%
Debt Service 2017 Bonds	6.37	9.80	3.43	54%
Debt Service 2019 Bonds	2.28	3.25	0.97	43%
Debt Service 2024 Bonds	0.00	12.10	12.10	100%
Capital Replacement Program	7.70	11.64	3.94	51%
Base Portion of Bill per SFE	39.11	71.96	32.85	84%

Multi-Family Water Usage Rates (per Kgal)/Multiplier/Month				
Water Usage Rates (per kgal)	2024	2025	\$ Change	% Increase
Tier 1 (0 - 8,000 gallons)	3.70	3.50	(0.20)	-5%
Tier 2 (8,001 - 16,000 gallons)	6.72	5.20	(1.52)	-23%
Tier 3 (16,001 - 24,000 gallons)	13.28	13.00	(0.28)	-2%
Tier 4 (24,001 – 36,000 gallons)	27.67	20.92	(6.75)	-24%
Tier 5 (Greater than 36,000 gallons)	41.51	35.97	(5.54)	-13%

Commercial Water Usage Rates (per Kgal)/Multiplier/Month				
	2024	2025	\$ Change	% Increase
Tier 1 (0 - 8,000 gallons)	3.70	4.39	0.69	19%
Tier 2 (8,001 - 16,000 gallons)	6.72	7.31	0.59	9%
Tier 3 (16,001 - 24,000 gallons)	13.28	13.00	(0.28)	-2%
Tier 4 (24,001 – 36,000 gallons)	27.67	20.92	(6.75)	-24%
Tier 5 (Greater than 36,000 gallons)	41.51	35.97	(5.54)	-13%

Mixed Use Water Base Service Charges/Multiplier/Month				
	2024	2025	\$ Change	% Increase
Base Rate Per SFE	22.76	28.33	5.57	24%
Debt Service 2017 Bonds	6.37	9.80	3.43	54%
Debt Service 2019 Bonds	2.28	3.25	0.97	43%
Debt Service 2024 Bonds	0.00	12.10	12.10	100%
Capital Replacement Program	7.70	11.64	3.94	51%
Base Portion of Bill per SFE	39.11	65.12	26.01	67%

Mixed Use Water Usage Rates (per Kgal)/Multiplier/Month				
Water Usage Rates (per kgal)	2024	2025	\$ Change	% Increase
Tier 1 (0 - 8,000 gallons)	3.70	4.39	0.69	19%
Tier 2 (8,001 - 16,000 gallons)	6.72	7.31	0.59	9%
Tier 3 (16,001 - 24,000 gallons)	13.28	13.00	(0.28)	-2%
Tier 4 (24,001 – 36,000 gallons)	27.67	16.66	(11.01)	-40%
Tier 5 (Greater than 36,000 gallons)	41.51	25.63	(15.88)	-38%

Coverage Based Irrigation Base Service Charges & Water Usage Rates/Acre/Month				
Irrigation Usage Rates (per kgal)	2024	2025	\$ Change	% Increase
Base Service	12.77	23.44	10.67	84%
Tier 1 (0 - 85,000 gallons)	7.39	7.39	0.00	0%
Tier 2 (85,001 - 142,000 gallons)	11.58	11.93	0.35	3%
Tier 3 (142,001 - 170,000 gallons)	14.58	15.02	0.44	3%
Tier 4 (170,001 – 190,000 gallons)	17.09	17.77	0.68	4%
Tier 5 (Greater than 190,000 gallons)	20.92	22.18	1.26	6%

Temporary/Suspended Service Charges & Water Usage Rates/SFE/Month				
	2024	2025	\$ Change	% Increase
Water Service Base Charge	\$34.87	\$35.92	\$1.05	3%
Wastewater Service Base Charge-Depends on Account Type in 2025	\$42.19*	\$43.48*	\$1.29	3%
<i>Water Usage Rates</i>				
Tier 1 (0 - 6,000 gallons)	7.39	7.39	0.00	0%
Tier 2 (6,001 - 12,000 gallons)	11.58	11.93	0.35	3%
Tier 3 (12,001 - 18,000 gallons)	14.58	15.02	0.44	3%
Tier 4 (18,001 – 24,000 gallons)	17.09	17.94	0.85	5%
Tier 5 (Greater than 24,000 gallons)	20.92	21.97	1.05	5%

**Base charge varies by account type*

Seasonal Fire Hydrant Base Service Charges & Water Usage Rates/SFE/Month				
	2024	2025	\$ Change	% Increase
Hydrant and Meter Damage Deposit	4,000	4,000	0	0%
Meter Install/Removal Fee	200	200	0	0%
Weekly Meter Rental Fee	175	200	25	14.28%
<i>Water Usage Rates</i>				
Tier 1 (0 - 8,000 gallons)	7.39	7.39	0.00	0%
Tier 2 (8,001 - 16,000 gallons)	11.58	11.93	0.35	3%
Tier 3 (16,001 - 32,000 gallons)	14.58	15.02	0.44	3%
Tier 4 (32,001 – 64,000 gallons)	17.09	17.94	0.85	5%
Tier 5 (Greater than 64,000 gallons)	20.92	21.97	1.05	5%
<i>Only available April 15 through October 15</i>				

Individually Metered Residential Wastewater Base Service Charges/SFE/Month				
	2024	2025	\$ Change	% Increase
Base Service (min charge 5 kgal)	36.72	37.85	1.13	3%
Additional usage per kgal	7.344	7.57	0.23	3%
2017 WW Crossover Refunding Bonds	2.75	2.75	0.00	0%
Debt Service 2020A Bonds:	5.13	5.07	(0.06)	-1%
Debt Service 2020B Bonds:	5.06	5.12	0.06	1%
Debt Service 2023 Bonds:	6.91	8.91	2.00	29%
Capital Replacement Program	5.47	5.63	0.16	3%
Base Portion of Bill per SFE	62.04	65.33	3.29	5%

Commercial Wastewater Service Base Service Charges/Multiplier/Month				
	2024	2025	\$ Change	% Increase
Base Service (min charge 5 kgal)	36.72	44.90	8.18	22%
Additional usage per kgal	7.344	8.98	1.64	22%
2017 WW Crossover Refunding Bonds	2.75	3.70	0.95	35%
Debt Service 2020A Bonds:	5.06	6.80	1.74	34%
Debt Service 2020B Bonds:	5.13	6.89	1.76	34%
Debt Service 2023 Bonds:	6.91	11.95	5.04	73%
Capital Replacement Program	5.47	7.90	2.43	44%
Base Portion of Bill per SFE	62.04	82.14	20.10	32%

Multifamily Wastewater Service Base Service Charges/Multiplier/Month				
	2024	2025	\$ Change	% Increase
Base Service (min charge 5 kgal)	36.72	44.90	8.18	22%
Additional usage per kgal	7.344	8.98	1.64	22%
2017 WW Crossover Refunding Bonds	2.75	3.70	0.95	35%
Debt Service 2020A Bonds:	5.06	6.80	1.74	34%
Debt Service 2020B Bonds:	5.13	6.89	1.76	34%
Debt Service 2023 Bonds:	6.91	11.95	5.04	73%
Capital Replacement Program	5.47	7.90	2.43	44%
Base Portion of Bill per SFE	62.04	82.14	20.10	32%

Mixed Use Wastewater Base Service Charges/Multiplier//Month				
	2024	2025	\$ Change	% Increase
Base Service (min charge 5 kgal)	36.72	36.35	(0.37)	-1%
Additional usage per kgal	7.344	7.27	(0.07)	-1%
2017 WW Crossover Refunding Bonds	2.75	3.70	0.95	35%
Debt Service 2020A Bonds:	5.06	6.80	1.74	34%
Debt Service 2020B Bonds:	5.13	6.89	1.76	34%
Debt Service 2023 Bonds:	6.91	11.95	5.04	73%
Capital Replacement Program	5.47	7.90	2.43	44%
Base Portion of Bill per SFE	62.04	73.59	11.55	19%

*Following board direction, in 2025, all commercial, mixed-use, and multi-family accounts will transition to a meter-sized multiplier, aligning with industry standards and system impacts. The table above illustrates rate changes to accommodate the reduced billing multipliers, increased debt service requirements, and a modest base service rate adjustment.

Wastewater				
Typical customer pays per SFE/Month:	2024	2025	\$ Increase	% Increase
At 5 Kgal	62.04	65.33	3.29	5%

Combined Water and Wastewater				
Typical customer pays per SFE/Month:	2024	2025	\$ Increase	% Increase
Vail Customer	119.65	132.75	13.10	10.95%

(Table 5: Impact Fees)

2025 Impact Fees ¾" -1.5"									
EAGLE RIVER WATER & SANITATION DISTRICT IMPACT FEES									
Meter Size	¾" Short	¾"						1"	1½"
	.70 SFE	1.0 SFE						1.67 SFE	3.33 SFE
GPM	<21	21-25	26-29	30-35	36-40	41-45	46-49	50-99	100-199
WW	\$15,250	\$18,155	\$21,060	\$21,786	\$26,144	\$29,412	\$32,026	\$36,311	\$72,621
Vail Water	\$15,562	\$18,526	\$21,490	\$22,231	\$26,677	\$30,012	\$32,680	\$37,052	\$74,103

2025 Impact Fees 2"-8"									
EAGLE RIVER WATER & SANITATION DISTRICT IMPACT FEES									
Meter Size	2" (C2)	2" (T2)	3" (C2)	3" (T2)	4" (C2)	4" (T2)	6" (C2)	6" (T2)	8"
	6.67 SFE	8.33 SFE	16.67 SFE	21.67 SFE	33.33 SFE	41.67 SFE	66.67 SFE	83.33 SFE	106.67 SFE
GPM	200-249	250-499	500-649	650-999	1,000-1,249	1,250-1,999	2,000-2,499	2,500-3,199	>3,200
WW	\$145,243	\$181,553	\$363,106	\$472,038	\$726,213	\$907,766	\$1,452,425	\$1,815,532	\$2,323,881
Vail Water	\$148,207	\$185,258	\$370,517	\$481,672	\$741,033	\$926,292	\$1,482,067	\$1,852,583	\$2,371,307

- Anchored to the construction cost index, the rates above will increase by 10% in 2025. Impact fees have been adjusted to align with the meter-sized approach, specifically breaking out ¾" meter sizes into 5 GPM categories to better reflect system impacts and costs of connection.

(Table 6: Development, Inclusion, & Dedication Fees)

2025 Development, Inclusion, & Dedication Fees		
Eagle River Water & Sanitation District	Upper Eagle Regional Water Authority	
DEVELOPMENT FEE/ DEDICATION/ DEPOSIT	RESIDENTIAL	COMMERCIAL
Inclusion Fee	\$1,300	
Treated Water Storage Dedication (New Tank)	Where no existing regional water storage is sufficient to serve the proposed development, an applicant will be required to construct and dedicate water storage sufficient to serve the needs of the development. See Treated Water Storage Dedication policy.	
Water Rights Dedication Review Deposit	\$1,950	
Water Rights Dedication Cash-in-lieu	\$78,084 per consumptive acre-foot of water	

- Anchored to the construction cost index, the rates above are increased 10% in 2025.

(Table 7: Other Fines and Fees)

2025 OTHER FINES AND FEES		
	2024	2025
Description	Fee/Fine	Fee/Fine
Backflow Program Noncompliance Fine	500 per violation/per month	500 per violation/per month
Fire Hydrant Meter Relocation Fee	200	200
Penalty Noncompliance Fee	150 per SFE /per month	150 per Multiplier /per month
Recording Fee	Actual Cost	Actual Cost
Meter Inspection & Re-inspection Fee	200	200
Returned Check or ACH Fee	50	50
Service and Inspection Calls	200	200
Service Turn-off fee for remodel or construction	100	200
Tampering and Unauthorized Use	5000 per violation	5000 per violation
Turn-off and Turn-on Fee for unpaid charges	175	200
Transfer of Service Fee	165	175
Account Reactivation Fee	125	125
New Connection Application Fee	175	250
Easement Encroachment Review	475	500
Variance Review	475	500
Development Approval Process	1,750	2,000
Infrastructure Acceptance Process	2,000	2,250
Delinquent Charge (CRS 29-1-1102)	5% on past due amount	5% on past due amount

(Table 8: Fund Balance Summary)

District Funds	WW Fund	Vail Water Fund
Beginning Balance	31,497,091	7,836,368
2024 Projection	1,864,293	1,443,107
2025 Projected Beginning Balance	33,361,384	9,279,475
2024 Carry Forward	(235,753)	(143,659)
2025 Contribution	3,198,860	1,855,335
2025 Projected End Balance	36,324,491	10,991,151

- The above carryforward value excludes projects funded by bond proceeds.
- Proposed fund balance target of 500 days of non-bonded expenses to strengthen financial health, safeguard against unforeseen economic events, and supplement future bonds.
- The projected Wastewater Fund balance of \$36,324,491 is \$4,806,036 below the 500-day target.
- The projected Water Fund balance of \$10,991,151 is \$31,422 above the target floor.

	Wastewater Fund	Vail Water Fund
Projected 2025 Fund Balance	36,324,491	10,991,151
Target (500 days cash on hand of non-bonded expenses)	41,130,527	10,959,729
Over/(Under)	(4,806,036)	31,422

Budget Overview

2024 Operational Expense Budget Forecast

The 2024 projected operating expenditures are \$32,074,980, exceeding the \$31,322,638 operating budget by \$752,342, or 2.4%. This variance is primarily due to emergency repairs and increased software and licensing costs, with server infrastructure software agreement costs growing significantly in 2024.

Note: Total expenditures include operations, outsourced services, housing, payroll, and benefits, and *exclude* any expenditures related to debt service or debt issuance.

2025 Operational Expense Budget Summary

The proposed 2025 operating budget is \$34,833,687, reflecting an increase of \$3,511,049 or 11.2% compared to the 2024 budget. The table below illustrates the proposed 2025 budget by department, in relation to the 2024 budget and projection. Narratives for each decision item in the 2025 operating budget are included as an attachment to this memorandum, and the decision items are included in the table below.

(Table 9: Department YOY Comparisons)

Department	2024 Budget	2024 Projection	2025 Proposed Budget	Proposed Budget to Proj. Var	YOY Budget Var	% Change
Administration	1,841,039	1,863,820	470,320	(1,393,500)	(1,370,719)	-74%
CIP	0	644,700	1,231,700	587,000	1,231,700	100%
Community Relations	77,220	46,570	955,700	909,130	878,480	1138%
Customer Service	983,855	1,017,400	1,031,500	14,100	47,645	5%
Field Ops	3,522,555	3,822,040	4,061,618	239,578	539,063	15%
Finance	1,363,527	1,312,750	1,555,700	242,950	192,173	14%
Housing	1,319,217	1,245,560	1,176,900	(68,660)	(142,317)	-11%
IT	3,853,328	4,582,080	4,744,975	162,895	891,647	23%
Lab	1,191,876	1,181,480	1,237,400	55,920	45,524	4%
Ops Tech	1,590,772	1,567,060	1,644,011	76,951	53,239	3%
People Ops	2,137,796	2,141,550	2,306,800	165,250	169,004	8%
Utility Services	3,481,554	3,526,570	3,597,600	71,030	116,046	3%
Wastewater	3,929,735	3,953,960	4,927,477	973,517	997,742	25%
Water	2,631,536	2,599,230	3,005,586	406,356	374,050	14%
Water Conservation	529,085	519,100	768,800	249,700	239,715	45%
Water Resources	2,869,543	2,051,110	2,117,600	66,490	(751,943)	-26%
Total	31,322,638	32,074,980	34,833,687	2,758,707	3,511,049	11.2%

Below are the notable changes from the 2024 Operating Budget to the proposed 2025 Operating Budget, including decision items and excluding debt service.

Administration

- Allocate administrative personnel services expenses to the departments overseen by the administrator.

CIP

- Break out CIP personnel services expenses from Water Resources.

Field Ops

- Includes \$100,203 for additional position decision item, and \$33,915 for On Call improvements.
- Increase \$125,000 for repairs of distribution system.
- Increase \$225,000 for field ups supplies to complete deferred maintenance.

Information Technology

- Increase of \$891,647 or 23% primarily driven by increased software and licensing
- Increase for distributed administration personnel services costs
- Decision Items: \$50,000 Outage Management System (OMS) Solution and \$126,000 for Truck Wi-Fi.

Finance

- Increase for distributed administration personnel services costs

People Ops

- Increase of \$169,004 or 8% for property and liability insurance, PPE, and consulting expenses.
- Wellness benefit increase from \$650/Year to \$700/Year with 125 employees participating in the program. Increase of \$24,840 or 40%.
- Increase for distributed administration personnel services costs

Wastewater

- Increase of \$997,742 or 25% for buildings and grounds maintenance, chemical process increases, utilities, and personnel services.

Upper Eagle Regional Water Authority Operations Agreement

The Authority has contracted with the District to operate and maintain the water treatment plants in Avon and Edwards, the Berry Creek and Cordillera wells, the water distribution system, and to provide support services including accounting and billing, customer service, engineering, and other administrative activities such as board support and staff management. The Operations Agreement covers time, administrative costs, and office equipment and supplies associated with supporting the Authority's operations.

The Authority is billed monthly by the District based on an annually budgeted amount. The projected need for 2024 is \$9,378,792. The proposed budget is designed to cover expenses under the Operating Agreement, ensuring these costs are covered by rates rather than drawing from the fund balance.

At the end of the fiscal year, true ups are conducted, and the Authority pays any outstanding balance. Within the total budget package, there is a \$10,170,835 operations agreement request for 2025. This represents an 8% increase over 2024 due to increased operational costs.

Routine operations overhead include office and operations facilities, supplies, and management overhead. These components are generally allocated between the Authority and the District based on payroll allocation percentages. Personnel expenditures are estimated based on the District staff's time spent on Authority operations.

For historical perspective, the below illustrates the actual costs related to the Operations Agreement since 2014.

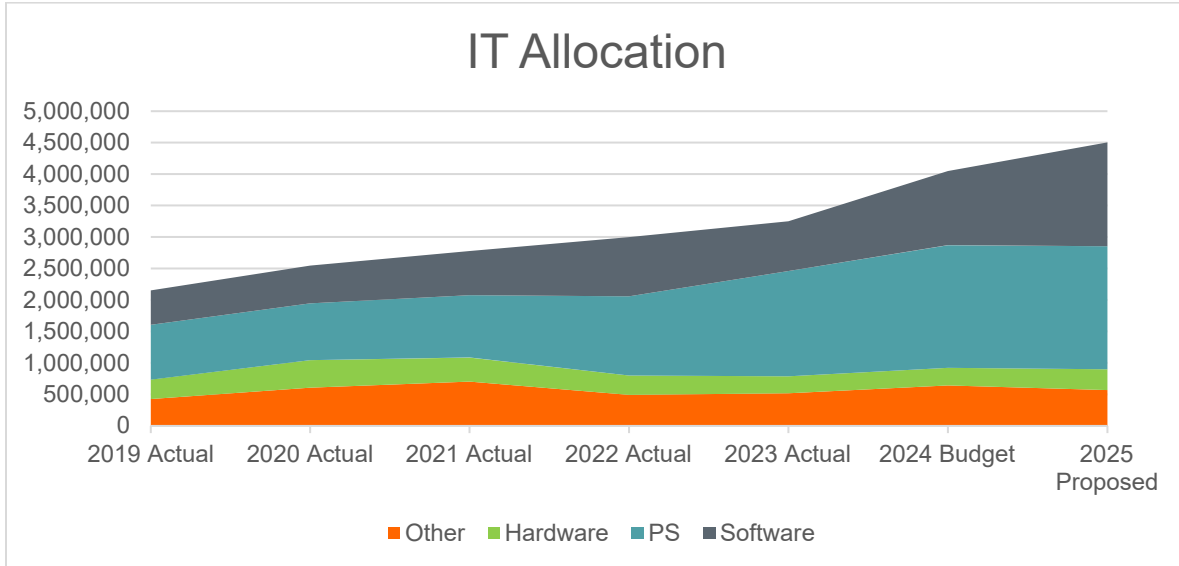
(Table 10: UERWA Operating Agreement Historical Actuals)

	2017	2018	2019	2020	2021	2022	2023	2024
Budget	4,076,066	4,080,000	4,100,000	4,700,000	4,700,000	6,750,000	7,425,000	8,481,648
Actual	4,914,771	4,961,104	4,959,745	6,555,621	7,539,684	8,434,768	8,664,921	9,378,792
Fund Impact	-838,705	-881,104	-859,745	1,855,621	2,839,684	1,684,768	1,239,921	-897,144

*2025 increases are primarily driven by CIP, Information Technology, and Field Operations. From 2017 – 2024 the UERWA fund balance has been absorbing the overages in the budget and actuals from the Operating Agreement totaling \$11,096,692.

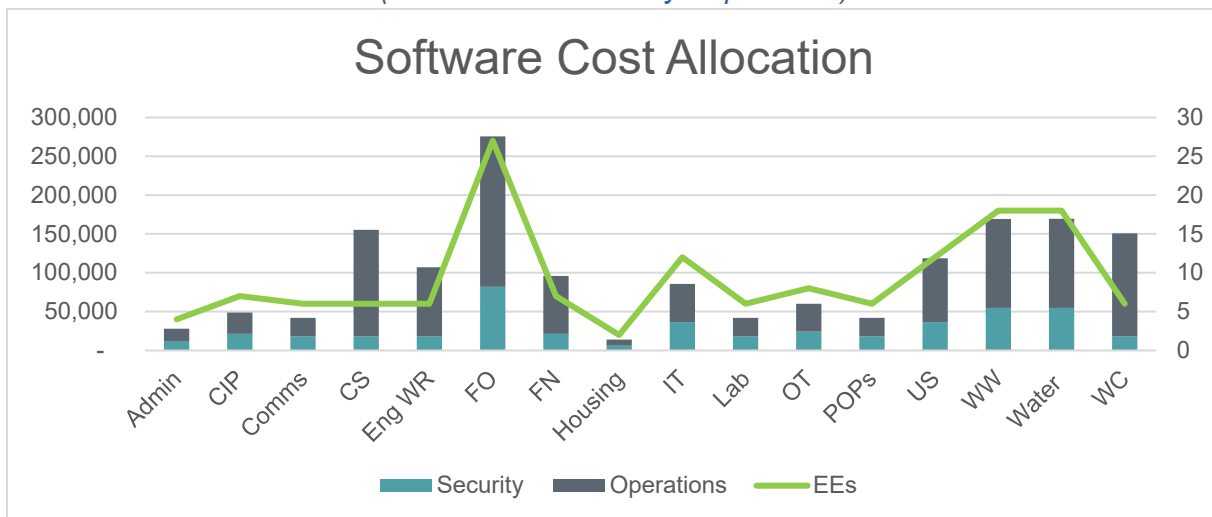
Information Technology Budget

(IT Growth by Category)



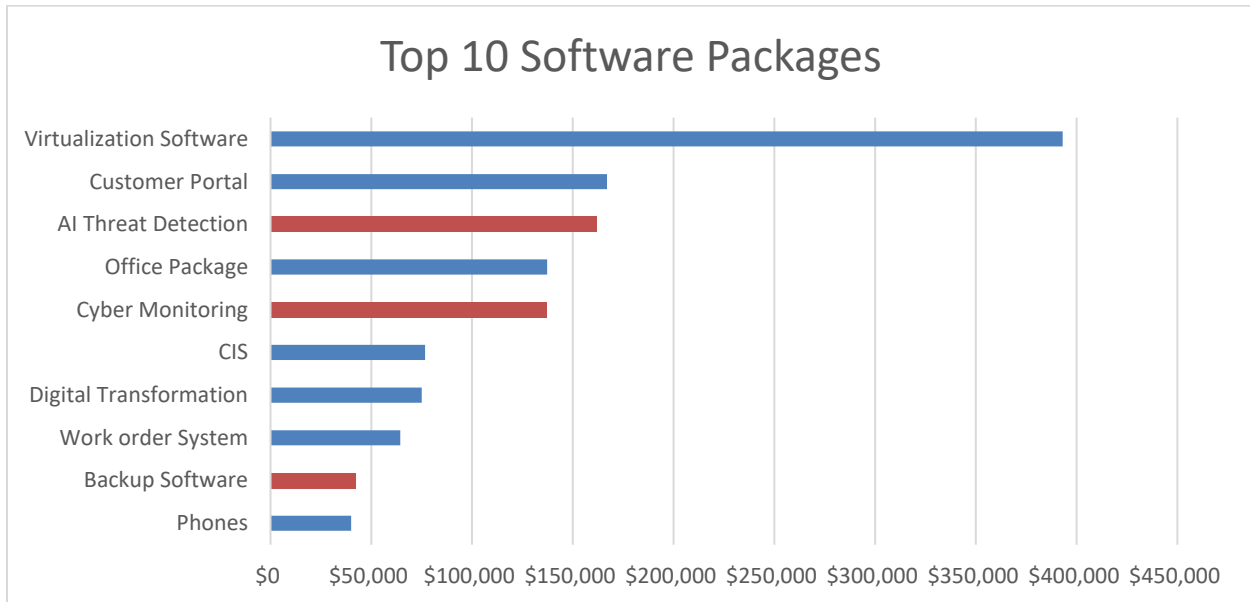
The IT budget is made up by 37% software, 43% personnel services, 7% hardware, and 13% other overhead expenses. The growth in software expenses related to IT infrastructure is the primary driver.

(Software Allocation by Department)



Software expenses are managed by the IT department but are allocated to individual departments based on usage. The graph above illustrates the distribution of these expenses across departments and their respective consumption levels. 32% of software expenses are allocated to security services, highlighting a strong emphasis on cybersecurity.

(Top 10 Software Packages by Expense: Confidential – Redacted specifics)



Software packages that form the IT infrastructure, particularly the server environment, represent the largest expense and are the main driver of cost growth due to rising service costs. Total investments in security equate to \$458,060 annually, or 13% of the overall IT budget.

Overall Payroll, and Benefits

The proposed 2025 budget includes 2 additional full-time employees (FTEs), bringing the total number of full-time positions within the District to 147. The budgetary impact of these FTE additions amounts to \$291,623. In a collaborative effort across departments, a strategy has been developed to focus on maintaining compensation levels through cost-of-living adjustments, merit increases, annual salary surveys, and compression analysis. The proposed overall payroll and benefits increase is \$1,486,235.

- Field Operator- Full Time
- Project Manager II-Full time
- 4% Cost of Living Adjustment
- 2.4% Merit Increase
- Wellness Benefit Increase
- On Call Improvements

(Table 11: PS Decision Items)

Request	FTE	Operating	Capital	Total
Field Operations – Field Operator	1	97,203	3,000	100,203
Operations – Project Manager II	1	188,420	3,000	191,420
Cost of Living Adjustment		643,030		643,030
Merit Increase		385,818		385,818
Wellness Benefit Increase		22,500		22,500
On Call Improvements		143,264		143,264
Total	2	1,480,235	6,000	1,486,235

Health and other benefit costs are projected to increase by 5%. It is proposed that the District share the increased health costs with employees, with a 4.25% budget increase and 0.75% distributed to employees. Total costs for health, dental, vision, and life insurance are estimated to increase from \$3,521,505 to \$3,697,580, an increase of \$176,075.

Total District personnel costs (salaries and benefits) for 2025 are budgeted at \$21,371,923, representing an increase of \$1,949,923 from the 2024 projection, or 10%. Of this increase, \$1,486,235 is allocated to FTE decision items (including 2 new FTEs), the COLA/merit package, on-call improvements, and the wellness benefit increase.

Capital Budget Overview

Summary

The total proposed capital, CRP, and bond projects budget for 2025 is \$18,919,000 (including decision items). This includes \$12,355,200 for Wastewater projects and \$6,563,800 for Vail Water projects. The table below lists the major capital projects included in the budget. A detailed 10-year plan and project narratives are attached.

(Table 12: Major Capital Projects)

Fund Type	Project Name	2025 Budget	Total Project Budget
WW Bond Project	Minturn Siphon Project	\$1,100,000	\$1,650,000
W Bond Project	Main Gore Place Waterline Improvement	\$1,100,000	\$1,248,001
W Bond Project	Booth Falls Emergency Power	\$1,850,000	\$2,050,000
WW Bond Project	EWWTf Nutrient Upgrades	\$7,665,159	\$93,500,000
W Bond Project	Vail Tank 4 Rehabilitation (Cap Water)	\$2,000,000	\$2,150,000

In addition to the 2025 funding requests, the total proposed appropriation includes projected carryforwards for unspent project budgets in 2024. Despite efforts to accurately forecast project timing, rollovers and returned funds can occur for various reasons. The major

components of projected carryforwards and returned funds are detailed below. The total carryforward is estimated to be \$2,906,986 comprised of \$2,632,925 from Wastewater projects and \$274,061 from Vail Water projects.

(Table 13: 2024 to 2025 Budget Carryforward Summary)

Fund Type	Department	Project Name	Est. Carryforward
WW Bond Project	Wastewater	EWWTf Nutrient Upgrades	1,108,267
WW Bond Project	Field Ops	Cascade Sewer Main Project	550,000
WW Bond Project	Field Ops	Minturn Siphon Project	415,184
WW Bond Project	Field Ops	Dowd Junction Collection System Improve.	248,530
WW Capital	Wastewater	EWWTf Centrifuge	135,000
Capital	Water	Water Treatment Master Plan-	91,598
WW Bond Project	Wastewater	VWWTf Master Plan Capital Improvements	75,191
Capital	Lab	ICP-MS Lab Equipment	53,302
W Bond Project	Water	Vail Tank 4 Rehabilitation (Cap Water)	50,000
W Bond Project	Ops Tech	Booth Falls Emergency Power	42,174
W Bond Project	Field Ops	Main Gore Place Waterline Improvement	38,228
Capital	IT	Dowd Junction Communication Tower	35,000
Capital	Water	West Vail Flow Control Improvements	25,061
Capital	Water	Water System Emergency Power	20,000
CRP	Wastewater	EWWTf Biofilter Media Replacement	19,451
		Total	2,906,986

(Table 14: 2024 Estimated Returned to Funds Summary)

Fund Type	Department	Project Name	Est. Return to Fund
WW Bond Project	Field Ops	Dowd Junction Collection System Improve.	250,000
WW Bond Project	Wastewater	AWWTf Nutrient Upgrades	107,890
Capital	Wastewater	EWWTf GT and SC Coatings	100,000
Capital	Engineering	Greenhouse Gas Inventory	100,000
Capital	Field Ops	Hillcrest Field Operations Facility	98,675
CRP	Utility Services	Building Remodels or Major Repairs	73,706
CRP	Water	Distribution Industrial Painting	50,000
CRP	Water	Water Storage Tank Misc. Improvements	32,873
CRP	Utility Services	Asphalt Seal & Stripe	25,000
Capital	Water	Water System Emergency Power	23,889
CRP	Wastewater	AWWTf Plant Repairs	7,716
CRP	Engineering	GIS Improvements	1,500
CRP	Utility Services	Heavy Equipment	761
		Total	872,009

The total returned funds are estimated to be \$872,008 comprised of \$357,890 from Wastewater Bond projects, \$407,358 from Wastewater projects, and \$106,762 from Vail Water projects.

Debt Service

The District issued \$47 million in wastewater revenue bonds in 2023 to complete the Avon Wastewater Treatment Facility and fund three years of major wastewater projects. The current wastewater master plan and the 10-year capital improvement plan projects the need to issue \$76 million in wastewater bonds in 2026 to fund major wastewater projects including the Edwards Wastewater Treatment Facility. Nutrient standards require the EWWTF to be completed by 2029. The Vail Water Subdistrict plans to issue \$15MM in revenue bonds in the fourth quarter of 2024. The funds will be used to advance the Bolts Lake project to 30% design and initiate the Federal National Environmental Policy Act (NEPA) process, replace water mains, provide emergency power backup, rehabilitate a water storage tank, and replace a well. The estimated monthly debt service rate for Individually Metered customers is \$8.49 per SFE. For Commercial, Mixed Use & Multi-Family the estimated debt service rate is \$12.10 per Multiplier, both of which are included in the 2025 rate package.

(Table 15: Wastewater Bond Fund Projections)

Bond Funds	Wastewater Bond	Funding Strategies – GO Bond	Funding Strategies – Revenue Bond
Beginning Balance	20,319,808		
2025 Projected Beginning Balance	11,662,331		
2024 Carryforward into 2025	2,397,172		
2025 Budget	9,265,159		
Current Bond Window End Balance	0		
Bond Window 1 (2028-2030)	76,000,000*	~1.097 Mills - \$73.51 (\$1M Home)	~\$39.21/Multiplier/Month
2026 Budget	18,000,000		
2027 Budget	29,000,000		
2028 Budget	29,000,000		

(Table 16: Vail Water Bond Fund Projections)

Bond Funds	Vail Water Bond	Funding Strategies – Revenue Bond
Beginning Balance	(2,618,933)	
2025 Projected Beginning Balance	11,695,213	
2024 Carryforward into 2025	130,402	
2025 Budget	5,806,250	
2026 Budget	2,381,250	
2027 Budget	3,377,311	
Current Bond Window End Balance	0	
Bond Window 1 (2028-2030)	18,043,750*	~\$10.28/Multiplier/Month
2028 Budget	743,750	
2029 Budget	7,268,750	
2030 Budget	10,031,250	

*Current estimate. Projects will be drafted for board review prior to a proposed bond resolution.

Housing Enterprise Fund

The Housing Fund, treated as an enterprise fund, is derived from the Wastewater fund balance. This fund includes rental revenue from the housing program, property sales, and costs related to maintenance, upkeep, capital improvements, and HOA fees. The Housing Program’s net income and housing metrics are provided quarterly to the board. Projections for the Housing enterprise fund are outlined below

(Table 16: Housing Fund Projections)

Detail	2024	2025*	2026*	2027*
Beginning Balance	382,910	979,506	1,258,100	1,530,536
Projected Revenue	1,172,060	1,133,894	1,213,266	1,298,195
Projected Expense	575,464	855,300	940,830	1,034,913
Projected Net Income (Loss)	596,596*	278,594	272,436	263,282
Projected End Balance	979,506	1,258,100	1,530,536	1,793,818
Target Floor (500 Days Cash on Hand)	788,307	1,171,644	1,288,808	1,417,689
Target Ceiling (600 Days Cash on Hand)	945,968	1,405,973	1,546,570	1,701,227
Over/(Under) Floor	191,199	86,456	241,728	376,129

*2025 Expenses include Personnel Services to include a full picture of the Housing Program.

Overall revenue increase summary:

- **\$250,000** added to the budget to build the fund balance for housing purchases.
- EHOP paybacks projected to be paid back in 2024
- Total revenue decreased due to the termination of high-cost master leases.
- **7% rate increases** based on an analysis of the affordable housing market.

*2025 Expenses include Personnel Services to include a full picture of the Housing Program.

The targeted housing fund balance aligns with the policies of Wastewater and Vail Water funds, set to cover 500 days of expenses.

Consumer Price-Index

Previous budget cycles included a memo documenting the Consumer Price Index (CPI) values and their impacts. The CPI measures the average change over time in the prices paid by urban consumers for a market basket of goods and services, with indexes available for the U.S. and various regions. While informative, the Denver-Aurora-Lakewood CPI metrics are less representative of the high mountain areas. Moving forward, the Bureau of Labor Statistics' Mountain-Plains data will be used as a more accurate reference. The annual increase from June 2023 to June 2024 is 3.3%.

Decision Items

(Table 18: Decision Items)

Department	Type	Description	FTE	Operating	Capital	2025 Total
POP's	Operating	2.4 % Merit/Pay for Performance		385,818		385,818
POP's	Operating	4% COLA		643,030		643,030
POP's	Operating	Wellness Benefit		22,500		22,500
POP's	Operating	On Call Improvements		143,264		143,264
IT	Capital	OMS Solution			50,000	50,000
IT	Capital	Truck WIFI			126,500	126,500
Field Ops	Capital	Field Operator	1	97,203	3,000	100,203
Field Ops	Capital	Jetting Truck			400,000	400,000
Field Ops	Capital	CCTV Truck Upgrades			150,000	150,000
Field Ops	Capital	Sewer Interceptor Rehabilitation			250,000	250,000
Field Ops	Capital	Fire Hydrant System Valves Inspections			100,000	100,000
Field Ops	Capital	Sewer Aerial Crossing Improvements			100,000	100,000
Utility Services	Capital	Specialty Snow Removal Equipment			120,000	120,000
Utility Services	Capital	Vehicle Lift			40,000	40,000
Water	Capital	Analyzer Replacement Allowance			25,000	25,000
Operations	Capital	Project Manager II	1	188,420	3,000	191,420
Operations	Capital	Emergency Preparedness			25,000	25,000
Total			2	1,505,235	1,367,500	2,872,735

Decision Items Details

**1. Name of Request: Merit & COLA Increases
Department: People Operations**

Problem or Opportunity:

The opportunity is to uphold the District’s values and mission of supporting its employees by proposing a 2.4% merit increase and a 4% cost-of-living adjustment (COLA). Merit pay, or pay-for-performance, refers to a raise based on specific criteria set by the employer, typically following a performance review. A COLA is an adjustment to salaries based on the rising costs of goods and services, ensuring employee compensation remains aligned with inflation.

The total request for pay for performance and cost of living adjustment (COLA) is a budgeted 4%. This amount is the data shown in the Bureau of Labor Statistics for September 2024. Using quarter 3 data will aid in more accurate numbers going forward on a year over year basis given the budget timelines of the District. Merit pay is budgets at 2.4% and is based on performance. These budgeted numbers total \$1,028,848 for active employees that have started prior to September 1st of each year.

Consequences of Problem:

The consequences of not implementing these adjustments include increased employee turnover, a workforce that feels underappreciated and undervalued, and a widening gap between our compensation rates and the market. This could lead to difficulties in retaining talent and maintaining a competitive pay structure.

Proposed Solution:

The solution is a design tweak from prior years where a 3% budgeted merit would be assessed. This effectively states there is an amount in total set aside for merit increases. Pay for performance is a great way to incentivize top performers. With this our system historically has been monthly review scales of 1-5 with the average score around 4, and due to this the budgets amount is 2.4%. The average score of the total monthly reviews performed is then the weighted score. In addition to this, the adjustment for COLA is added to the strategies to keep up with rising costs and wages over time.

Costs:

Source: Operating

Costs	2025
2.4% Merit/Pay for Performance	385,818
4% Cost of Living Adjustment (COLA)	643,030
Totals	1,028,848

2. Name of Request: On-Call Earnings Adjustment
Department: People Operations

Problem or Opportunity:

We have received a large amount of feedback from employees and leaders in recent focus groups and stay interviews about how current on-call pay does not incentivize folks to work on-call, given how drastically on-call work changes their lives (ex: cannot leave the area and cannot participate in outdoor activities or anything outside of cell reception). Employees may be required to be on-call anywhere from a few weeks up to 3 months (or 13 weeks) during the year. Through a market analysis of water utilities and similar organizations, it is clear that we have fallen behind the market in how we compensate on-call work.

Currently, it is difficult to fill on-call shifts, especially holiday shifts, and much time and effort is devoted to ensuring the on-call rotation is filled. There would be less of a “battle” to fill on-call shifts if there was more incentive to be on-call. There is an opportunity to right size the effect of on-call on employees’ lives with on-call earnings, to better meet our operational needs.

Consequences of Problem:

The demands of on-call work outweigh the benefits, and we have seen that in our market analysis and heard that feedback from employees. As a result, employees may seek other positions with higher pay or no on-call requirements, taking their expertise with them to other organizations. This loss of knowledge could negatively impact our ability to respond effectively to emergencies, which is the primary reason for call outs. Not being able to effectively respond to emergencies would also affect our customers.

Additionally, any turnover related to on-call duty would also have a negative effect on various operations teams by leaving them understaffed and putting a strain on current team members. It takes 6 months or more to train a new employee to be proficient enough to serve in an on-call capacity, putting additional strain on current employees to fill shifts, should more experienced workers leave. There would also be the additional cost of more recruiting, as well as time spent on the recruitment process (taking hiring managers away from their daily work and straining the recruitment team).

Proposed Solution:

Type of Pay	Current Pay	Proposed Pay
On-Call	One (1) hour of straight pay.	Two (2) hours of straight pay.
On-Call Premium	1.5 hours of straight pay. 8 hours of straight holiday pay. Holiday pay does not count towards OT.	4 hours of straight pay. 8 hours of straight holiday pay. Holiday pay counts towards OT.

This solution increases on-call compensation year-round. Additionally, it focuses on incentivizing on-call during holidays, filling those difficult holiday shifts that cause issues for our leaders. The ability to incur additional overtime during holidays also ensures the employee is compensated properly when they are on-call during these times of the year, as they must be prepared to work at any time of the day – when most workers are usually enjoying their family and free time. On-call is a requirement for the job, so these changes will ensure the employee is properly compensated in alignment with the effect on their life, the work, and current market pay.

Costs:

Source: Operating

Costs	2025	2026	2027
ONC Earnings	104,717	111,519	118,764
OCP Earnings	10,964	11,676	12,435
Overtime Earnings	27,583	29,375	31,283
Totals:	143,264	152,570	162,481

3. Name of Request: Outage Management System

Department: IT

Problem or Opportunity:

When water outages occur, we currently notify affected customers by placing hangers on doors. We do not currently have an outage management system, and it is cumbersome to notify our customers of planned or unplanned outages. This results in high call volumes to our water conservation staff. Our current method of notifying customers of outages is inefficient and dated. Implementing an outage management system or OMS would address this problem and allow better customer satisfaction by enhancing our communication to the customer in the event of planned or unplanned outages. It would also reduce labor and materials to communicate these outages.

Consequences of Problem:

Without an OMS system we rely on the existing manual methods of outage notifications which increases operational costs and decreases customer satisfaction.

Proposed Solution:

Implement an OMS with API functionality to GIS and CIS. This will enable our field crews to specify the affected section of pipe, which will then automatically pull the customers in the affected region from CIS and use SMS (text message) and email to notify the customer of the outage and time to resolution. This can be used for both planned and unplanned outages. The outage map will also appear on our externally facing website which further reduces the number of calls to the water conservation team. Additionally, customers can report problems and outages to the District via SMS which streamlines the customer experience.

*Costs:***Source: Capital and Operating**

Costs	2025	2026	2027
Capital - One time cost	50,000		
Operating – Annual cost		15,000	15,000
Totals:	50,000	15,000	15,000

4. Name of Request: Truck Wi-Fi
Department: IT

Problem or Opportunity:

Our field crews depend heavily on Cityworks and GIS for effective fieldwork and emergency response. However, the Vail Valley poses significant challenges due to limited or non-existent cell service in many areas. Reliable connectivity to asset databases and location information is crucial for both daily operations and emergency situations. Addressing these connectivity issues is essential to ensure that our teams can access the necessary data to perform their tasks efficiently and respond promptly to emergencies. Field operations crews face significant connectivity issues throughout the valley, impacting their ability to perform tasks effectively. The lack of cell reception in many areas prevents crews from making phone calls, including during emergency call outs. Implementing new mobile satellite technologies can address this problem by enabling the broadcast of ERWSD Wi-Fi in select district vehicles. This will facilitate connectivity and Wi-Fi calling even in areas with minimal or no cell reception, enhancing operational efficiency and communication.

Consequences of Problem:

In areas with poor or no cell service, our field crews face challenges accessing critical databases and GIS systems, which impedes their response during emergencies. Furthermore, the lack of reliable communication can prevent crews from contacting emergency services, creating significant safety risks. Ensuring connectivity to these essential systems and improving communication capabilities are crucial for effective emergency response and overall operational efficiencies.

Proposed Solution:

Advancements in satellite technology now enable the installation of mobile satellites on Field Operations trucks, providing essential connectivity. This upgrade will facilitate emergency phone calls, communication with key District personnel, and enhanced use of asset management systems in areas with poor or no cell service. The additional equipment will address connectivity issues and ensure effective operation during critical situations.

Costs:

Source: Capital and Operating

Costs	2025	2026	2027
Capital - One time cost	57,500		
Operating – Annual cost	69,000	69,000	69,000
Totals:	126,500	69,000	69,000

5. Name of Request: Field Operations Full Time Operator Addition
Department: Field Operations

Problem or Opportunity:

In 2024 Field Operations promoted one full time operator to meet immediate need for third supervisor. That reduced number of full-time operators to 17 in our team. Although new supervisor position met our immediate need, we are struggling to keep up with our *maintenance* goals. Furthermore, one less operator is putting strain on operators as they must rotate more often in on-call schedule. As Field Ops is planning to purchase additional equipment for our programs (jetting truck and CCTV van upgrades), we would like to hire, and train operators to be ready for execution of those programs. We are ready for this addition at supervisor level too, as one of our supervisors has one less direct report than other two.

Consequences of Problem:

Field Ops is working towards staff levels that will allow us to execute programs in the most efficient way. We are struggling to keep up with *maintenance* goals, yet we are at risk of not being able to man our other programs. This addition will allow us to prepare our team to be able to meet both of those goals.

Proposed Solution:

Hiring Field Ops 18th operator would fulfill our team strategy of three teams, each consisting of supervisor, lead and 5 operators. It would also allow us to train and build up specialized programs teams before we get new equipment and expand those programs. With this addition we should be able to reach strategic goal of well balanced, experienced team that can raise to any task, and that can utilize equipment efficiently.

Costs:

Source: Operating

Costs	2024	2025	2026
Salary and Benefits	94,603	100,718	103,174
Supplies	500	500	500
Telephone/Computer/Software	2,100	1,500	1,500
Other (Computer, initial desk, furniture)	3,000		
Totals:	100,203	102,718	104,174

6. Name of Request: Recycling Jetting Truck
Department: Field Operations

Problem or Opportunity:

At present Field Ops is using jetting/vacuum truck to high water pressure jet 1/5th of the collection system. We find out that 5-year cycle of high-water pressure jetting is too far apart. We are finding FOG deposits that are border line with the blockage after 5 years.

Our existing equipment is using clean water and multiple refilling is needed. Any maintenance or repair of equipment downtime is stopping the program.

Consequences of Problem:

Sewer main blockage risk and consequential SSO risk.

Proposed Solution:

Plan and commit to purchase second high-water pressure jetting truck. Equipment with recycling wastewater capability become available couple of years ago. New equipment will be able to vacuum sewer, filter it, and then use filtered water for high-water pressure jetting. That eliminates need for refilling clean water, reduces water waste, increases productivity, and reduces addition of water into collection system. Furthermore, this equipment will be able to help us with excavation dewatering as it has capability to do so. Second piece of equipment will reduce downtime. As this equipment is capable of better cleaning sewer interconnect large diameter pipes, it will help us maintain sewer interconnect better.

Field Operations request to add full-time position to our team is also necessary to man this new equipment in the future. All above should allow us to reach 3-year cleaning cycle and improve our sewer interconnect maintenance.

Lead time for this equipment is 18 months, hence commitment to this program purchase will allows us to order it and get it delivered and operational by 2026. Costs:

Source: Capital

Costs	2025	2026	2027	2028
Capital- Truck purchase	400,000			
Totals:	400,000			

7. Name of Request: CCTV Truck Upgrades
Department: Field Operations

Problem or Opportunity:

Our existing CCTV equipment is outdated and is lacking some capabilities of modern equipment. Due to the lack of capabilities, we cannot perform all of the tasks we need, and we have to subcontract this work to contractor. Biggest lack of capability that we are trying to solve is later launch capability. Lateral launch will allow us to launch camera into the sewer service line from the sewer main. That will allow us to see state of the sewer service and if needed prove that issue is in service line rather than in main. New equipment is lighter, more reliable, interchangeable with push camera, and easier to repair.

Consequences of Problem:

CCTV inspection is important part of system maintenance, and planning for repairs. Lack of capabilities results in missing issues that can cause SSO's.

Proposed Solution:

Multiyear upgrade and improvements to the CCTV equipment will allow us to self-perform CCTV inspection, and hence save money on paying subcontractor in the future. New equipment will make process more efficient and will help us find issues faster and easier. Other ERWSD department rely on our CCTV equipment too and will help water and wastewater department find issues in on their assets easier. Field Operations request to add full-time position to our team is also necessary to man this new equipment in the future.

Costs:

Source: Capital

Costs	2025	2026	2027	2028
Capital	150,000	100,000		
Totals:	150,000	100,000		

8. Name of Request: Collection Interceptor Rehabilitation
Department: Field Operations

Problem or Opportunity:

In 2024 we found structural and root intrusion issues in interconnect sewer main, and we are working on repair some of them. Those spot repairs and improvements are temporary solution. Our interconnect sewer main between VWWTF, AWWTF, and EWWTF is in asset that is aging and will need maintenance and improvements in the future years.

Opportunity is to build a proactive maintenance program that will improve section of it each year, and hence be ahead of major issues.

Consequences of Problem:

This program intention is to prevent major issues with sewer interconnect and hence prevent SSO. Large section of sewer interconnect is near the Gore Creek or Eagle River and SSO will result in major ecological emergency. Furthermore, the same rivers are source of water for our WTF, hence it can impact our production capacity dramatically.

Proposed Solution:

Planning budget for this program will help us to make improvements that will help us being ahead of major issues, and hence prevent SSO.

Costs:

Source: Capital

Costs	2025	2026	2027
Capital	250,000	250,000	250,000
Totals:	250,000	250,000	250,000

**9. Name of Request: Fire Hydrant System Valves Inspections
Department: Field Operations**

Problem or Opportunity:

Field Operations currently is unable to meet maintenance goals related to fire hydrant and system valves due to the demands of emergency repairs and other departmental requirements.

Consequences of Problem:

Field Operations is unable to meet maintenance goals.

Proposed Solution:

A specialized inspection subcontractor, working within our CMMS system and alongside our team, is expected to achieve maintenance goals within one summer.

Costs:

Source: Capital

Costs	2025
Capital	100,000
Totals:	100,000

10. Name of Request: Sewer Aerial Crossing Improvements
Department: Field Operations

Problem or Opportunity:

Aerial crossings are high risk, aging assets with a high consequence of failure. Seasonal runoff flows impact the pipes and are a public safety hazard for river users. Many likely have scoured abutments and a lack of foundations.

A high-level engineering analysis is needed to assess locations, elevations relative to the floodplain, flows, likelihood and consequence of failure, and inform future strategy with respect to rehab/replacement.

Consequences of Problem:

Continued risk of failure of aerial crossings could deposit wastewater into Gore Creek and/or inundate the wastewater collection system with clean water, potentially causing a downstream sanitary sewer overflow (SSO).

Proposed Solution:

An engineering analysis is the first step to addressing the capital needs. It will include a high-level alternatives analysis with risk, costs, and grant funding potential. The 2026 budget cycle will likely involve design and construction of the selected improvements based on this study.

Costs:

Source: Capital

Costs	2025
Capital	100,000
Totals:	100,000

11. Name of Request: Snow Removal Vehicle
Department: Utility Services

Problem or Opportunity:

In 2021, the Fleet and Facilities team assumed responsibility for snow removal at the Vail Admin building, a task previously outsourced to a contractor by the District. Since then, the team has extended its snow removal services to include several other district facilities, such as the Vail water production facilities and the Avon Wastewater Treatment Plant (AWWTP). While staff have been utilizing existing equipment and trucks to manage this additional workload, there is a clear need to acquire specialized equipment designed for this purpose. The Bobcat Toolcat is an ideal piece of equipment that will enhance staff safety and efficiency. This will also be utilized by many different departments, reducing the need for additional equipment.

Consequences of Problem:

Failure to purchase this equipment could result in decreased operational efficiency and higher long-term maintenance costs due to the continued use of inadequate equipment

Proposed Solution:

The proposed solution is to acquire specialized snow removal equipment (Bobcat – Toolcat) that will enable staff to perform their duties safely and efficiently

Costs:

Source: Capital

Costs	2025
Snow Removal Vehicle	120,000
Totals:	120,000

12. Name of Request: Vehicle Lift
Department: Utility Services

Problem or Opportunity:

The proposed vehicle lift, with a 30,000-lb capacity, is both appropriately sized and operationally safe for servicing all vehicles in the District fleet. The current lift, a 2-post model with a capacity of 10,000-lb, is insufficient for some of our specialized heavy-duty service trucks. As a result, these vehicles cannot be serviced by District staff due to the risk of exceeding the lift’s capacity. Currently, they must be serviced by the town of Avon, incurring significantly higher costs and longer repair turnaround times. The existing 2-post lift will be relocated to another area in the workshop to be used on lighter duty service vehicles, thus allowing multiple vehicles to be serviced at once which increases staff productivity and efficiency.

Consequences of Problem:

The District will continue to face several operational and financial challenges. The current lift, with its 10,000-lb capacity, will remain inadequate for servicing the heavier vehicles within the fleet. This limitation will require the continued outsourcing of these services to the town of Avon, resulting in ongoing higher costs and extended repair turnaround times. The opportunity to increase productivity and efficiency by relocating the existing lift for lighter-duty vehicles will be lost, further straining the District’s maintenance operations. Ultimately, the District's ability to maintain its fleet in a timely and cost-effective manner will be impacted. The new lift will also eliminate the safety risks to staff.

Proposed Solution:

The proposed solution is to procure the new 4-post vehicle lift and relocate the existing 2-post list, giving us the ability to safely service all size vehicles. It also gives us the ability to efficiently utilize two individual lifts, allowing staff to be more productive.

Costs:

Source: Capital

Costs	2025
Purchase of a new 4-post WHIP vehicle lift	40,000
Totals:	40,000

**13. Name of Request: ERWSD Analyzer Replacement Allowance
Department: Water**

Problem or Opportunity:

Analyzers and instrumentation purchased for the District system are currently budgeted and tracked through the general facility CRP equipment repair account, while the Authority has a dedicated analyzer replacement CRP budget. Establishing a dedicated District analyzer replacement budget line item will standardize procurement, budgeting, and tracking processes across both systems. Since aging equipment requires replacement every 5-10 years, this fund will ensure consistent upkeep and replacement planning.

Consequences of Problem:

Inefficient Tracking and Procurement

Proposed Solution:

Purchase analyzers under a dedicated CRP line for accurate budgeting and tracking.

Costs:

Source: Capital

Costs	2025	2026	2027
Analyzer Instrumentation	25,000	25,000	25,000
Totals:	25,000	25,000	25,000

14. Name of Request: FTE Project Manager II
Department: Operations

Problem or Opportunity:

The operations management team does not have capacity to effectively manage complex, time-consuming and coordination-heavy projects. This has resulted in excessive workload and fatigue for the leadership team, unnecessary project inefficiencies, equipment and safety risk, and overall program stagnation.

Consequences of Problem:

The lack of project management support staff has resulted in excessive workload and fatigue across the leadership team. There is a significant risk of burnout and turnover. Furthermore, many important projects have been delayed or indefinitely deferred. Projects that have been executed have not been well-coordinated and were plagued with unnecessary inefficiency, equipment damage, and safety-related issues. The lack of project management support staff has also forced the operations management team into a reactionary posture. Department managers simply do not have the capacity to work on proactive and strategic-level goals when they are continually forced to react to and resolve emergency incidents. As a result, the operations department leadership team has struggled to make progress with its highest priority visionary objectives centered around staff capacity development, operational consistency, program documentation, training programs, and long-term strategic planning.

Proposed Solution:

The requested position will assume project management responsibilities that are currently performed by operations department managers. The position be responsible for managing complex operational projects and programs across the entire operations department. Specifically, the position will manage large repair and maintenance project that require external contractor coordination and cross-departmental. Major projects for 2025 include: sewer collection interceptor characterization and rehabilitation, sewer manhole rehabilitation and replacement, water distribution system infrastructure replacement, electrical MCC cleaning, and major equipment replacement at the drinking and wastewater treatment facilities. The position will also assist with coordination and oversight of emergency repair projects including water main breaks, sanitary sewer surcharge incidents, spill response, and equipment failures. Finally, the position will assist managers with high-level coordination tasks including master planning, capital project planning, budgetary planning, water quality planning, training plan development, and operation and maintenance (O&M) plan development.

Costs:

Source: Operating

Costs	2024	2025	2026
Salary and Benefits	185,820	190,465	195,111
Supplies	500	500	500
Telephone/Computer/Software	2,100	1,500	1,500
Other (Computer, initial desk, furniture)	3,000		
Totals:	191,420	192,465	197,111

15. Name of Request: Safety Emergency Preparedness

Department: Operations

Problem or Opportunity:

Funds have not been specifically budgeted in previous years for emergency preparedness-related studies, improvements projects, and equipment. The lack of specific line items in the budget has created two primary problems: 1) a lack of funding to complete critical emergency preparedness projects such as those identified in the Risk and Resiliency Analysis (RRA) and 2) unnecessary administrative and accounting challenges because funds for emergency preparedness-related work must be identified and transferred from various O&M accounts across participating departments.

Consequences of Problem:

- Continued lack of funding for critical emergency preparedness programs, projects, and equipment.
- Continued unnecessary administrative and accounting inefficiencies with budget transfers from other O&M accounts.
- Emergency Preparedness Program

Proposed Solution:

Create line items in the annual O&M budgets for an emergency preparedness program. The funds will be used for planning, special studies, improvements projects, and equipment. Line items will be created in the Water, Wastewater, and Field Operations department O&M budgets.

Costs:

Source: Operating

Costs	2025	2026	2027
Emergency Preparedness Budget	25,000	25,000	25,000
Totals:	25,000	25,000	25,000

Appendix A: 10-Year Capital Plan

Appendix B: Capital Project Narratives

Appendix C: Line-Item Detail

Appendix D: River District Funding Consideration Letter

Appendix E: Organizational Chart

Appendix A: 10-Year Capital Plan

Wastewater															
Account/Project Name	Departments	Project Type	24 Revised Budget	YE Proj	Est. Carryforward	2025 Proposed	2026	2027	2028	2029	2030	2031	2032	2033	2034
10-3-2-10-07-100 Gore Valley Trail @ Dowd Jct. Repair	Engineering	Bond Project	312,243	350,000	-	-	-	-	-	-	-	-	-	-	-
10-3-2-10-01-006 Dowd Junction Collection System Improve.	Field Ops	Bond Project	1,749,645	1,251,115	248,530	-	-	-	-	-	-	-	-	-	-
10-3-2-10-01-012 Minturn Siphon Project	Field Ops	Bond Project	515,184	100,000	415,184	1,100,000	-	-	-	-	-	-	-	-	-
10-3-2-10-01-019 Cascade Sewer Main Project	Field Ops	Bond Project	700,000	150,000	550,000	-	3,000,000	-	-	-	-	-	-	-	-
10-3-2-10-05-159 Field and Fleet HQ at AWWTF	Field Ops	Bond Project	-	-	-	-	-	-	-	-	250,000	4,000,000	-	-	-
10-3-2-10-03-002 2022 WW Master Plan Update	WasteWater	Bond Project	177,984	177,984	-	-	-	-	-	-	-	-	-	-	-
10-3-2-10-03-316 VWWTF Master Plan Capital Improvements	WasteWater	Bond Project	3,669,726	3,594,535	75,191	500,000	-	-	-	-	-	-	-	-	-
10-3-2-10-03-447 AWWTF Nutrient Upgrades	WasteWater	Bond Project	250,000	142,110	-	-	-	-	-	-	-	-	-	-	-
10-3-2-10-03-505 EWWTF Nutrient Upgrades	WasteWater	Bond Project	4,000,000	2,891,733	1,108,267	7,665,200	15,000,000	29,000,000	29,000,000	8,834,841	-	-	-	-	-
10-1-2-10-05-057 Hillcrest Field Operations Facility	Field Ops	Capital	97,722	(953)	-	-	-	-	-	-	1,000,000	-	-	-	-
10-3-2-10-01-009 Collection System Master Plan	Field Ops	Capital	100,000	100,000	-	-	-	-	-	-	-	-	-	-	-
10-3-2-10-01-011 Vail WWTF Area Bypass and Collection Upgrades	Field Ops	Capital	-	-	-	-	-	-	-	-	75,000	506,000	-	-	-
10-3-2-10-01-045 Forest Rd./Rockledge Private Sewer Replacement	Field Ops	Capital	302,000	-	-	-	-	-	-	-	-	-	-	-	-
10-3-2-10-01-130 Intermountain Interceptor Collection Upgrades	Field Ops	Capital	-	-	-	75,000	500,000	-	-	-	-	-	-	-	-
10-3-2-10-20-108 CRP- Sewer aerial crossing improvements	Field Ops	Capital	-	-	-	100,000	-	-	-	-	-	-	-	-	-
10-3-2-10-20-107 CRP-Sewer interceptor rehabilitation	Field Ops	Capital	-	-	-	250,000	-	-	-	-	-	-	-	-	-
10-1-2-10-05-056 Housing Acquisitions	Housing	Capital	675,473	675,473	-	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
10-3-2-10-03-701 ICP-MS Lab Equipment	Lab	Capital	78,302	25,000	53,302	-	-	-	-	-	-	-	-	-	-
10-3-2-10-03-702 FIA	Lab	Capital	125,000	125,000	-	-	-	-	-	-	-	-	-	-	-
10-3-2-10-03-126 AWWTF EQ Room Re-roof	WasteWater	Capital	-	-	-	-	-	-	600,000	-	-	-	-	-	-
10-3-2-10-03-127 VWWTF Reg 31 Improvements	WasteWater	Capital	-	-	-	-	-	-	-	3,555,000	3,555,000	21,330,000	21,330,000	21,330,000	-
10-3-2-10-03-339 VWWTF Master Plan Capital Improvements Phase 2	WasteWater	Capital	-	-	-	-	-	-	-	500,000	1,000,000	5,410,000	5,410,000	-	-
10-3-2-10-03-530 CRP- EWWTF Centrifuge	WasteWater	Capital	135,000	-	135,000	-	-	-	-	-	-	-	-	-	-
10-3-2-10-03-531 EWW GT and SC Coatings	WasteWater	Capital	100,000	-	-	-	-	-	-	-	-	-	-	-	-
10-3-2-10-01-027 CRP-Sewer Capital Replacement Program	Field Ops	CRP	100,000	402,000	-	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
10-3-2-10-01-043 CRP-I & I Reduction - District wide	Field Ops	CRP	100,000	100,000	-	250,000	250,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
10-1-2-10-80-100 CRP-Employee Housing	Housing	CRP	175,000	200,000	-	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
10-1-2-10-80-101 CRP- Safety & Security	People Ops	CRP	10,000	10,000	-	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
10-3-2-10-11-117 CRP-VWWTF Plant Repairs	WasteWater	CRP	50,000	50,000	-	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
10-3-2-10-12-126 CRP-AWWTF Plant Repairs	WasteWater	CRP	30,000	22,284	-	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
10-3-2-10-13-114 CRP-EWWTF Plant Repairs	WasteWater	CRP	200,000	209,241	-	250,000	150,000	725,000	25,000	25,000	50,000	50,000	50,000	50,000	50,000
10-3-2-10-13-115 EWWTF Biofilter Media Replacement	WasteWater	CRP	469,623	450,172	19,451	-	-	-	-	-	-	-	-	-	-
Total Wastewater			14,122,902	11,025,695	2,604,925	10,825,200	19,535,000	30,460,000	30,360,000	13,649,841	6,665,000	32,031,000	27,525,000	22,115,000	785,000

Vail Water															
Account/Project Name	Departments	Project Type	24 Revised Budget	YE Proj	Est. Carryforward	2025 Proposed	2026	2027	2028	2029	2030	2031	2032	2033	2034
10-3-2-20-09-136 Bolts Lake Reservoir	Engineering	Bond Project	535,627	535,627	-	506,300	381,250	543,750	543,750	4,568,750	7,531,250	7,531,250	7,531,250	-	-
10-3-2-20-09-026 Main Gore Place Waterline Improvement	Field Ops	Bond Project	88,228	50,000	38,228	1,100,000	-	-	-	-	-	-	-	-	-
10-3-2-20-09-718 Glen Falls Drive Watermain Replacement	Field Ops	Bond Project	-	-	-	-	-	-	200,000	2,500,000	-	-	-	-	-
10-3-2-20-09-719 Lionsridge Loop	Field Ops	Bond Project	-	-	-	-	-	-	-	200,000	2,500,000	-	-	-	-
10-3-2-20-09-028 Booth Falls Emergency Power	Ops Tech	Bond Project	200,000	157,826	42,174	1,850,000	-	-	-	-	-	-	-	-	-
10-3-2-20-09-000 Well R7 Replacement	Water	Bond Project	-	-	-	150,000	1,000,000	1,000,000	-	-	-	-	-	-	-
10-3-2-20-09-024 N. Frontage Road Water Main Connection	Water	Bond Project	525,918	537,927	-	-	-	-	-	-	-	-	-	-	-
10-3-2-20-09-025 West Vail Water Distribution Improvements	Water	Bond Project	-	-	-	200,000	1,000,000	1,000,000	-	-	-	-	-	-	-
10-3-2-20-09-027 Vail Tank 4 Rehabilitation (Cap Water)	Water	Bond Project	150,000	100,000	50,000	2,000,000	-	-	-	-	-	-	-	-	-
10-3-2-20-09-016 Water Treatment Master Plan-	Water	Capital	91,598	-	91,598	-	-	-	-	-	100,000	-	-	-	100,000
10-3-2-20-09-018 Water System Emergency Power	Water	Capital	63,889	20,000	20,000	-	-	-	-	-	-	-	-	-	-
10-3-2-20-09-022 West Vail Flow Control Improvements	Water	Capital	100,061	75,000	25,061	-	-	-	-	-	-	-	-	-	-
10-3-2-20-09-720 East Vail Production Improvements	Water	Capital	-	-	-	-	-	-	-	-	250,000	2,500,000	1,000,000	-	-
10-3-2-20-09-447 CRP-Vail Water Capital Replacement Program	Field Ops	CRP	107,222	107,222	-	75,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
10-3-2-20-09-019 CRP-Water Storage Tank Misc. Improvements	Water	CRP	100,000	67,127	-	150,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
10-3-2-20-09-020 CRP-Vail Wtr System Repairs	Water	CRP	75,000	75,000	-	75,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
10-3-2-20-09-029 Well R7 Refurbishment	Water	CRP	-	310,114	-	-	-	-	-	-	-	-	-	-	-
10-3-2-20-09-260 ERWSD Analyzer Replacement Allowance	Water	CRP	-	-	-	25,000	-	-	-	-	-	-	-	-	-
10-3-2-20-30-112 CRP-Distribution Industrial Painting	Water	CRP	50,000	-	-	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total Water			2,087,543	2,035,844	267,061	6,181,300	2,681,250	2,843,750	1,043,750	7,568,750	10,681,250	10,331,250	8,831,250	300,000	400,000

Appendix A: 10-Year Capital Plan

Account/Project Name	Departments	Project Type	24 Revised Budget	YE Proj	Allocated											
					Est. Carryforward	2025 Proposed	2026	2027	2028	2029	2030	2031	2032	2033	2034	
10-3-2-00-07-301 Greenhouse Gas Inventory	Engineering	Capital	104,686	4,686	-	-	-	-	-	-	-	-	-	-	-	-
10-3-2-00-07-150 Jetting Truck	Field Ops	Capital	-	20	-	-	-	-	-	-	-	-	-	-	-	-
10-1-2-00-45-307 Cameras for RTU Sites	IT	Capital	46,175	46,175	-	-	-	-	-	-	-	-	-	-	-	-
10-1-2-00-45-308 Stone Security Control Access	IT	Capital	50,000	50,000	50,000	-	-	-	-	-	-	-	-	-	-	-
10-1-2-00-45-314 Microwave Backbone Project	IT	Capital	18,760	18,760	-	-	-	-	-	-	-	-	-	-	-	-
10-1-2-00-45-321 IT Capital Hardware	IT	Capital	125,000	127,416	125,000	-	-	-	-	-	-	-	-	-	-	-
10-1-2-00-45-322 Dowd Junction Communication Tower	IT	Capital	50,000	15,000	35,000	50,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
10-1-2-00-45-325 Nimble Storage Replacement	IT	Capital	590,155	613,850	-	-	-	-	-	-	-	-	-	-	-	-
10-1-2-00-45-327 FortiSandbox	IT	Capital	26,554	27,006	-	-	-	-	-	-	-	-	-	-	-	-
10-1-2-00-45-328 CRP- Cisco Phone System	IT	Capital	38,602	38,602	-	-	-	-	-	-	-	-	-	-	-	-
10-1-2-00-45-329 ADWF Redundant HVAC	IT	Capital	70,000	72,660	-	-	-	-	-	-	-	-	-	-	-	-
10-1-2-00-45-106 CRP-GIS Improvements	Engineering	CRP	1,500	-	-	-	-	-	-	-	-	-	-	-	-	-
10-1-2-00-45-137 CRP-GPS Unit Replacement	Engineering	CRP	-	-	11,000	40,000	-	-	-	-	-	-	50,000	-	-	-
10-3-2-00-20-102 CRP-Locators & Correlators	Field Ops	CRP	10,000	11,712	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
10-1-2-00-45-109 CRP-Server & Network Improvements	IT	CRP	50,000	93,642	100,000	-	-	-	-	-	-	-	-	-	-	-
10-1-2-00-45-124 CRP-Desktop/Laptop Improvement Upgrade	IT	CRP	163,000	197,153	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
10-1-2-00-45-125 CRP-Printers Improvement Upgrade	IT	CRP	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
10-1-2-00-45-128 CRP- Low Voltage Wiring	IT	CRP	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
10-1-2-00-45-139 CRP-ADWF Server Room Project	IT	CRP	-	150,000	300,000	-	-	-	-	-	-	-	-	-	-	-
10-1-2-00-45-200 CRP-Portable Radio Upgrade	IT	CRP	25,000	25,000	25,000	-	-	-	-	-	-	-	-	-	-	-
10-1-2-00-45-330 OMS Solution	IT	CRP	-	-	50,000	-	-	-	-	-	-	-	-	-	-	-
10-1-2-00-45-331 Truck WiFi	IT	CRP	-	-	126,500	-	-	-	-	-	-	-	-	-	-	-
10-3-2-00-35-100 CRP-Lab Equipment Replacement	Lab	CRP	-	-	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
10-1-2-00-47-100 CRP-OTS Spare Parts Inventory	Ops Tech	CRP	10,000	10,000	-	-	-	-	-	-	-	-	-	-	-	-
10-1-2-00-05-142 CRP-Building Remodels or Major Repairs	Utility Services	CRP	206,915	133,209	25,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
10-3-2-00-07-309 CRP Heavy Equipment	Utility Services	CRP	248,480	247,719	710,000	-	-	-	-	-	-	-	-	-	-	-
10-3-2-00-07-310 CRP-Vehicle Replacement Program	Utility Services	CRP	215,740	315,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000
10-3-2-00-20-101 CRP-Asphalt Seal & Stripe	Utility Services	CRP	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Allocated			2,135,567	2,257,610	35,000	1,912,500	440,000	400,000	400,000	400,000	400,000	450,000	400,000	400,000	400,000	400,000
Total CIP			18,346,012	15,319,148	2,906,986	18,919,000	22,656,250	33,703,750	31,803,750	21,618,591	17,746,250	42,812,250	36,756,250	22,815,000	1,585,000	1,585,000

Appendix B

ERWSD Capital Project Budget Narratives

Engineering

Project Name: Bolts Lake Reservoir		Account Code: 10.3.2.20.09.136
Project Description: 25% share of the costs of initial due diligence, land acquisition, permitting, design, and construction of the Bolts Lake Reservoir, located south of Minturn.		
Statement of Need: Needed to provide strategic in-basin storage to meet demands of future development, provide minimum in-stream flows, and hedge against uncertainty of climate change		
2025 Budget Request: 553,331 (ERWSD)		
Total Project Budget: 33,476,978 (ERWSD)		
Basis of Estimate: One fourth of actual land costs, conceptual estimates from similar projects on design, permitting, and construction costs. Estimate recently updated by Program Manager.		
Engineer: Black & Veatch (Program Manager)		Project Manager: Justin Hildreth

Project Name: CRP-GPS Unit Replacement		Account Code: 10.1.2.00.45.137
Project Description: Recurring account for the upgrade of high accuracy GPS units to support field operations, as-built drawing verification, and CIP projects.		
Statement of Need: Our existing high accuracy GPS units are antiquated and need replacement which supports the District's on going efforts to verify and collect our field assets in a more accurate and timely manner. The combined GIS and Asset Management data is also used for submitting to state and federal levels for permits and annual reports.		
2025 Budget Request: 11,000		
Total Project Budget: 126,498		
Basis of Estimate: Vendor quotes		
Engineer: NA		Project Manager: Jennie Koenig

Field Operations

Project Name: CRP-Locators and Correlators		Account Code: 10.3.2.00.20.102
Project Description: Annual account for the purchase of location and correlation equipment.		
Statement of Need: Annual account, the need for locating and correlating equipment is increasing for utility locates and leak detection in the distribution system.		
2025 Budget Request: 15,000		
Total Project Budget: Annual		
Basis of Estimate: Annual budget based on past expenditures		
Engineer: NA		Project Manager: Niko Nemcanin/ Mike Thompson

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ERWSD Capital Project Budget Narratives

Project Name: CRP – Sewer Capital Replacement Program	Account Code: 10.3.2.10.01.027
Project Description: Annual account for small projects to correct deficiencies or maintenance issues such as dead-end lines, rehabilitation of manholes, insulating shallow lines, etc. Some small projects originate in Construction Review Team (CRT).	
Statement of Need: Annual account, commonly spent on replacing or repairing aging infrastructure or having funds available to partner with other entities' roadway projects. In 2024 was utilized for interceptor lining and rehabilitation; it is anticipated that this program will continue and in some cases, expand in future years.	
2025 Budget Request: 100,000	
Total Project Budget: Annual	
Basis of Estimate: Past annual expenditures	
Engineer: N/A	Project Manager: Niko Nemcanin

Project Name: I&I Reduction – District Wide	Account Code: 10.3.2.10.01.043
Project Description: Annual account for to address inflow and infiltration (I&I) as identified by District staff.	
Statement of Need: Annual account, commonly spent on replacing or repairing aging infrastructure or having funds available to partner with other entities' roadway projects. Budget request increased from 100,000 to 250,000 to address recent interceptor condition findings and associated rehabilitation work.	
2025 Budget Request: 250,000	
Total Project Budget: Annual	
Basis of Estimate: Past annual expenditures/project costs	
Engineer: N/A	Project Manager: Niko Nemcanin

Project Name: CRP – Vail Water Capital Replacement Program	Account Code: 10.3.2.20.09.447
Project Description: Annual account for small projects such as small mainline extensions, replacements, or hydrant relocations for the Vail Water System.	
Statement of Need: Annual account for large purchase/small projects related to water mains and appurtenances in the Vail water system. Examples would include: working with developers/other entities on small projects, hydrant relocations, large pump station and PRV repairs or equipment purchases, etc. 2023 expenditures included valve installation in the Matterhorn area and a planned line abandonment near Vail International.	
2025 Budget Request: 75,000	
Total Project Budget: Annual	
Basis of Estimate: Annual account, based on potential expenditures	
Engineer: N/A	Project Manager: Niko Nemcanin

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ERWSD Capital Project Budget Narratives

Project Name: CRP – Distribution Industrial Painting	Account Code: 10.3.2.20.30.112
Project Description: Annual account for small industrial painting projects at distribution system facilities such as PRV vaults and pump stations.	
Statement of Need: Annual account for painting various water system appurtenances. Industrial coatings are critical to extend the lifespan of various system assets due to corrosion.	
2025 Budget Request: 50,000	
Total Project Budget: Annual	
Basis of Estimate: Annual account, based on roughly 2-3 facilities per year	
Engineer: N/A	Project Manager: Niko Nemcanin

Project Name: Minturn Siphon Project	Account Code: 10.3.2.10.01.012
Project Description: Wastewater flow through Minturn passes through an inverted siphon beneath the Eagle River. The siphon has long been a maintenance concern and accessing the upstream manhole is a safety concern. An in-house condition assessment was performed in late 2023 which better defined the scope of work to rehabilitation rather than replacement.	
Statement of Need: This project was in previous CIP plans, was removed, and resurfaced during the Collection System Master Planning effort. The siphon has twin barrels for a duty/standby configuration, but the upstream flow splitting structure is not functional, so both barrels run at half of the design velocity, therefore increasing solids deposition. The manhole also has unsafe access in a steep embankment between US 24 and the Eagle River. Due to the in-house condition assessment, the pipeline will likely be a candidate for in-situ lining.	
2025 Budget Request: 1,100,000	
Total Project Budget: 1,650,000	
Basis of Estimate: Conceptual engineer's estimate plus escalation	
Engineer: Kimley-Horn	Project Manager: Mark Mantua

Project Name: Cascade Skier Bridge Sewer Main	Account Code: 10.3.2.10.01.019
Project Description: The sewer interceptor flows along Gore Creek west of the Vail WWTF. At the Cascade Skier Bridge there exists an unprotected pipeline crossing in the creek in a deteriorated condition. This project was identified in the 'High Priority Capital Projects' deliverable provided during the Collection System MP effort.	
Statement of Need: The section of pipeline crossing Gore Creek exhibited structural damage and is located in the creek, resulting in a high consequence of failure. An emergency repair was performed on the pipeline in Fall of 2011. Further, I&I is clearly exhibited in the inspection data. This project was prioritized ahead of others due to its location downstream of the Vail WWTF as it likely requires increased capacity to meet our plant bypass flows and overall nutrient management strategy.	
2025 Budget Request: NA – estimated 550,000 carry forward from 2024	
Total Project Budget: 3,700,000	
Basis of Estimate: Conceptual engineer's estimate plus escalation	
Engineer: Consor	Project Manager: Kevin Nelson

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ERWSD Capital Project Budget Narratives

Project Name: West Vail Water Distribution Improvements	Account Code: 10.3.2.20.09.025
<p>Project Description: This project, formerly known as Lower Glen Lyon Fire Flow Improvements, was originally conceived in the 2020 Distribution System Master Plan and involved a pipeline, pressure reducing valve (PRV) vault, and associated controls to connect the Core Vail pressure zone to the Lower Glen Lyon pressure zone to increase available fire flow (AFF). The presence of numerous line breaks, insufficient pipe diameters, and non-functioning PRVs in the zone led to development of a 'West Vail Mini Master Plan' in 2024. This plan outlines a multi-year pipeline replacement program, PRV rehabs, and abandonment of risky back lot pipelines and reconnection to new mainlines in rights of way.</p>	
<p>Statement of Need: The Lower Glen Lyon zone exhibits inadequate fire flows near the Cascade Village area, aging infrastructure highlighted by numerous line breaks in winter 2024, inadequate pipe sizes located in back lot easements, and multiple non-functioning or bypassed PRV station. This project is a key step in addressing risky aging infrastructure in the Vail Water system. In addition, the interconnect pipeline by which water is uploaded/downloaded between the Vail and down valley system exhibits some water quality issues for part of the year. This project will address those issues and begin much needed improvement in the West Vail area from Glen Lyon to Highland Meadows. Planned redevelopment of properties in the area could mean developer contributions to new mainlines.</p>	
2025 Budget Request: 200,000	
Total Project Budget: 2,200,000	
Basis of Estimate: 2024 Master Planning Document	
Engineer: TBD	Project Manager: TBD

Project Name: Main Gore Place Water Main Replacement	Account Code: 10.3.2.20.09.026
<p>Project Description: This project involves replacement of undersized and end of life water main in East Vail. This location was the site of a costly, time-consuming emergency repair in 2021, and there is concern that additional failures are possible. A proactive solution is always a better value than a reactive solution. The project is at the 60% design level, with geotechnical engineering complete and utility potholing and design completion scheduled for Fall 2024. Construction was pushed to 2025 to allow time to work with the local homeowners association on potential private service line replacements.</p>	
<p>Statement of Need: In 2021 a water main break caused emergency replacement of 36' of water main at an astronomical cost. It revealed corrosion issues, poor bedding conditions, high groundwater, and interference with the nearby sewer main. This has been identified as a high priority by Field Operations.</p>	
2025 Budget Request: 1,100,000	
Total Project Budget: 1,248,000	
Basis of Estimate: Design contracting plus anticipated pipeline unit costs	
Engineer: JVA, Inc.	Project Manager: Dan Duerr

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ERWSD Capital Project Budget Narratives

Project Name: Intermountain Interceptor Collection Upgrades	Account Code: 10.3.2.10.01.130
Project Description: Based on the results of flow testing in the collection system, this project consists of replacement of an undersized segment of interceptor pipeline at the western end of the South Frontage Road in Intermountain.	
Statement of Need: Flow testing revealed a hydraulic bottleneck in approximately 500 linear feet (LF) of 12" diameter sewer pipeline. Surrounding pipes are 18" diameter. The ability to bypass wastewater flows is an important operational tool in managing the three connected WWTFs. We anticipate design in 2025 with construction following in 2026.	
2025 Budget Request: 75,000	
Total Project Budget: 575,000	
Basis of Estimate: Unit price estimate from similar projects	
Engineer: TBD	Project Manager: Not assigned

Housing

Project Name: Land and Facility Acquisitions	Account Code: 10.1.2.10.05.056
Project Description: Future housing needs and potential partnerships. Existing account used for Eagle Vail Office acquisition.	
Statement of Need: Address housing crisis by investing in housing in the valley in the form of land acquisitions, dense housing collaborations or traditional builds. Request is to build up a fund balance for future acquisitions.	
2025 Budget Request: 250,000	
Total Project Budget: 8,026,129	
Basis of Estimate: Market estimates and appraisals	
Engineer: N/A	Project Manager: David Norris

Project Name: CRP-Employee Housing	Account Code: 10.1.2.10.80.100
Project Description: Updates to our housing fleet to address updating and upkeep as capital expenses.	
Statement of Need: Upkeep and capital improvements in our housing properties. Increased housing turnover typically leads to more remodeling/updates needed.	
2024 Budget Request: 200,000	
Total Project Budget: Annual	
Basis of Estimate: Vendor Quote	
Engineer: N/A	Project Manager: Michael Beardsley

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ERWSD Capital Project Budget Narratives

IT

Project Name: CRP-Server & Network Improvements	Account Code: 10.1.2.00.45.109
Project Description: This capital entry is to allow for the slow and progressive improvement of our network and server environments. As hardware reaches the end of its useful life it needs to be replaced with current technology.	
Statement of Need: Annual account for continual network improvements.	
2025 Budget Request: 100,000	
Total Project Budget: Annual	
Basis of Estimate: Annual estimate based on previous expenditures.	
Engineer: NA	Project Manager: Justin Way

Project Name: CRP-Desktop/Laptop Improvement Upgrade	Account Code: 10.1.2.00.45.124
Project Description: This capital entry is allotted for the purchase of new laptops and tablets for employees on a proactive replacement schedule.	
Statement of Need: New staffing and aging equipment requires continual purchase of new equipment. We have now adopted a proactive laptop replacement schedule to replace laptops older than 3 years of age. This budget will fund replacement of aging hardware.	
2025 Budget Request: 140,000	
Total Project Budget: Annual	
Basis of Estimate: Annual estimate based on previous expenditures.	
Engineer: NA	Project Manager: Justin Way

Project Name: CRP-Printers Improvements Upgrade	Account Code: 10.1.2.00.45.125
Project Description: This capital entry provides a place holder to purchase a new printer for an office location. We replace our multifunction copiers as they reach end of life. We are on a rotation to replace one per year.	
Statement of Need: Annual printer purchase as equipment becomes obsolete.	
2025 Budget Request: 10,000	
Total Project Budget: Annual	
Basis of Estimate: Annual estimate assuming replacement of one unit per year.	
Engineer: NA	Project Manager: Justin Way

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ERWSD Capital Project Budget Narratives

Project Name: CRP-Low Voltage Wiring	Account Code: 10.1.2.00.45.128
Project Description: This capital replacement account funds all low voltage wiring including network cabling, communications lines, fiber optic lines, and rewiring of radios and microwaves as needed. Through this capital replacement budget, we have methodically replaced and upgraded low voltage cabling throughout our facilities.	
Statement of Need: Low voltage wiring has a life expectancy around 15 years. This is a project that not only reflects the plants and facilities but also addresses when an office is rearranged or remodeled, or an employee moves to a new location where network cabling did not exist prior. This also covers new fiber optic installations.	
2025 Budget Request: 50,000	
Total Project Budget: Annual	
Basis of Estimate: Annual estimate based on previous expenditures.	
Engineer: NA	Project Manager: Justin Way

Project Name: CRP-Portable Radio Upgrade	Account Code: 10.1.2.00.45.200
Project Description: This capital replacement account provides funding for our 800 MHz handled radios relied upon by water, wastewater, field operations, and all members of an incident command system during emergencies.	
Statement of Need: Annual account to fund 800MHz radio system.	
2025 Budget Request: 25,000	
Total Project Budget: Annual	
Basis of Estimate: Annual estimate assuming replacement of five units per year.	
Engineer: NA	Project Manager: Justin Way

Project Name: Stone Security Control Access	Account Code: 10.1.2.00.45.308
Project Description: This ongoing capital project reserves funds for future door lock upgrades and surveillance upgrades at all facilities. As new locations come online, and plant expansion occurs, we need to maintain funding to secure these facilities per NIST SP 800-171 physical security requirements.	
Statement of Need: The main project was implemented in 2020 to better establish security at our facilities, in compliance with homeland security requirements and operator safety.	
2025 Budget Request: 50,000	
Total Project Budget: 1,635,368	
Basis of Estimate: Annual estimate based on previous expenditures	
Engineer: NA	Project Manager: Justin Way

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ERWSD Capital Project Budget Narratives

Project Name: IT Capital Hardware	Account Code: 10.1.2.00.45.321
Project Description: This ongoing capital account is for any IT hardware which needs to be capitalized. We have reduced the operating hardware budget line accordingly to create a capital account for this purpose.	
Statement of Need: Create a capital account for IT hardware	
2025 Budget Request: 125,000	
Total Project Budget: 549,128	
Basis of Estimate: Annual estimate based on previous expenditures	
Engineer: NA	Project Manager: Justin Way

Project Name: Dowd Junction Communication Tower	Account Code: 10.1.2.00.45.322
Project Description: This ongoing capital account is for the preliminary engineering, permitting, and design of a future communications tower at Dowd Junction. This tower would eliminate our current program of leasing space on the existing tower owned by American Tower. This tower provides ISP redundancy to our networks by providing alternate pathing through our Microwave backbone should an ISP outage occur.	
Statement of Need: Construct a communication tower on Dowd Junction. Existing lease is subject to a third-party involvement and does not meet our resiliency and security needs.	
2025 Budget Request: 50,000	
Total Project Budget: 270,000	
Basis of Estimate: Annual estimate based on previous expenditures	
Engineer: NA	Project Manager: Justin Way

Lab

Project Name: CRP – Lab Equipment Replacement	Account Code: 10.3.2.00.35.100
Project Description: Annual account for large purchases of laboratory equipment.	
Statement of Need: Annual account, laboratory equipment is very specialized and potentially costly such as lab-grade dishwasher for glassware, etc.	
2024 Budget Request: 10,000	
Total Project Budget: Annual	
Basis of Estimate: Past annual expenditures	
Engineer: N/A	Project Manager: Leah Cribari

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ERWSD Capital Project Budget Narratives

Ops Tech

Project Name: Booth Falls Emergency Power	Account Code: 10.3.2.20.09.028
Project Description: Installation of on-site emergency power generation at the Booth Falls facility and other electrical improvements including switchgears, automatic transfer switches (ATs), wire, conduit, and controls to power the Booth Falls Chlorination Facility, the Booth Falls BPS, and the Inline BPS in the event of a power outage. Difficult site conditions will necessitate retaining walls, foundations, and equipment screening.	
Statement of Need: Power outages in East Vail can happen with unknown durations. The Booth Falls treatment facility is the recipient of water from well R7 and is the main source of water for the East Vail zone. Access to the sites with a large mobile generator is difficult and a safety concern, especially in winter months. Plus, there is not a mobile connection at the treatment facility. These treatment and pumping facilities are critical as it can feed East Vail and Core Vail pressure zones and the project is a major step in shoring up water system resiliency in the event of an emergency.	
2025 Budget Request: 1,850,000	
Total Project Budget: 2,050,000	
Basis of Estimate: Cost data from other similar project scopes	
Engineer: Tetra Tech	Project Manager: Dan Duerr

Utility Services

Project Name: CRP-Building Remodels or Major Repairs	Account Code: 10.1.2.00.05.142
Project Description: Annual account for major repairs or remodels	
Statement of Need: Items such as small office renovations, roofing, office furniture, etc. Current plans include AWWTF lower building entry improvements.	
2025 Budget Request: 25,000	
Total Project Budget: Annual	
Basis of Estimate: Annual budget based on past expenditures	
Engineer: NA	Project Manager: Shane Swartwout

Project Name: CRP-Vehicle Replacement Program	Account Code: 10.3.2.00.07.310
Project Description: Annual account for the purchase of new fleet vehicles. Supply chain issues on vehicles led to one year lead time and the program has slowed considerably. 2025 needs includes replacement of one full size field truck and one additional vehicle TBD.	
Statement of Need: Long vehicle delivery times and longer replacement intervals have considerably reduced the annual expenditures.	
2025 Budget Request: 115,000	
Total Project Budget: Annual	
Basis of Estimate: Vehicle quotes plus contingencies for staffing changes	
Engineer: NA	Project Manager: Shane Swartwout

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ERWSD Capital Project Budget Narratives

Water

Project Name: Water Treatment Master Plan	Account Code: 10.3.2.20.09.016
<p>Project Description: ERWSD portion (67/33) of a comprehensive master plan for water treatment and production facilities (plants, wells, raw water) plan using information contained in a detailed condition assessment, future growth, regulatory requirements, etc. Project originally budgeted for 2019 kickoff and due to challenges and management turnover, was contracted in 2022. The first phase of the work is complete; the second phase was not awarded due to underperformance of the consultant team. Budget being retained to complete small 'spin off' studies in 2024 or small consultant contracts to supplement in-house efforts.</p>	
<p>Statement of Need: The distribution system master plan was completed in 2020 which served as a background for system demands and identified the need for future production improvements. A comprehensive treatment/production master plan will help guide future capital needs in the water treatment/production category using the distribution plan as an input. A master plan will allow for better future capital spending data and guide the roughly \$2M/year invested in the ADWF, for example, to optimize future capital outlay to best address operational challenges, growth, regulatory changes, and obsolete or aging infrastructure replacement.</p>	
<p>2025 Budget Request: N/A – carry forward from 2024</p>	
<p>Total Project Budget: 366,668</p>	
<p>Basis of Estimate: Contract from Carollo Engineers, out year updates estimated at intervals</p>	
<p>Engineer: In-house project team</p>	<p>Project Manager: Jenna Beairsto</p>

Project Name: WST Misc. Improvements	Account Code: 10.3.2.20.09.019
<p>Project Description: Annual account for small tank rehabilitation/repair projects throughout the Vail system's water storage tank inventory.</p>	
<p>Statement of Need: Periodic tank inspections often reveal potential sanitary issues such as separated overflow pipe joints, hatch issues, etc. The account was created in response to our 2019 CDPHE Sanitary Survey and represents a proactive approach to addressing storage tank deficiencies.</p>	
<p>2025 Budget Request: 150,000</p>	
<p>Total Project Budget: Annual</p>	
<p>Basis of Estimate: Annual expenditures</p>	
<p>Engineer: N/A</p>	<p>Project Manager: Travis Young</p>

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ERWSD Capital Project Budget Narratives

Project Name: Vail System Repairs	Account Code: 10.3.2.20.09.020
Project Description: Annual account for small projects in the Vail water system at wells and treatment facilities. The slightly larger request (75k vs normal 50k) is due to some known projects.	
Statement of Need: Annual account for planned and unforeseen purchases and projects such as analyzers, well pumps and motors, etc. 2025 Improvements likely involve improvements to the Gore Valley DWF intake structure.	
2025 Budget Request: 75,000	
Total Project Budget: Annual	
Basis of Estimate: Annual account, based on similar repair CRP accounts in Vail Water system	
Engineer: N/A	Project Manager: Kailey Rosema

Project Name: West Vail Flow Control Improvements	Account Code: 10.3.2.20.09.022
Project Description: This project was recommended in the 2020 Water System Master Plan to install flow control valves in two locations: the 1890 Buffeher PRV and the Glen Lyon PRV. The two locations have power and control capabilities nearby and should have a large positive impact on operations. Revised budget includes in-house design and implementation with small contracting efforts and the Glen Lyon location has been eliminated. The Buffeher Creek work is nearly completed. The future anticipated scope includes a check valve at the Intermountain PRV to help with water quality issues during uploading and downloading events.	
Statement of Need: The Water System MP identified a deficiency between current maximum day demand (MDD) and the production capacity of the West Vail wells. This deficiency was confirmed by operational concerns in the summer of 2020. This enables supplemental water from Vail Core to enter West Vail for redundancy and to reduce hardness concerns. The future check valve at Intermountain PRV will improve water quality during upload/download scenarios.	
2025 Budget Request: N/A – carry forward from 2024	
Total Project Budget: 175,000	
Basis of Estimate: Actual construction costs from Buffeher Creek PRV work and conceptual estimate from 2023 Distribution Master Plan Addendum memo.	
Engineer: N/A	Project Manager: Andrew Kirsch

Appendix B

ERWSD Capital Project Budget Narratives

Project Name: Water System Emergency Power	Account Code: 10.3.2.20.09.018
Project Description: This project is an ongoing effort to bolster the water distribution system's resiliency in the event of an extended power outage. The multi-year project includes a study or priority of which improvements are required at which facilities and construction of items such as generators and generator connections/transfer switches.	
Statement of Need: This budget was first approved in 2018 to address the water distribution system's ability to function during an extended power outage. Two small projects were completed, and some self-performed work at four booster pump stations in the Authority are currently underway.	
2025 Budget Request: N/A – funds rolled from 2025	
Total Project Budget: 70,000 (ERWSD)	
Basis of Estimate: N/A – ongoing multi-year implementation	
Engineer: AE2S	Project Manager: Various

Project Name: Vail Tank 4 Rehabilitation	Account Code: 10.3.2.20.09.027
Project Description: This project includes structural rehabilitation of Vail Tank 4, a 1 MG WST in the Vail Core zone, along with rehabilitation of several appurtenances such as drain valves, overflows, vents and hatches. Further detailed investigation work is planned for late 2024 along with potentially removing the soil cover to reduce the loading on the tank roof.	
Statement of Need: Issues with the tank overflow have been known since 2021, but comprehensive tank inspections in 2023 revealed what appeared to be deflection in the concrete roof slab. Additional investigation in 2024 confirmed the roof deflection and discovered roof and column cracking. Additional scope items include replacement of vent piping with lead primer paint, additional hatches, overflows, and tank drain valves. The site is located in an easement on private property with extremely difficult access and topography.	
2025 Budget Request: 2,000,000	
Total Project Budget: 2,150,000	
Basis of Estimate: Engineer's estimates in alternative analysis/basis of design report	
Engineer: Western Water Solutions	Project Manager: Dan Duerr

Project Name: Well R7 Replacement	Account Code: 10.3.2.20.09.000
Project Description: This project includes re-drilling and full replacement of the R7 well including well, pump, motor, piping, electrical and controls and other appurtenances. Above-ground replacement electrical equipment is also part of the anticipated scope.	
Statement of Need: An electrical issue caused electrical and mechanical of Well R7 in early 2024. Well R7 is the largest of the groundwater wells and the main source for East Vail. While conducting emergency repairs, a well assessment was done and it was found that the well was at the end of its useful life, first installed in 1986. In addition, nearby electrical equipment is located in a repurposed underground vault. New R7 infrastructure will aid in system resiliency as the large production capacity can be utilized throughout much of the combined water system.	
2025 Budget Request: 150,000	
Total Project Budget: 2,150,000	
Basis of Estimate: Well assessment and alternatives analysis	
Engineer: TBD	Project Manager: TBD

Appendix B

ERWSD Capital Project Budget Narratives

Wastewater

Project Name: VWWTF Master Plan Capital Improvements – Phase 1	Account Code: 10.3.2.10.03.316
Project Description: The project includes several scope items identified in the 2017 Wastewater Master Plan related to condition assessment items. The scope of work includes: Emergency Generator and associated electrical improvements, flow bypass structure, structural improvements, aeration basin diffuser replacement and UV system rehabilitation.	
Statement of Need: High priority improvements identified in 2017 Master Plan to address code compliance, equipment life cycles, and redundancy. Project was deferred for multiple years; first budgeted in 2018, this project is under construction, was originally scheduled for completion in second quarter 2024 but the discovery of asbestos in the facility pushed certain items to 2025 completion.	
2025 Budget Request: 500,000	
Total Project Budget: 12,053,008	
Basis of Estimate: Guaranteed Maximum Price (GMP) proposals and estimates from PCL construction, plus engineering support proposals	
Engineer: Black and Veatch	Project Manager: Mark Mantua

Project Name: CRP – VWWTF Plant Repairs	Account Code: 10.3.2.10.11.117
Project Description: Annual account for unforeseen or planned larger repairs such as large pump motors, etc. beyond what is captured in Operation and Maintenance budgets.	
Statement of Need: Annual account, commonly spent on replacing components of aging treatment facilities.	
2025 Budget Request: 50,000	
Total Project Budget: Annual	
Basis of Estimate: Past annual expenditures	
Engineer: N/A	Project Manager: Hazel Selandar

Project Name: CRP – AWWTF Plant Repairs	Account Code: 10.3.2.10.12.126
Project Description: Annual account for unforeseen or planned larger repairs such as large pump motors, etc. beyond what is captured in Operation and Maintenance budgets. Request amount reduced due to completion of major capital project.	
Statement of Need: Annual account, commonly spent on replacing components of aging treatment facilities.	
2025 Budget Request: 10,000	
Total Project Budget: Annual	
Basis of Estimate: Past annual expenditures	
Engineer: N/A	Project Manager: Tim Drescher

Appendix B

ERWSD Capital Project Budget Narratives

Project Name: CRP – EWTF Plant Repairs	Account Code: 10.3.2.10.13.114
Project Description: Annual account for unforeseen or planned larger repairs such as large pump motors, etc. beyond what is captured in Operation and Maintenance budgets. Typical request increased due to somewhat critical improvements such as HVAC, non potable pump strainers, and solids handling motive pump replacement.	
Statement of Need: Annual account, commonly spent on replacing components of aging treatment facilities.	
2025 Budget Request: 100,000	
Total Project Budget: Annual	
Basis of Estimate: Past annual expenditures	
Engineer: N/A	Project Manager: Zach Green

Project Name: Edwards WWTF Nutrient Upgrades	Account Code: 10.3.2.10.13.505
Project Description: Edwards is subject to Regulation 85 effluent nutrient compliance with a deadline of January 1, 2029. The scope will include aeration basin expansion, primary clarifier bypass, new internal mix liquor return (IMLR) pump station, aeration blowers, and preliminary treatment improvements. Numerous aging infrastructure assets are subject to replacement as part of the scope of work.	
Statement of Need: The project is required to meet Regulation 85 effluent nutrient limits for a 20 year growth horizon. Numerous condition assessment issues are included in the scope of work, and much of the existing facility do not meet CDPHE design criteria. Construction of a second liquid stream treatment train and primary bypassing defers the need for additional solids handling capacity.	
2025 Budget Request: 7,665,159	
Total Project Budget: 93,500,000	
Basis of Estimate: Preliminary master planning level cost estimate from engineer	
Engineer: Carollo	Project Manager: Jenna Beairsto

Project Name: VWWTF Master Plan Capital Improvements – Phase 2	Account Code: 10.3.2.10.03.339
Project Description: The project includes several scope items identified in the 2017 Wastewater Master Plan related to condition assessment items. The condition assessment was updated in 2021/22 and numerous items were scored for their criticality. This project is the second phase, with a yet undefined scope for the next set of highest priority items not completed in the current phase.	
Statement of Need: High priority improvements identified in 2017 Master Plan to address code compliance, equipment life cycles, and redundancy. This is the second phase in a three-phase condition assessment rehabilitation program at the Vail WWTF.	
2025 Budget Request: N/A – project anticipated 2029-2032	
Total Project Budget: 12,320,000	
Basis of Estimate: Escalated master plan level cost estimates plus contingency	
Engineer: TBD	Project Manager: not assigned

ERWSD
Appendix C
Line Item Detail

Row Labels	24 Revised Budget	24 Projection	25 Proposed
Operating			
Administration			
10-1-9-00-70-080 Board Meeting/Travel Expenses	11,875	11,880	11,900
10-1-9-00-70-090 Directors Fees	18,200	18,200	18,200
10-1-9-00-70-100 Election Expense		100	25,000
10-1-9-00-71-600 General Operations	30,880	45,970	57,500
10-1-9-00-71-670 Training/Travel	3,000	9,990	10,000
10-1-9-00-90-190 General Legal	130,000	105,330	105,300
10-1-9-00-90-191 General Legislative Affairs	30,000	45,610	40,000
10-3-9-00-70-050 Document Scanning	2,500	530	-
10-3-9-00-70-320 Employee Support Supplies	3,000	130	-
10-3-9-00-70-370 Office Furnishings and Equipment	5,000	1,900	11,000
10-3-9-00-70-400 Office Supplies and Printing	7,500	1,930	-
10-3-9-00-70-700 Membership Fees	4,250	4,250	-
10-3-9-00-70-800 Salaries	1,185,998	1,186,000	191,420
10-3-9-00-70-810 Temporary		23,100	-
10-3-9-00-70-830 SS Match 6.2%	73,532	73,500	-
10-3-9-00-70-840 Health/Life Insurance	237,075	237,100	-
10-3-9-00-70-850 Medicare Match	17,790	17,800	-
10-3-9-00-70-860 Pension Contribution - 401(A) Match	77,469	77,500	-
10-3-9-00-70-870 Unemployment Compensation	2,970	3,000	-
Administration Total	1,841,039	1,863,820	470,320
CIP			
10-3-9-00-25-590 RR Right-of-Way & Special Permits	-	-	1,000
10-3-9-00-25-600 Engineering Dept. Operations	-	-	1,100
10-3-9-00-25-650 On Call Engineering	-	-	10,000
10-3-9-00-25-670 Training/Travel	-	-	10,000
10-3-9-00-25-700 Membership Fees	-	-	-
10-3-9-00-25-750 Uniform Allowance	-	-	2,400
10-3-9-00-25-800 Salaries	-	507,900	940,100
10-3-9-00-25-830 SS Match 6.2%	-	31,500	58,300
10-3-9-00-25-840 Health/Life Insurance	-	75,500	146,600
10-3-9-00-25-850 Medicare Match	-	7,600	14,100
10-3-9-00-25-860 Pension Contribution 401(A) Match	-	22,200	47,000
10-3-9-00-25-870 Unemployment Compensation	-	-	1,100
CIP Total	-	644,700	1,231,700
Communications & Public Affairs			
10-1-9-00-75-060 Community Relations	25,000	22,430	24,400
10-1-9-00-75-070 Sponsorship	7,000	6,550	6,600
10-1-9-00-75-400 Office Supplies and Printing	10,000	3,900	5,000
10-1-9-00-75-600 CR Department Operations	15,320	5,720	6,400
10-1-9-00-75-670 Training/Travel	6,000	1,950	6,000
10-1-9-00-75-700 Membership Dues	12,000	5,040	8,600
10-1-9-00-75-750 Uniforms	400	300	-
10-3-9-00-70-465 Publications and Recordings	1,500	680	700
10-3-9-00-75-800 Salaries	-	-	653,500
10-3-9-00-75-810 Temporary	-	-	15,600
10-3-9-00-75-830 SS Match 6.2%	-	-	40,500
10-3-9-00-75-840 Health/Life Insurance	-	-	144,800
10-3-9-00-75-850 Medicare Match	-	-	9,800
10-3-9-00-75-860 Pension Contribution - 401(A) Match	-	-	32,700
10-3-9-00-75-870 Unemployment Compensation	-	-	1,100
Communications & Public Affairs Total	77,220	46,570	955,700
Customer Service			
10-3-9-00-50-045 After Hours Service	10,000	8,900	9,300

ERWSD
Appendix C
Line Item Detail

Row Labels	24 Revised Budget	24 Projection	25 Proposed
10-3-9-00-50-060 Automatic Bank Debit Fees	185,000	221,550	226,000
10-3-9-00-50-070 Customer Handouts	2,500	1,970	2,000
10-3-9-00-50-600 General Operations	560	560	3,000
10-3-9-00-50-100 Cust. Info Document Disposal	4,000	-	-
10-3-9-00-50-350 Bill Printing & Mailing	5,000	10,100	10,500
10-3-9-00-50-670 Training/Travel	5,000	2,620	3,500
10-3-9-00-50-800 Salaries	507,909	507,900	487,300
10-3-9-00-50-810 Temporary	21,539	21,500	-
10-3-9-00-50-820 Overtime	10,000	10,000	5,400
10-3-9-00-50-830 SS Match 6.2%	31,490	31,500	30,200
10-3-9-00-50-840 Health/Life Insurance	117,087	117,100	174,800
10-3-9-00-50-850 Medicare Match	7,619	7,600	7,300
10-3-9-00-50-860 Pension Contribution - 401(A) Match	26,148	26,100	24,400
10-3-9-00-50-870 Unemployment Compensation	1,003	1,000	800
10-3-9-00-70-455 Postage & Shipping	49,000	49,000	47,000
Customer Service Total	983,855	1,017,400	1,031,500
Engineering			
10-3-9-00-40-600 General Operations	1,200	750	-
10-3-9-00-40-170 Easements and District Boundaries	20,000	12,000	12,000
10-3-9-00-40-230 GIS Support	10,000	10,000	10,000
10-3-9-00-40-231 Aerial Imagery Subscription Fee	3,250	3,050	3,100
10-3-9-00-40-590 RR Right-of-Way & Special Permits	9,765	9,770	9,800
10-3-9-00-40-650 Engineering Planning	10,000	10,000	10,000
10-3-9-00-40-670 Training/Travel	15,000	10,210	10,000
10-3-9-00-40-700 Membership Fees	500	170	800
10-3-9-00-40-750 Uniform Allowance	1,000	700	500
10-3-9-00-40-800 Salaries	1,544,208	1,036,300	1,000,800
10-3-9-00-40-810 Temporary	-	1,400	-
10-3-9-00-40-830 SS Match 6.2%	95,741	64,300	62,100
10-3-9-00-40-840 Health/Life Insurance	331,109	255,700	195,000
10-3-9-00-40-850 Medicare Match	23,163	15,600	15,000
10-3-9-00-40-860 Pension Contribution - 401(A) Match	68,820	46,600	50,000
10-3-9-00-40-870 Unemployment Compensation	2,639	2,600	1,100
10-3-9-00-42-600 Engineering Dept. Operations	4,000	2,610	3,100
10-3-9-00-70-055 Sustainability Committee	15,000	15,000	16,200
10-3-9-10-34-010 Eagle River Watershed Council Support	25,000	25,000	25,000
10-3-9-10-34-025 Eagle River Watershed Monitoring & USGS Study	25,000	25,000	25,000
10-3-9-10-40-235 Sewer Modeling Software	7,725	7,700	8,000
10-3-9-20-30-290 Green Mountain Augmentation	36,338	-	38,200
10-3-9-20-30-295 Wolford Mtn - Augmentation	233,625	236,300	248,100
10-3-9-20-34-040 USGS Gage Contracts	90,846	90,850	97,100
10-3-9-20-90-030 Water Rights Protection	240,000	113,890	150,000
10-3-9-20-90-031 Shoshone	-	-	126,700
10-3-9-20-90-040 Drought Response Plan	55,614	55,610	-
Engineering Total	2,869,543	2,051,110	2,117,600
Field Ops			
10-1-9-00-20-800 Salaries			27,075
10-1-9-00-20-820 Overtime			6,840
10-3-9-00-20-280 Meals-On Job Field	2,400	2,400	2,400
10-3-9-00-20-400 Office Supplies	2,500	2,500	-
10-3-9-00-20-495 811 Fees	7,500	7,500	5,300
10-3-9-00-20-515 Snow Removal	10,000	-	-
10-3-9-00-20-525 Distribution Sys. Equip. & Supplies	6,000	6,000	6,000
10-3-9-00-20-560 Small Tools - Field	65,000	65,000	50,000
10-3-9-00-20-600 General Operations	202,100	333,690	5,500

ERWSD
Appendix C
Line Item Detail

Row Labels	24 Revised Budget	24 Projection	25 Proposed
10-3-9-00-20-610 Supplies	-	-	-
10-3-9-00-20-620 Supplies - Field	-	-	225,000
10-3-9-00-20-670 Training/Tuition/Certification/Travel	45,000	45,000	40,000
10-3-9-00-20-700 Membership Fees	750	750	-
10-3-9-00-20-750 Uniform Allowance	7,800	7,800	7,400
10-3-9-00-20-800 Salaries	1,805,126	1,805,100	2,022,603
10-3-9-00-20-810 Temporary	118,690	118,700	75,400
10-3-9-00-20-820 Overtime	20,000	20,700	22,000
10-3-9-00-20-830 SS Match 6.2%	111,918	111,900	119,200
10-3-9-00-20-840 Health/Life Insurance	427,470	427,500	448,900
10-3-9-00-20-850 Medicare Match	27,077	27,100	28,800
10-3-9-00-20-860 Pension Contribution - 401(A) Match	87,855	87,900	96,100
10-3-9-00-20-870 Unemployment Compensation	3,369	3,400	3,600
10-3-9-10-20-200 Electricity - Collections (Lift Stations/PRV's)	18,200	16,500	18,200
10-3-9-10-20-350 Natural Gas - Collections (Lift Stations/PRV's)	-	-	-
10-3-9-10-20-520 Repairs - Collection System	90,000	154,850	125,000
10-3-9-10-20-525 Collection System Equip & Supplies	10,000	10,000	10,000
10-3-9-10-20-535 Collection System CCTV (Vendor	125,000	125,000	150,000
10-3-9-20-20-200 Electrcity - Dist. (BPS,tanks,PRV,Heat tape)	123,800	116,700	123,800
10-3-9-20-20-520 Repair - Distribution System	150,000	280,270	275,000
10-3-9-20-20-545 FH/System Valves inspection by subcontractor	-	-	100,000
10-3-9-20-30-400 BPS/PRV - Electrical and Controls Equipment	-	-	7,500
10-3-9-20-30-490 Repairs - Building & Grounds BPS	5,000	5,000	5,000
10-3-9-20-30-505 Repairs & Maint BPS	40,000	40,780	45,000
10-3-9-20-90-009 Engineering - ERWSD Water (FO)	10,000	-	10,000
Field Ops Total	3,522,555	3,822,040	4,061,618
Finance			
10-1-9-00-70-210 Errors / Claims Settled	75,000	15,190	70,000
10-1-9-00-90-160 Audit	60,000	60,000	63,300
10-1-9-00-90-180 Financial Consulting	26,250	26,250	26,300
10-3-9-00-60-065 Chandler Admin Fees	33,600	33,600	33,600
10-3-9-00-60-600 General Operations	560	590	600
10-3-9-00-60-100 Finance Dept Admin Expense	500	500	2,000
10-3-9-00-60-400 Office Supplies	2,500	2,500	1,000
10-3-9-00-60-670 Training/Travel	7,000	7,000	5,000
10-3-9-00-60-700 Membership Fees	1,000	1,000	1,100
10-3-9-00-60-800 Salaries	724,601	724,600	934,100
10-3-9-00-60-830 SS Match 6.2%	45,391	45,400	57,900
10-3-9-00-60-840 Health/Life Insurance	160,536	160,500	178,700
10-3-9-00-60-850 Medicare Match	10,891	10,900	14,000
10-3-9-00-60-860 Pension Contribution - 401(A) Match	33,855	33,900	46,700
10-3-9-00-60-870 Unemployment Compensation	1,298	1,300	1,400
10-3-9-20-30-160 Eagle Park Oper. Assessments	180,545	189,520	120,000
Finance Total	1,363,527	1,312,750	1,555,700
Housing			
10-1-9-10-80-125 Housing - Stipend	452,160	468,610	511,600
10-3-9-00-70-775 Other Real Estate Leased	166,800	138,400	10,000
Housing Total	618,960	607,010	521,600
IT			
10-1-9-00-45-070 Copier/Printer/Fax	12,000	4,000	4,000
10-1-9-00-45-200 Contract Billing and Network Support	100,000	40,000	100,000
10-1-9-00-45-280 IT Admin Expenses	1,000	1,000	-
10-1-9-00-45-300 Software	983,692	1,713,100	1,650,500
10-1-9-00-45-400 Hardware	280,000	348,000	330,000
10-1-9-00-45-450 Phones/Telecom/Data Communications	162,511	194,980	183,100

ERWSD
Appendix C
Line Item Detail

Row Labels	24 Revised Budget	24 Projection	25 Proposed
10-1-9-00-45-490 Pagers & Cell Phones	184,289	160,000	170,000
10-1-9-00-45-511 VMWare Enterprise Licensing	63,037	63,040	-
10-1-9-00-45-512 Web Development	20,000	16,000	16,000
10-1-9-00-45-600 IT Department Operations	1,000	1,000	2,000
10-1-9-00-45-670 Training/Travel - IT	72,000	72,000	72,000
10-1-9-00-45-750 Uniform Allowance	3,960	3,960	4,000
10-1-9-00-45-800 Salaries	1,499,896	1,499,900	1,671,307
10-1-9-00-45-820 Overtime		700	1,468
10-1-9-00-45-830 SS Match 6.2%	80,511	80,500	103,300
10-1-9-00-45-840 Health/Life Insurance	283,922	283,900	310,400
10-1-9-00-45-850 Medicare Match	19,479	19,500	25,000
10-1-9-00-45-860 Pension Contribution - 401(A) Match	62,052	62,100	83,300
10-1-9-00-45-870 Unemployment Compensation	2,379	2,400	2,600
10-3-9-00-20-491 Radio Equip & Maintenance	21,600	16,000	16,000
IT Total	3,853,328	4,582,080	4,744,975
Lab			
10-3-9-00-35-020 Biomonitoring	26,450	25,880	27,800
10-3-9-00-35-105 Chemicals - Lab	22,000	30,060	12,000
10-3-9-00-35-115 ICP-MS	-	-	60,000
10-3-9-00-35-125 FIA	-	-	7,000
10-3-9-00-35-230 LIMS Support	21,000	21,520	22,600
10-3-9-00-35-310 Micro Bio Supplies - Wastewater	5,000	5,000	5,000
10-3-9-00-35-320 Micro Bio Supplies - Water	21,000	17,120	17,100
10-3-9-00-35-400 Office Supplies	700	630	-
10-3-9-00-35-430 Outside Lab - Wastewater	20,000	15,870	14,000
10-3-9-00-35-440 Outside Services - Lab	10,000	10,000	10,000
10-3-9-00-35-450 Outside Services - WW Nonylphenol	7,350	8,500	8,500
10-3-9-00-35-580 Special Sampling	20,000	20,000	20,000
10-3-9-00-35-585 Sept WQ Sampling & Analysis	77,000	77,000	60,000
10-3-9-00-35-590 Black Gore Creek Water Quality	7,000	6,240	6,200
10-3-9-00-35-600 General Operations	560	1,120	1,100
10-3-9-00-35-610 Small Tools	-	-	-
10-3-9-00-35-615 Supplies - Main Lab	13,000	13,000	13,000
10-3-9-00-35-670 Training/Tuition/Certification/Travel	8,580	8,580	9,000
10-3-9-00-35-700 Membership Fees	328	330	-
10-3-9-00-35-750 Uniform Allowance	1,400	1,400	1,800
10-3-9-00-35-780 Lab Equipment - Routine/Small	8,320	19,220	9,000
10-3-9-00-35-800 Salaries	573,873	573,900	611,200
10-3-9-00-35-820 Overtime	-	1,900	2,000
10-3-9-00-35-830 SS Match 6.2%	35,580	35,600	37,900
10-3-9-00-35-840 Health/Life Insurance	125,045	125,000	131,300
10-3-9-00-35-850 Medicare Match	8,608	8,600	9,200
10-3-9-00-35-860 Pension Contribution - 401(A) Match	27,084	27,100	30,600
10-3-9-00-35-870 Unemployment Compensation	1,038	1,000	1,100
10-3-9-10-34-039 Wastewater Regulatory Legal	31,200	31,200	20,000
10-3-9-10-34-040 WW Discharge-Water Quality Tech Support/Studies	100,000	60,870	70,000
10-3-9-10-90-041 Eagle Mine Legal & Consulting	19,760	34,840	20,000
Lab Total	1,191,876	1,181,480	1,237,400
Ops Tech			
10-1-9-00-47-150 OTS Support Services	26,000	9,500	20,000
10-1-9-00-47-280 OTS Admin Expenses	4,000	3,000	-
10-1-9-00-47-300 OTS Software	-	-	2,000
10-1-9-00-47-400 OTS Hardware & Equipment	85,000	85,000	10,000
10-1-9-00-47-450 MCC Maintenance and Cleaning	35,000	35,000	52,000
10-1-9-00-47-560 Small Tools & Equipment	25,000	18,870	20,000

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Appendix C
Line Item Detail

Row Labels	24 Revised Budget	24 Projection	25 Proposed
10-1-9-00-47-600 General Operations	720	710	1,600
10-1-9-00-47-670 Training/Tuition/Certification/Travel	30,000	22,890	30,000
10-1-9-00-47-750 Uniform Allowance	3,285	3,290	3,300
10-1-9-00-47-800 Salaries	1,027,905	1,027,900	1,117,512
10-1-9-00-47-820 Overtime	-	7,100	14,099
10-1-9-00-47-830 SS Match 6.2%	63,730	63,700	67,900
10-1-9-00-47-840 Health/Life Insurance	223,996	224,000	235,200
10-1-9-00-47-850 Medicare Match	15,419	15,400	16,400
10-1-9-00-47-860 Pension Contribution - 401(A) Match	48,844	48,800	52,000
10-1-9-00-47-870 Unemployment Compensation	1,873	1,900	2,000
Ops Tech Total	1,590,772	1,567,060	1,644,011
People Ops			
10-1-9-00-70-110 Insurance-Director Liability	35,491	35,720	-
10-3-9-00-70-360 Property & Liability Insurance	438,586	452,300	465,900
10-3-9-00-80-080 Benefit Administration	60,000	58,770	64,000
10-3-9-00-80-085 HRIS/Payroll	75,000	89,660	87,000
10-3-9-00-80-600 General Operations	28,900	38,670	9,200
10-3-9-00-80-100 Hazardous Waste Disposal	10,000	4,000	5,000
10-3-9-00-80-350 H.R. - Admin. Expense	1,000	890	-
10-3-9-00-80-400 Office Supplies	600	480	-
10-3-9-00-80-450 Random CDL/Post Accid. Drug Tests	1,500	1,500	1,500
10-3-9-00-80-474 Onboarding Costs	-	-	2,500
10-3-9-00-80-475 Recruiting Costs	35,000	18,230	30,000
10-3-9-00-80-476 Relocation Costs	35,000	17,590	18,000
10-3-9-00-80-550 Safety	125,000	133,170	155,000
10-3-9-00-80-552 HR/Safety Training	30,000	30,000	25,000
10-3-9-00-80-555 Security - General	25,870	23,960	23,900
10-3-9-00-80-670 Training/Travel	38,000	27,720	32,000
10-3-9-00-80-700 Membership	4,000	2,580	5,000
10-3-9-00-80-750 Uniform Annual Order	38,000	36,390	40,000
10-3-9-00-80-755 Wellness Program	62,660	78,920	87,500
10-3-9-00-80-760 Org Consulting	10,000	7,000	20,000
10-3-9-00-80-800 Salaries	720,299	720,300	823,700
10-3-9-00-80-810 Temporary	26,960	27,000	15,600
10-3-9-00-80-820 Overtime	-	800	900
10-3-9-00-80-830 SS Match 6.2%	44,659	44,700	67,900
10-3-9-00-80-840 Health/Life Insurance	157,500	157,500	179,200
10-3-9-00-80-850 Medicare Match	10,804	10,800	12,400
10-3-9-00-80-860 Pension Contribution - 401(A) Match	34,339	34,300	41,200
10-3-9-00-80-870 Unemployment Compensation	1,317	1,300	1,400
10-3-9-00-80-880 Workman's Compensation	87,311	87,300	93,000
People Ops Total	2,137,796	2,141,550	2,306,800
Utility Services			
10-1-9-10-23-140 Edwards WW - Custodial Services	-	-	-
10-1-9-10-23-680 Edwards WW - Trash Service	-	-	84,000
10-3-9-00-20-100 Non-Housing Eagle Vail Association Dues	30,000	30,000	37,700
10-3-9-00-20-140 Custodial Services	135,000	135,000	-
10-3-9-00-20-150 Contracted Painting	5,000	5,000	5,000
10-3-9-00-20-200 Non-Housing Eagle Vail Electric	-	8,300	8,500
10-3-9-00-20-225 Fleet Maintenance	100,000	100,000	100,000
10-3-9-00-20-227 Fleet - Small Tools	11,000	17,330	11,000
10-3-9-00-20-230 GPS Vehicle Tracking & Diagnostics	16,000	16,000	16,000
10-3-9-00-20-240 Gas for vehicles	110,000	110,000	75,000
10-3-9-00-20-680 Trash Service	35,000	44,870	-
10-3-9-00-20-755 Heavy & Specialty Equip. Contract Maint.	70,000	70,000	70,000

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Appendix C
Line Item Detail

Row Labels	24 Revised Budget	24 Projection	25 Proposed
10-3-9-00-20-760 Water & Sewer Utility Bill-Vail Admin		-	-
10-3-9-00-21-050 Cross Connection Program	45,000	45,000	45,000
10-3-9-00-21-140 Vail Admin Office - Custodial Services	-		50,000
10-3-9-00-21-160 Contracted Plumbing	20,000	20,000	20,000
10-3-9-00-21-400 Office Supplies	500	500	-
10-3-9-00-21-560 Small Tools	7,000	7,000	7,000
10-3-9-00-21-600 General Operations	1,120	1,120	1,600
10-3-9-00-21-670 Training/Travel	13,400	13,400	16,400
10-3-9-00-21-675 Tuition Reimbursement		-	-
10-3-9-00-21-680 Vail Admin Office - Trash Service	-		4,000
10-3-9-00-21-750 Uniform Allowance	4,050	4,050	4,000
10-3-9-00-21-800 Salaries	1,093,590	1,093,600	1,175,100
10-3-9-00-21-810 Temporary	25,460	25,500	15,100
10-3-9-00-21-820 Overtime		6,400	15,000
10-3-9-00-21-830 SS Match 6.2%	67,803	67,800	72,900
10-3-9-00-21-840 Health/Life Insurance	238,468	238,500	307,800
10-3-9-00-21-850 Medicare Match	16,404	16,400	17,600
10-3-9-00-21-860 Pension Contribution - 401(A) Match	51,774	51,800	58,800
10-3-9-00-21-870 Unemployment Compensation	1,985	2,000	2,100
10-3-9-10-20-205 Electricity - Avon Admin	18,000	32,000	33,000
10-3-9-10-20-500 Repairs - Buildings	160,000	160,000	180,000
10-3-9-10-20-501 Repairs - Grounds	20,000	20,000	-
10-3-9-10-21-770 Meter Purchases for Inventory & Repairs	800,000	800,000	800,000
10-3-9-10-22-140 Avon WW - Custodial Services			-
10-3-9-10-22-680 Avon WW - Trash Service			40,000
10-3-9-20-21-771 Meter Replacement/Equip Parts - Vail	300,000	300,000	300,000
10-3-9-20-21-772 Contracted Services	85,000	85,000	25,000
Seasonal employee for Utility services 1			-
Utility Services Total	3,481,554	3,526,570	3,597,600
Wastewater			
10-1-9-00-12-400 Electrical and Controls Equipment- Avon	-	-	10,000
10-1-9-00-13-400 Electrical and Controls Equipment- Edwards	-	-	45,000
10-1-9-10-10-800 Salaries			45,272
10-1-9-10-10-820 Overtime			10,205
10-1-9-10-13-140 Edwards WW - Custodial Services		-	18,000
10-1-9-10-13-680 Edwards WW - Trash Service		-	1,500
10-3-9-10-10-400 Admin Expense	1,200	1,200	-
10-3-9-10-10-410 Outside Lab - Biosolids	15,000	15,000	15,000
10-3-9-10-10-670 Training/Tuition/Certification/Travel	18,000	18,000	18,000
10-3-9-10-10-700 Membership Fees	800	800	5,300
10-3-9-10-10-750 Uniform Allowance	5,400	5,400	5,100
10-3-9-10-10-790 On-Call Engineering Service	-	-	10,000
10-3-9-10-10-800 Salaries	1,413,518	1,413,500	1,855,300
10-3-9-10-10-820 Overtime	14,425	14,400	23,000
10-3-9-10-10-830 SS Match 6.2%	87,638	87,600	115,000
10-3-9-10-10-840 Health/Life Insurance	319,660	319,700	389,000
10-3-9-10-10-850 Medicare Match	21,203	21,200	27,800
10-3-9-10-10-860 Pension Contribution - 401(A) Match	71,027	71,000	92,800
10-3-9-10-10-870 Unemployment Compensation	2,723	2,700	2,900
10-3-9-10-11-130 Chemicals-Process-Vail	7,400	7,400	7,400
10-3-9-10-11-160 Discharge Permits-Vail	15,100	15,100	16,000
10-3-9-10-11-200 Electricity-WW Plants-Vail	212,194	236,510	243,600
10-3-9-10-11-350 Natural Gas-Vail	39,308	39,310	41,700
10-3-9-10-11-500 Repairs-Equipment-Vail	55,000	55,000	45,000
10-3-9-10-11-510 Building Maintenance-Vail	-	-	24,000

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Line Item Detail

Row Labels	24 Revised Budget	24 Projection	25 Proposed
10-3-9-10-11-760 Water & Sewer Utility Bill-Vail	8,000	8,000	8,000
10-3-9-10-12-130 Chemicals-Process-Avon	20,000	40,400	40,400
10-3-9-10-12-140 Avon WW - Custodial Services		-	42,000
10-3-9-10-12-160 Discharge Permits-Avon	15,100	15,100	16,000
10-3-9-10-12-200 Electricity-WW Plants-Avon	183,853	174,320	183,900
10-3-9-10-12-260 Janitorial Supplies	2,500	2,500	-
10-3-9-10-12-350 Natural Gas-Avon	237,527	237,530	251,800
10-3-9-10-12-500 Repairs-Equipment-Avon	91,815	91,820	80,000
10-3-9-10-12-510 Building Maintenance-Avon	-	-	84,000
10-3-9-10-12-680 Avon WW - Trash Service		-	12,500
10-3-9-10-12-760 Water & Sewer Utility Bill-Avon	7,200	7,200	7,200
10-3-9-10-13-020 Biosolids Fees-Edwards	-	1,320	2,000
10-3-9-10-13-120 Chemicals-Polymer-Edwards	100,000	100,000	100,000
10-3-9-10-13-130 Chemicals-Process-Edwards	15,000	16,400	16,400
10-3-9-10-13-160 Discharge Permits-Edwards	17,400	17,400	18,000
10-3-9-10-13-200 Electricity-WW Plants-Edwards	557,062	533,480	557,100
10-3-9-10-13-260 Janitorial Supplies	2,500	2,500	-
10-3-9-10-13-350 Natural Gas-Edwards	74,742	74,740	79,200
10-3-9-10-13-355 Odor Control - Edwards	66,000	66,000	66,000
10-3-9-10-13-500 Repairs-Equipment-Edwards	200,000	209,990	180,000
10-3-9-10-13-510 Building Maintenance-Edwards	-	-	63,000
10-3-9-10-13-760 Water & Sewer Utility Bill-Edwards	30,000	30,000	33,000
10-3-9-10-10-600 General Operations	1,440	1,440	5,100
10-1-9-00-11-400 Electrical and Controls Equipment- Vail	-	-	15,000
Wastewater Total	3,929,735	3,953,960	4,927,477
Water			
10-1-9-00-30-800 Salaries			16,091
10-1-9-00-30-820 Overtime			4,495
10-3-9-00-30-260 Janitorial Supplies	2,500	-	-
10-3-9-00-30-400 Vail Wells Electrical and Controls Equipment	2,000	1,170	15,000
10-3-9-00-30-600 Supplies/Small Tools	5,500	5,950	6,900
10-3-9-00-30-610 General Operations	1,440	1,440	6,000
10-3-9-00-30-670 Training/Tuition/Certification/Travel	15,000	15,000	15,000
10-3-9-00-30-700 Membership Fees	12,000	12,000	12,500
10-3-9-00-30-750 Uniform Allowance	5,400	5,400	5,400
10-3-9-00-30-800 Salaries	1,546,111	1,546,100	1,708,000
10-3-9-00-30-820 Overtime		11,200	35,000
10-3-9-00-30-830 SS Match 6.2%	95,859	95,900	105,900
10-3-9-00-30-840 Health/Life Insurance	337,685	337,700	441,600
10-3-9-00-30-850 Medicare Match	23,192	23,200	25,600
10-3-9-00-30-860 Pension Contribution - 401(A) Match	72,759	72,800	85,400
10-3-9-00-30-870 Unemployment Compensation	2,790	2,800	3,000
10-3-9-20-30-100 Vail Wells & GVDWF Chemicals - Treatment	100,000	100,000	110,000
10-3-9-20-30-200 ERWSD Electricity - Treatment Facilities	201,200	177,400	201,200
10-3-9-20-30-425 Laboratory Services	26,000	26,000	32,300
10-3-9-20-30-450 Water Tank Electrical and Controls Equipment	-	-	5,000
10-3-9-20-30-460 Licensing & State Fees	7,000	7,000	6,000
10-3-9-20-30-495 Vail Wells & GVDWF Repairs - Building/Grounds	20,000	20,000	20,000
10-3-9-20-30-500 Vail Wells & GVDWF Repairs - Equipment	34,100	34,100	39,000
10-3-9-20-30-507 Water Storage Tank Repairs	20,000	20,000	20,000
10-3-9-20-30-555 GVDWF Sewer Service	4,200	4,200	4,200
10-3-9-20-30-600 Lab Supplies/Chemicals/Reagents	30,000	24,070	-
10-3-9-20-30-603 Raw Water Resources	4,500	3,500	3,500
10-3-9-20-30-620 Lab Supplies/Chemicals/Reagents	-	-	25,000
10-3-9-20-30-780 Water Tank Cleaning	15,600	15,600	-

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Line Item Detail

Row Labels	24 Revised Budget	24 Projection	25 Proposed
10-3-9-20-34-030 Fish Stocking - Black Lakes	36,700	36,700	38,500
10-3-9-20-90-010 Engineering	10,000	-	15,000
Water Total	2,631,536	2,599,230	3,005,586
Water Conservation			
10-3-9-20-85-040 Consulting - Water Conservation	10,000	-	16,000
10-3-9-20-85-600 General Operations	400	400	-
10-3-9-20-85-670 Training/Travel	-	-	6,000
10-3-9-20-85-777 Water Conservation Program Rebates	10,000	10,000	10,000
10-3-9-20-85-778 Water Conservation Program	30,000	30,000	30,500
10-3-9-20-85-800 Salaries	306,525	306,500	476,600
10-3-9-20-85-810 Temporary	30,511	30,500	31,200
10-3-9-20-85-830 SS Match 6.2%	19,005	19,000	29,500
10-3-9-20-85-840 Health/Life Insurance	107,774	107,800	138,100
10-3-9-20-85-850 Medicare Match	4,598	4,600	7,100
10-3-9-20-85-860 Pension Contribution - 401(A) Match	10,272	10,300	23,800
Water Conservation Total	529,085	519,100	768,800
Operating Total	30,622,381	31,436,430	34,178,387
Housing Expense			
Housing			
10-1-9-10-65-600 General Operations	160	160	-
10-1-9-10-65-101 Training and Certifications	-	-	5,000
10-1-9-10-65-102 Professional Services/Training	5,000	8,820	5,000
10-1-9-10-65-103 Housekeeping	10,000	7,900	10,000
10-1-9-10-65-104 Small Tools	5,000	4,910	5,000
10-1-9-10-65-680 Trash Service	-	-	14,000
10-1-9-10-80-100 Housing Rental - HOA Dues	219,834	219,830	230,800
10-1-9-10-80-105 Housing Rental Repairs, Cleaning, & Landscaping	100,000	104,240	107,000
10-1-9-10-80-107 Housing - Fees EHOP	3,000	1,500	1,500
10-1-9-10-80-110 Housing Rental Utilities	23,000	16,490	16,500
10-1-9-10-80-115 Non-Housing (ex. Lot, annex) Expenses	4,500	5,500	5,800
10-1-9-10-80-120 Emp Housing Master Leases	90,000	29,400	-
10-3-9-10-65-800 Salaries	183,475	183,500	195,400
10-3-9-10-65-830 SS Match 6.2%	11,375	11,400	12,100
10-3-9-10-65-840 Health/Life Insurance	32,943	32,900	34,500
10-3-9-10-65-850 Medicare Match	2,752	2,800	2,900
10-3-9-10-65-860 Pension Contribution - 401(A) Match	9,218	9,200	9,800
Housing Total	700,257	638,550	655,300
Housing Expense Total	700,257	638,550	655,300
Debt Service			
Finance			
10-1-9-10-00-200 Treasurer's Fees - ERWSD WW Ops	18,221	24,800	22,900
10-1-9-20-00-210 Treasurer's Fees - VVCWD	16,828	19,500	19,300
10-2-5-10-00-026 C/P GO Bonds WW 2016	585,000	585,000	595,000
10-2-5-20-00-035 C/P Bonds Water 2012A	130,000	130,000	135,000
10-2-5-20-00-040 C/P Bonds Water 2012B	460,000	460,000	475,000
10-2-5-20-00-069 2024 Vail Water Bond Principal	-	-	497,000
10-2-9-10-80-026 Bond Interest Exp WW 2016	785,931	785,930	771,300
10-2-9-10-80-035 Paying Agent Fees - ERWSD GO Bonds	830	420	400
10-2-9-10-80-045 Treasurer's Fees - ERWSD	40,478	40,680	36,500
10-2-9-20-80-040 Paying Agent Fees - Vail Water	830	910	1,000
10-2-9-20-80-065 Treasurer's Fees - Vail 02	26,708	26,710	21,600
10-2-9-20-80-073 Bond Int. Exp. - Water 2012A	34,567	34,570	29,400
10-2-9-20-80-074 Bond Int. Exp. - Water 2012B	119,667	119,670	101,200
10-2-9-20-80-075 2024 Vail Water Int Exp	-	-	619,500
10-3-5-10-00-604 C/P 2020 WW Revenue Bonds	265,000	265,000	275,000

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Line Item Detail

Row Labels	24 Revised Budget	24 Projection	25 Proposed
10-3-5-10-00-605 C/P 2017 Refunding 09 BABs WW	495,000	495,000	510,000
10-3-5-10-00-606 C/P 2020 WW Rev. Refunding Bonds	1,050,000	1,050,000	1,060,000
10-3-5-10-00-607 C/P 2023 WW Enterprise Bonds	760,000	760,000	800,000
10-3-5-20-00-610 C/P Loan - Eagle Park Reservoir	100,227	100,230	105,700
10-3-5-20-00-635 C/P Loan - 2017 Water Bonds	445,000	445,000	470,000
10-3-5-20-00-640 C/P 2019 Water Revenue Bond	155,000	155,000	160,000
10-3-9-10-80-021 Bond Interest Exp.-2020 WW Revenue Bonds	1,336,038	1,336,040	1,327,800
10-3-9-10-80-022 Bond Interest Exp.- 2020 Rev Refunding Bonds	572,320	572,320	559,900
10-3-9-10-80-023 Bond Int Exp - 2023 WW Enterprise Bonds	2,055,483	2,055,480	2,017,300
10-3-9-10-80-029 Bond Int. Exp - 2017 Refunding 09 BABs WW	373,769	372,530	357,600
10-3-9-10-80-050 Paying Agent Fees - ERWSD Rev.Bonds	1,400	1,020	1,100
10-3-9-20-80-035 Interest Loan - 2017 Rev.Water Bonds(Ref 09)	362,471	362,470	340,100
10-3-9-20-80-040 Interest 2019 Revenue Water Bonds	107,833	107,830	101,600
10-3-9-20-80-065 Interest Loan - Eagle Park Reservoir	29,090	29,090	23,600
Finance Total	10,327,691	10,335,200	11,434,800
Debt Service Total	10,327,691	10,335,200	11,434,800
CRP			
Engineering			
10-1-2-00-45-106 CRP-GIS Improvements	1,500	-	-
10-1-2-00-45-137	-	-	11,000
Engineering Total	1,500	-	11,000
Field Ops			
10-3-2-00-20-102 CRP-Locators & Correlators	10,000	11,710	15,000
10-3-2-00-20-106 CRP- CCTV truck upgrades			150,000
10-3-2-10-01-027 CRP-Sewer Capital Replacement Program	100,000	402,000	100,000
10-3-2-10-01-043 CRP-I & I Reduction - District wide	100,000	100,000	250,000
10-3-2-10-20-107 CRP-Sewer interceptor rehabilitation			250,000
10-3-2-20-09-447 CRP-Vail Water Capital Replacement Program	107,222	107,220	75,000
Field Ops Total	317,222	620,930	840,000
Housing			
10-1-2-10-80-100 CRP-Employee Housing	175,000	200,000	200,000
Housing Total	175,000	200,000	200,000
IT			
10-1-2-00-45-108 CRP-Website Improvements	30,000	-	-
10-1-2-00-45-109 CRP-Server & Network Improvements	50,000	93,640	100,000
10-1-2-00-45-124 CRP-Desktop/Laptop Improvement Upgrade	163,000	197,150	140,000
10-1-2-00-45-125 CRP-Printers Improvement Upgrade	10,000	10,000	10,000
10-1-2-00-45-128 CRP- Low Voltage Wiring	50,000	50,000	50,000
10-1-2-00-45-139 CRP-ADWF Server Room Project		150,000	300,000
10-1-2-00-45-200 CRP-Portable Radio Upgrade	25,000	25,000	25,000
10-1-2-00-45-330 OMS Solution			50,000
10-1-2-00-45-331 Truck WiFi			126,500
IT Total	328,000	525,790	801,500
Lab			
10-3-2-00-35-100 CRP-Lab Equipment Replacement		-	10,000
Lab Total		-	10,000
Ops Tech			
10-1-2-00-47-100 CRP-OTS Spare Parts Inventory	10,000	10,000	-
Ops Tech Total	10,000	10,000	-
People Ops			
10-1-2-10-80-101 CRP- Safety & Security	10,000	10,000	10,000
People Ops Total	10,000	10,000	10,000
Utility Services			
10-1-2-00-05-142 CRP-Building Remodels or Major Repairs	206,915	133,210	25,000
10-3-2-00-07-309 CRP Heavy Equipment	248,480	247,720	-

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Row Labels	24 Revised Budget	24 Projection	25 Proposed
10-3-2-00-07-310 CRP-Vehicle Replacement Program	215,740	315,000	115,000
10-3-2-00-20-101 CRP-Asphalt Seal & Stripe	25,000	-	-
Utility Services Total	696,136	695,930	140,000
Wastewater			
10-3-2-10-11-117 CRP-VWWTF Plant Repairs	50,000	50,000	50,000
10-3-2-10-12-126 CRP-AWWTF Plant Repairs	30,000	22,280	25,000
10-3-2-10-13-114 CRP-EWWTF Plant Repairs	200,000	209,240	250,000
10-3-2-10-13-115 EWWTF Biofilter Media Replacement	469,623	450,170	-
Wastewater Total	749,623	731,690	325,000
Water			
10-3-2-20-09-019 CRP-Water Storage Tank Misc. Improvements	100,000	67,130	150,000
10-3-2-20-09-020 CRP-Vail Wtr System Repairs	75,000	75,000	75,000
10-3-2-20-09-029 Well R7 Refurbishment		310,110	-
10-3-2-20-09-260 ERWSD Analyzer Replacement Allowance			25,000
10-3-2-20-30-112 CRP-Distribution Industrial Painting	50,000	-	50,000
Water Total	225,000	452,240	300,000
CRP Total	2,512,481	3,246,580	2,637,500
Capital			
Engineering			
10-3-2-00-07-301 Greenhouse Gas Inventory	104,686	4,690	-
Engineering Total	104,686	4,690	-
Field Ops			
10-1-2-10-05-057 Hillcrest Field Operations Facility	97,722	-950	-
10-3-2-00-07-150 CRP- Jetting Truck			400,000
10-3-2-10-01-009 Collection System Master Plan	100,000	100,000	-
10-3-2-10-01-045 Forest Rd./Rockledge Private Sewer Replacement	302,000	-	-
10-3-2-10-01-130 Intermountain Interceptor Collection Upgrades	-	-	75,000
10-3-2-10-20-108 CRP- Sewer aerial crossing improvements			100,000
Field Ops Total	499,722	99,050	575,000
Housing			
10-1-2-00-05-013 District Housing Sustainability		-	-
10-1-2-10-05-056 Housing Acquisitions	675,473	675,470	250,000
Housing Total	675,473	675,470	250,000
IT			
10-1-2-00-45-307 Cameras for RTU Sites	46,175	46,180	-
10-1-2-00-45-308 Stone Security Control Access	50,000	50,000	50,000
10-1-2-00-45-314 Microwave Backbone Project	18,760	18,760	-
10-1-2-00-45-321 IT Capital Hardware	125,000	127,420	125,000
10-1-2-00-45-322 Dowd Junction Communication Tower	50,000	15,000	50,000
10-1-2-00-45-325 Nimble Storage Replacement	590,155	613,850	-
10-1-2-00-45-326 VMWare Enterprise Licensing Project	163,461	-	-
10-1-2-00-45-327 FortiSandbox	26,554	27,010	-
10-1-2-00-45-328 CRP- Cisco Phone System	38,602	38,600	-
10-1-2-00-45-329 ADWF Redundant HVAC	70,000	72,660	-
IT Total	1,178,707	1,009,480	225,000
Lab			
10-3-2-10-03-701 ICP-MS Lab Equipment	78,302	25,000	-
10-3-2-10-03-702 FIA	125,000	125,000	-
Lab Total	203,302	150,000	-
Utility Services			
10-3-2-00-07-309 CRP Heavy Equipment			160,000
Utility Services Total		-	160,000
Wastewater			
10-3-2-10-03-530 CRP- EWWTF Centrifuge	135,000	-	-
10-3-2-10-03-531 EWW GT and SC Coatings	100,000	-	-

ERWSD
Appendix C
Line Item Detail

Row Labels	24 Revised Budget	24 Projection	25 Proposed
Wastewater Total	235,000	-	-
Water			
10-3-2-20-09-016 Water Treatment Master Plan-	91,598	-	-
10-3-2-20-09-018 Water System Emergency Power	63,889	20,000	-
10-3-2-20-09-022 West Vail Flow Control Improvements	100,061	75,000	-
Water Total	255,548	95,000	-
Capital Total	3,152,439	2,033,690	1,210,000
Bond Project			
Engineering			
10-3-2-10-07-100 Gore Valley Trail @ Dowd Jct. Repair	312,243	350,000	-
10-3-2-20-09-136 Bolts Lake Reservoir	535,627	535,630	506,300
Engineering Total	847,870	885,630	506,300
Field Ops			
10-3-2-10-01-006 Dowd Junction Collection System Improve.	1,749,645	1,251,120	-
10-3-2-10-01-012 Minturn Siphon Project	515,184	100,000	1,100,000
10-3-2-10-01-019 Cascade Sewer Main Project	700,000	150,000	-
10-3-2-20-09-026 Main Gore Place Waterline Improvement	88,228	50,000	1,100,000
Field Ops Total	3,053,057	1,551,120	2,200,000
Ops Tech			
10-3-2-20-09-028 Well R7/Booth Emergency Power	200,000	157,830	1,850,000
Ops Tech Total	200,000	157,830	1,850,000
Wastewater			
10-3-2-10-03-002 2022 WW Master Plan Update	177,984	177,980	-
10-3-2-10-03-316 VWWTF Master Plan Capital Improvements	3,669,726	3,594,530	500,000
10-3-2-10-03-447 AWWTF Nutrient Upgrades	250,000	142,110	-
10-3-2-10-03-505 EWWTF Nutrient Upgrades	4,000,000	2,891,730	7,665,200
Wastewater Total	8,097,710	6,806,350	8,165,200
Water			
10-3-2-20-09-000 Well R7 Replacement		-	150,000
10-3-2-20-09-024 N. Frontage Road Water Main Connection	525,918	537,930	-
10-3-2-20-09-025 Lower Glen Lyon Fire Flow Improvements	-	-	200,000
10-3-2-20-09-027 Vail Tank 4 Rehabilitation (Cap Water)	150,000	100,000	2,000,000
Water Total	675,918	637,930	2,350,000
Bond Project Total	12,874,554	10,038,860	15,071,500
Grand Total	60,189,802	57,729,310	65,187,487



EAGLE RIVER COALITION

Protecting Our Local Watersheds

**Eagle River Water & Sanitation District
Upper Eagle Regional Water Authority
846 Forest Road
Vail, CO 81657-5705**

September 5, 2024

Dear Mr. Cleveland and Mr. Gregory,

The District and Authority are consistent and generous supporters of Eagle River Coalition's mission to advocate for the health of the Eagle River Watershed and our board and staff are incredibly grateful. Through this partnership, the Eagle River Coalition consistently delivers water quality programming, expands restoration and education efforts, and ensures that our-aligned missions protect our rivers and work in tandem.

In the last year ERWSD/UERWA funding enabled Eagle River Coalition to:

- Complete the Eagle River Community Water Plan and apply for additional funding from CWCB to prepare projects for implementation.
- Develop the Eagle River Fund. This mechanism ensures a long-term funding opportunity is available for local organizations to utilize for prioritized projects.
- Advocate for policies and projects through participation in the Colorado Basin Roundtable, local land use authorities, and Wild & Scenic Designation groups.
- Expand the Beyond Lawn Program, which is reducing outdoor water use in Eagle County and bringing visibility to ERWSD's efficiency efforts throughout the community.
- Educate our community on critical topics, including, but not limited to; water law, the legacy of the Eagle Mine, outdoor water use, and best practices regarding stormwater.

The Eagle River Coalition is hopeful that we can count on the District and Authority to collaborate to protect our local watershed and secure a vibrant future for our community. As such, the Coalition respectfully requests the continued support of \$25,000 from both the District and Authority, for a total of \$50,000 to sustain the longstanding Water Quality Monitoring & Assessment Program. Additionally, we respectfully request the continued support of \$25,000 from both the District and Authority, for a total of \$50,000, for general operations of Eagle River Coalition. Our board and staff values accountability and collaboration, and with your support, we will accomplish what is outlined on the following page. Please reach out to me directly with any questions at dilzell@eagleriverco.org or 970.827.5406.

James Dilzell, Executive Director

Continue and expand the Water Quality Monitoring & Assessment Program

Requesting \$25,000 from ERWSD and \$25,000 from UERWA

This longstanding effort maintains the robust, collaborative database of information that guides Eagle River Coalition and other entities in the development of project priorities, identifies threats as they emerge, and ensures that data collection efforts are not duplicated. Funding supports the coordination of data collectors, data analysis, annual reporting to stakeholders and the community, a shared database, and regular publishing of an interactive online report card offering a graphical interpretation of the data.

The overall budget for WQMAP allows for the flexibility to direct funds towards specific water quality-related issues that are unanticipated each year, may require a shorter investigative timeline, or have specific equipment needs.

Support for WQMAP in 2025 is anticipated from US Geological Survey, Eagle County, Homestake Partners, Climax Mine, Vail Resorts Management Company, the Towns of Gypsum, Eagle, Avon, Minturn and Vail, as well as the Colorado River Water Conservation District.

Projects we will catalyze:

- Launch of the updated and more user-friendly report card
- Additional temperature macroinvertebrate monitoring
- Conductivity monitoring and analyses on Black Gore Creek

Advocate for the health of the Eagle River Watershed through general support

Requesting \$25,000 from ERWSD and \$25,000 from UERWA

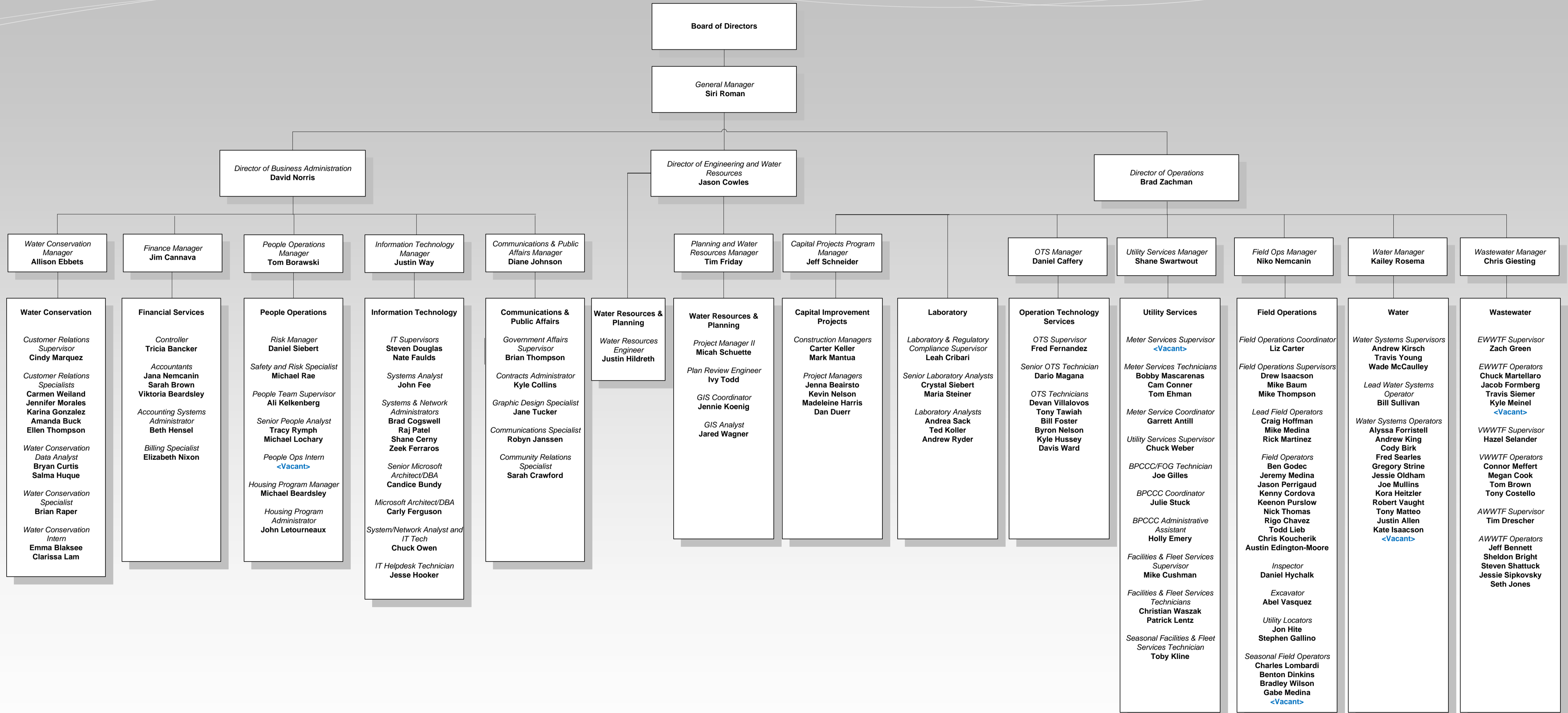
Unrestricted funds play a vital role in supporting the Coalition's mission by enabling us to address gaps in programs and projects that benefit both our organization and our community. These funds are critical for the implementation of essential programming, expansion of our marketing and educational outreach throughout our watershed, and for our staff to have the resources they need to succeed.

This funding from ERWSD and UERWA is leveraged in requests to individuals, businesses, foundations and other government entities as it demonstrates that our work is critical, valid and worthy of their financial support. General administration support also comes from private foundations, Eagle County, Town of Avon, event proceeds, local businesses, individuals, and the Land & Rivers Fund.

Projects & Programs we will catalyze:

- High-temperature mitigation strategies, including flow management and riparian restoration.
- Specialized stormwater education programming throughout the watershed.
- Camp Hale Restoration to support downstream health on the Eagle River.

Appendix E





BOARD COMMITTEES

DISTRICT

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

AUTHORITY

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

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

(A) = Authority, (D) = District

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



**UPPER EAGLE REGIONAL
WATER AUTHORITY**

GOVERNED BY:

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

The Town of Avon

M E M O R A N D U M

TO: Board of Directors
FROM: Brian Thompson, Government Affairs Supervisor
DATE: August 15, 2024
RE: Summary of Authority’s July 25, 2024, Board Meeting

The following is a summary of items discussed at the Authority’s July 25, 2024, board meeting. Directors present and acting were Chair George Gregory, Secretary Kim Bell Williams, Treasurer Geoff Dreyer, Kevin Hillgren, Joanna Kerwin, and Tamra Underwood.

- Board Member Compliance Training** The board will participate in compliance trainings aligned with recommendations by the Special District Association and other industry standards. Tom Borawski presented the first training on preventing and addressing harassment.
- Eagle Valley Wildland** Hugh Fairfield-Smith, Fire Management Officer for Eagle Valley Wildland (EVW), provided an overview of the EVW program, an intergovernmental partnership dedicated to wildfire response, planning, mitigation, and community education. The District became a partner in March 2024 and contributed \$10K to 2024 operations, of which, 30% was allocated to the Authority per the standard O&M split. The EVW partnership will be reconsidered annually.
- Supporting Eagle River Community Water Plan** The Authority & District boards adopted a joint resolution expressing support for the Eagle River Community Water Plan, which was shared with the boards at the Jul. 17 joint board work session.
- Opting Out of PFAS Class Settlements** The Authority & District boards opted out of future PFAS class action settlements that are similar to the 3M and DuPont settlements, which the boards opted out of in November 2023, as these settlements provide overly broad immunity for future PFAS contamination and public water systems receive compensation far below potential treatment costs. Settlements that are materially different than 3M/Dupont will be considered individually by the boards.
- Avon Wastewater Treatment Facility** Several directors attended the Jul. 24 public tours of the Avon Wastewater Treatment Facility to mark the completion of the \$57M nutrient upgrades project.
- Quarterly Financials** Jim Cannava reported that operating revenues are slightly under budget due to decreased billed consumption, and operating expenses are slightly over budget due primarily to emergency distribution system repairs.
- Backflow Testing** Shane Swartwout reported that a recent amendment to the State Plumbing Code that would require anyone working on a backflow assembly to be a licensed plumber will not be enforced until April 2025, and a permanent solution is expected to be adopted during the next legislative session. Staff are advising District backflow testers to continue testing and reporting as normal.
- Special District Grant Accessibility Act** Brian Thompson reported on S.4673, a bill that would create the first-ever federal definition of “special district” and require that special districts be considered as eligible local governments for federal funding programs.



MEMORANDUM

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

Colorado Water Congress

I was recently selected to join the [Colorado Water Congress](#) (CWC) board of directors. The CWC is governed by a 32-member Board that is organized into three divisions: geographic (by watershed); local government, business, and tribal; and professional interests. I will represent the Upper Colorado River Basin (above the confluence of Colorado and Roaring Fork Rivers).

This geographic seat was created in 2013 when the CWC board chose to split the Colorado Basin seat into two – to represent the upper and lower basin. Former District GM Linn Brooks was invited to fill the new seat at that time and has served since May 2013. Upon Linn's notice to resign from the board, the CWC advertised the vacancy for applicants who live in the Upper Colorado Basin Watershed.

Understanding the importance of the District and Authority maintaining this seat, I submitted a robust application with letters of support from the Colorado River District, Eagle County, and the towns of Avon and Vail.

Serving on the CWC and having the opportunity to collaborate and connect with water professionals across the state is important as we continue to work on challenging water quality, water supply, development/growth, affordable housing, resiliency, emergency preparedness, and water affordability issues.

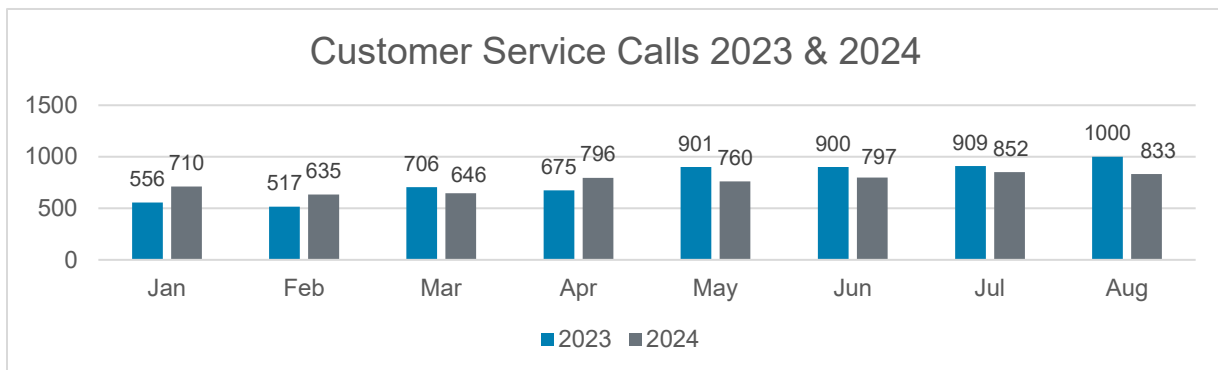


MEMORANDUM

TO: Boards of Directors
FROM: Allison Ebbets, Water Conservation Manager
DATE: 9/19/2024
RE: Water Conservation Department Update

Water Conservation staff are actively supporting the District's water conservation goals. A key focus this spring and summer has been communicating about water conservation with customers, through customer service calls and water conservation concierge services. The water conservation data analyst team is monitoring water use changes to help determine whether customers are using water differently. This update provides a status of calls, site visits, and conservation based on preliminary data analyses.

The customer service team has implemented several meaningful process improvements resulting in overall reduced call volume and a better customer service experience. The chart below illustrates overall call volume by month in 2023 and 2024, through August. The Customer Service team responded to a total of 6,164 calls January-August 2023, and 6,029 for the same period in 2024. Staff attributes the reduced call volume to process improvements, including sending electronic communication to customers who miss a payment or with unusually high use in a month and to the District's extensive communication to customers affected by the 2024 rate redesign. Additional process improvements are ongoing. A wider range of metrics will be evaluated and included in a future report.



The Water Conservation Department staff began conducting irrigation evaluations in 2024 to support customers in reducing outdoor water use. The evaluations have been very popular both as stand-alone site visits and in coordination with landscape transformation rebate site visits. The table below shows the site visit activity as of 9/18/2024. Rebate applications are in-progress at this time, with 9 applications approved as of mid-September and more coming. Rebate details will be provided in a future update at the end of the field season along with a more comprehensive analysis of the total program work performed.

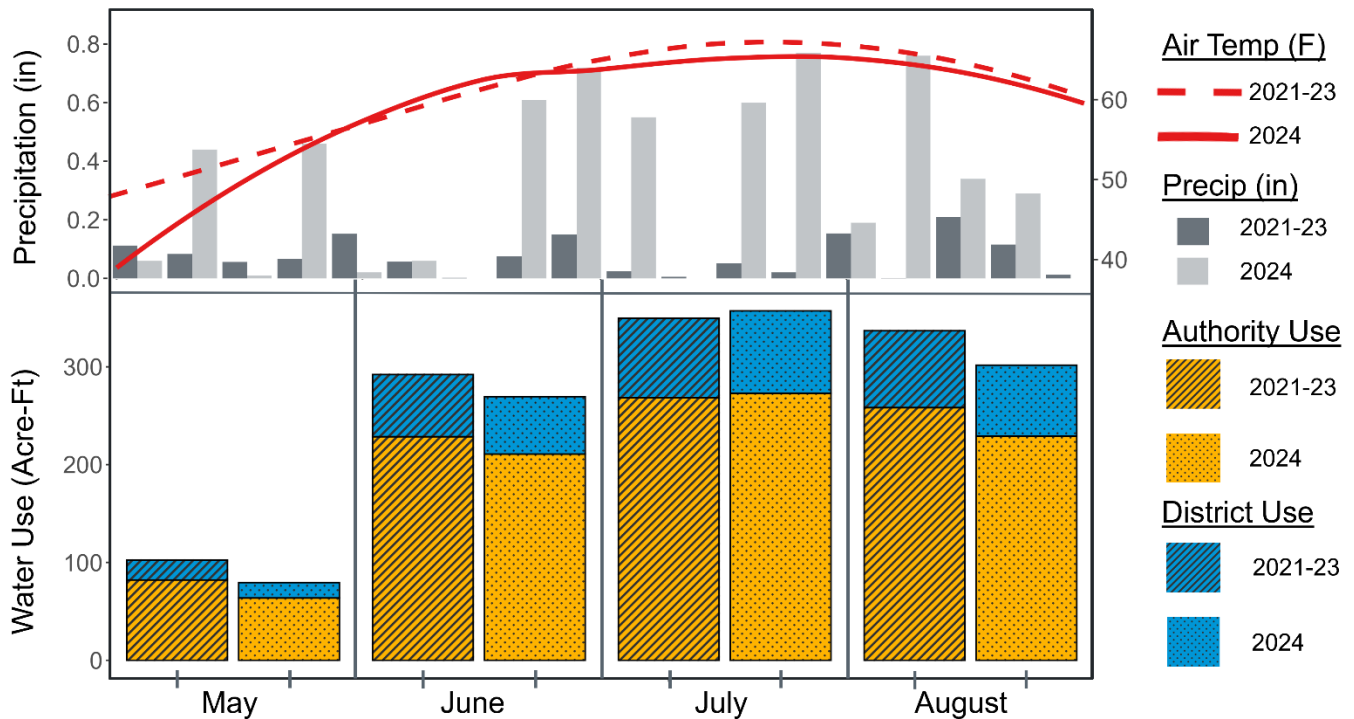
Type of Site Visit	Number
Irrigation Evaluation	38
Rebate Pre-Work Visit	31
Rebate follow-up Visit	20
Total Visits	89

The District set a goal to conserve 400 acre feet of water by 2026, aimed primarily at reducing water use outdoors. The water conservation data staff have completed a preliminary evaluation of summer water use in 2024 compared with the average use from 2021-2023, for individually metered residential customers. The figure below includes a summary of monthly water use, weekly precipitation, and weekly air temperature measurements for the two time periods.

When normalizing for temperature and precipitation May through August, the total reduction in water use by individually metered customers was 73 acre feet (12 AF District; 61 AF Authority) in 2024 compared with the 2021-2023 average. The data shows that 2024 has been a very wet year, with approximately 50% more rainfall than the 2021-2023 average. However, the pattern of use shows that customers used more water in July 2024 compared to previous years, even with significant rainfall and lower temperatures beginning in late June.

To reach our conservation goal, we need customers to increase conservation more and maintain those savings during hot and dry years. The water conservation data team will continue to evaluate water use and present more comprehensive and sophisticated analyses of how water use is changing in future updates.

Summer Weather Conditions and Water Use – RE Accounts



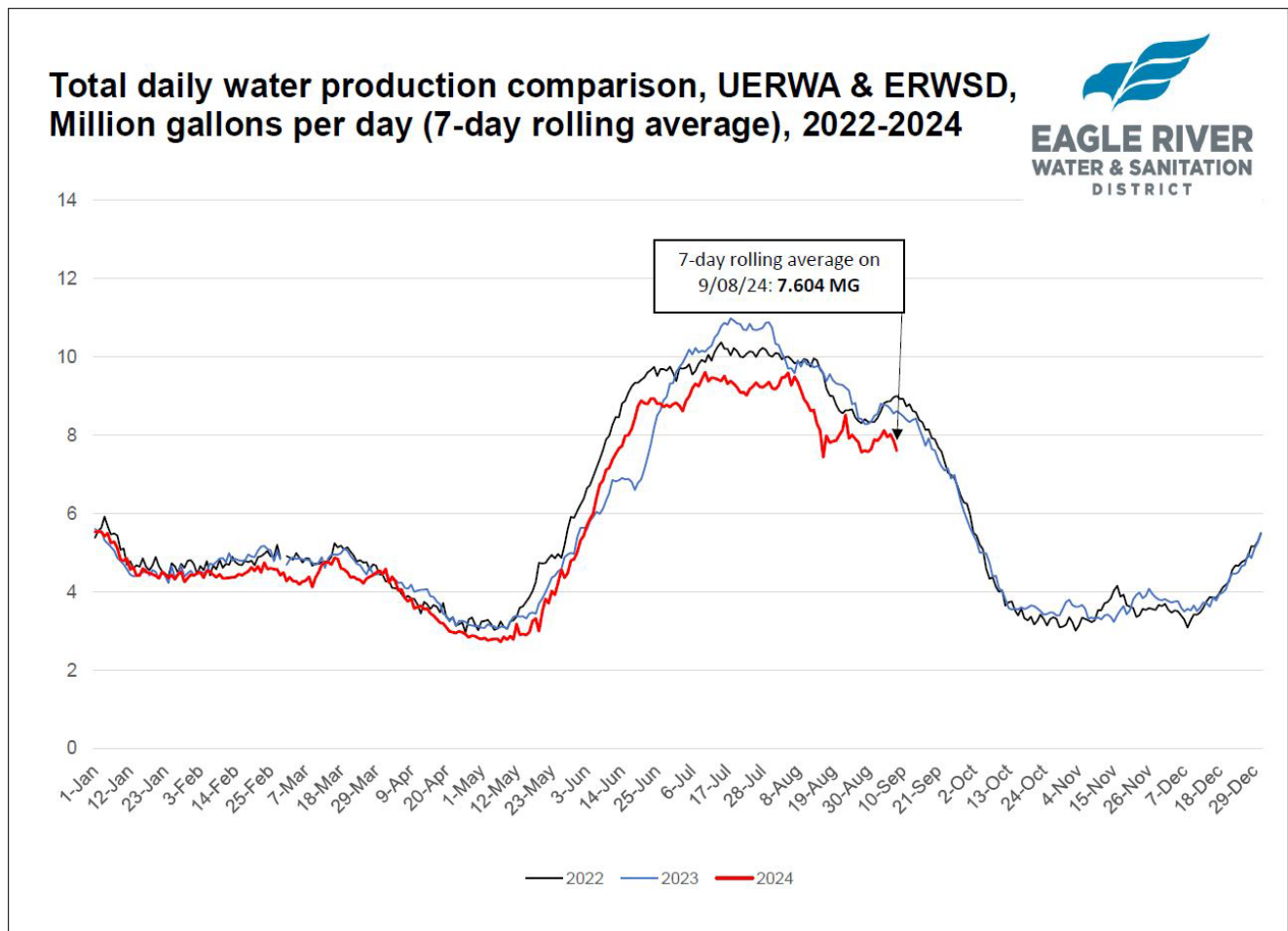


OPERATIONS MONTHLY REPORT SEPTEMBER 2024

WATER

Kailey Rosema

The system-wide water production is normal. The cumulative year-to-date water production is 6% lower compared to this time last year.



The Water Department is wrapping up a busy irrigation season and is preparing for the various maintenance and capital projects scheduled for this fall. Cordillera West Tank #1 will be taken offline for six weeks beginning Sep. 16 for interior rehabilitation and structural repair. The Edwards Drinking Water Facility will be taken offline from late September through October for upgrades to the disinfection clearwell and the membrane filtration Clean-In-Place (CIP) system.

Clean Water. Quality Life.™

Comprehensive water storage tank inspections are underway. Nineteen tanks will be inspected this year. A comprehensive inspection is a thorough condition assessment and cleaning of the tank interior. Colorado Regulation 11 requires water storage tanks to undergo a comprehensive inspection a minimum of once every five years. The District maintains a three-year inspection cycle for all 52 storage tanks and finished water clearwells.

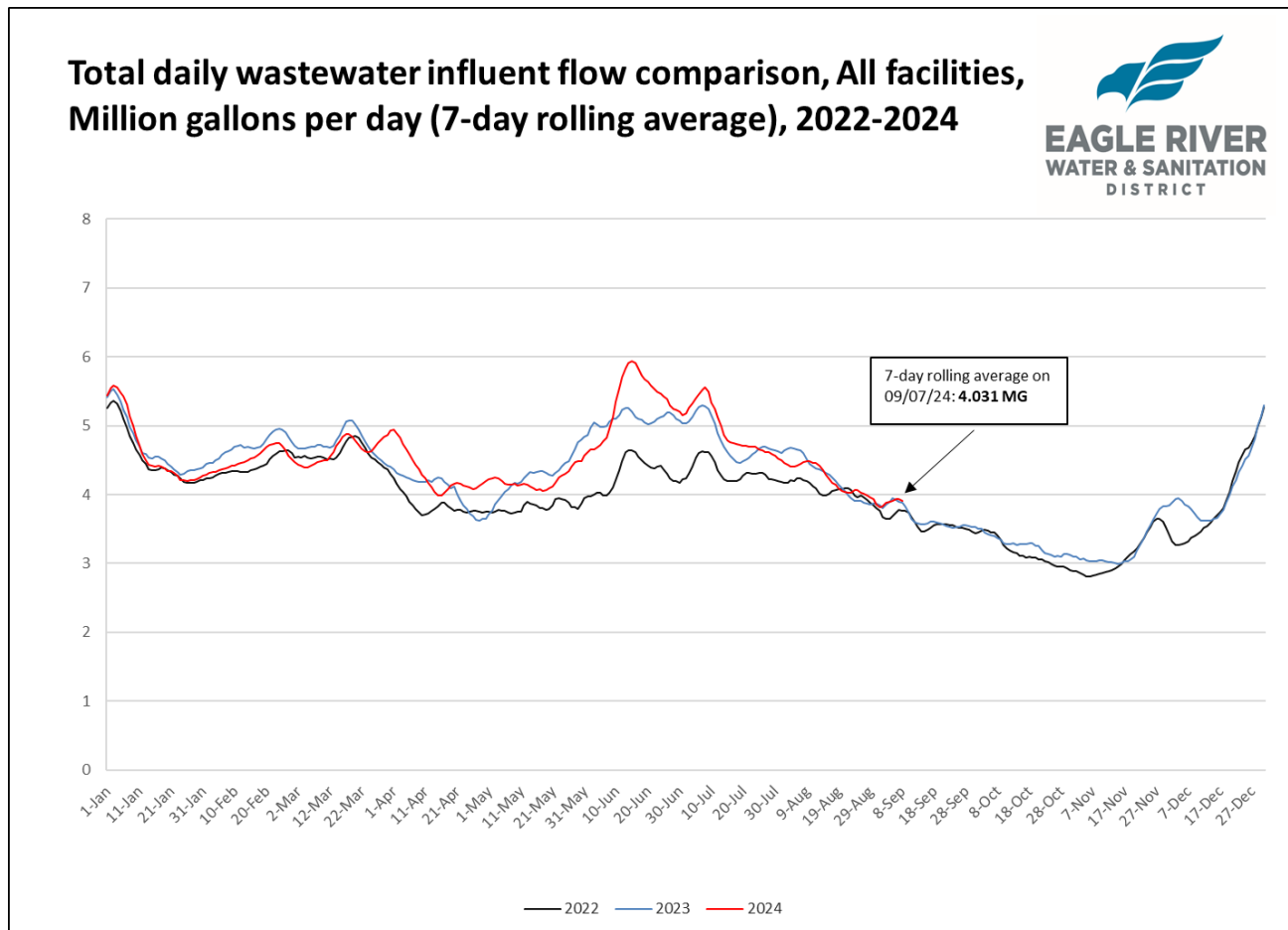
The annual Lead and Copper Rule (LCR) sampling has been completed. Samples were collected at 30 sites. The sample results are well below the regulatory action levels.

The Colorado Division of Water Resources performed the annual dam safety inspection at Black Lake No. 1 on Jul. 17. No major deficiencies were noted. The inspector commented “Black Lake No. 1 dam appears to be in stable condition with no dam safety concerns. Diligent oversight and care is observed for this structure.”

WASTEWATER

Chris Giesting

The system-wide wastewater influent flow is normal for this time of year.



LABORATORY & WATER QUALITY

Leah Cribari

The annual September water quality sampling event occurred Sep. 3 and 4. Water chemistry, flow, and macroinvertebrate samples were collected at 27 sites in Eagle River, Gore Creek, Black Gore Creek, and Red Sandstone Creek. The overarching goal of the comprehensive September sampling program is to gather water quality and streamflow data to support day-to-day operations and inform regulatory compliance programs and strategies.



Flow measurement and water sampling during September water quality sampling event

The results of the 2023 macroinvertebrate sampling program were received. The findings are comparable to previous years. A summary memo is provided in the board packet.

FIELD OPERATIONS

Niko Nemcanin

On Aug. 13, Field Operations staff repaired a water service leak at the District's Stillwater employee housing complex. The source of the leak was several holes in the service caused by an improperly installed connection to the curbstop shutoff valve. The damaged pipe was removed and replaced.



Stillwater water service repair (pipe damage left; repaired service pipe right)

On Aug. 26, Field Operations staff repaired a water service near the end of Main Gore Dr. in East Vail. The source of the leak was a hole in the copper service at a bend that was made improperly during the original installation. The damaged service was removed and replaced.



Main Gore Drive water service repair (pipe damage left; service line replacement middle, completed repair right)

On Sep. 3, Field Operations staff repaired a water service leak near the Vail Racquet Club in East Vail. The source of the leak was a hole in the service pipe near the connection to the corporation stop valve at the mainline tap. The damaged pipe and old corporation stop valve were removed and replaced.



East Vail water service repair (pipe damage left; service repair in-progress right)

In early September, Field Operations staff removed an abandoned water sampling station near Larkspur Ln. in West Vail. The sampling station was no longer active, and it had been repeatedly damaged during winter snowplowing activities. As part of the planned abandonment work, a curb box and riser serving a nearby residence were lowered to prevent future damage.



Sample station damaged during snowplowing

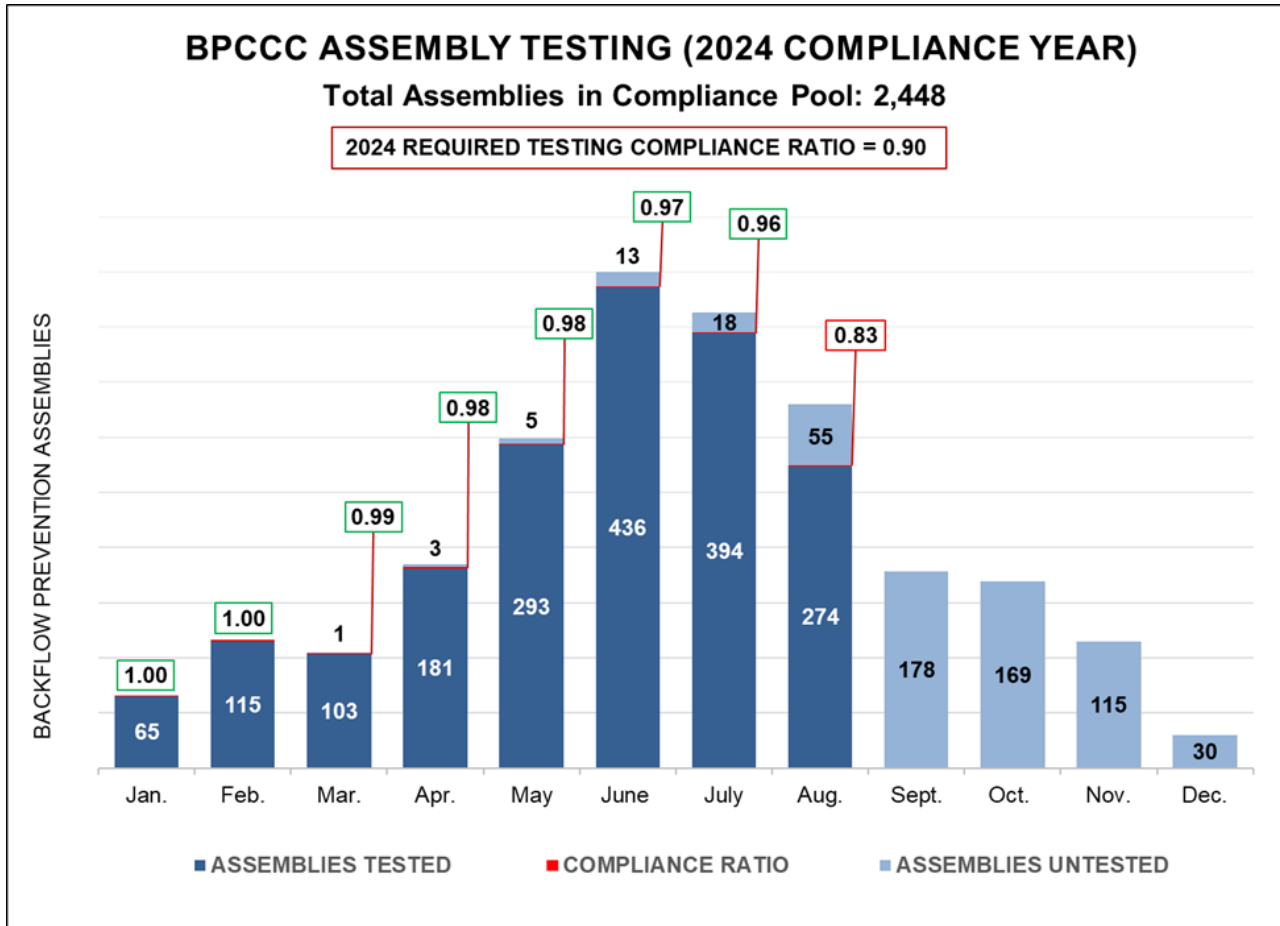
West Vail water sample station abandonment (damaged station left; completed abandonment right)

UTILITY SERVICES

Shane Swartwout

BPCCC Program

The District's certified BPCCC testers began testing irrigation assemblies that remained untested after the District's Jul. 31 deadline. Only 21 of the 774 total irrigation assemblies remain untested. A fine of \$500 per month is being assessed to non-compliant accounts for each untested irrigation assembly. A BPCCC program compliance update is provided below.



Fats, Oils, and Grease (FOG) Program

On Aug. 27, District staff met with the Beaver Creek Merchants Association and 24 representatives from local restaurants. During the meeting, District staff delivered a comprehensive presentation on the District's FOG program, addressed questions, and distributed informational brochures and best management practice posters. The team also enrolled account managers into the District's FOG tracking software.

Meter Services

The Meter Services team is currently prioritizing the replacement of non-AMI meters that are 1.5” and larger. An AMI progress report is provided below.

Report Date:	9/12/2024		
AMI SYSTEM STATUS	ERWSD	UERWA	TOTAL
(1) Total No. of Meters	3207	6903	10110
(2) No. of AMI Meters	3207	6527	9734
(3) System Percentage of AMI Meters	100%	95%	97%
Meters Remaining to Reach 100% AMI	0	376	376
<i>Advanced Metering Infrastructure (AMI) Status (Updated 9-12-2024)</i>			

Fleet and Facilities

The Fleet and Facilities team partnered with a specialized contractor to complete annual fuel testing and preventive maintenance on the District’s 14 emergency backup power generators. Load bank testing and corrective maintenance is scheduled for late September. These essential maintenance and testing services ensure that the generators will perform reliably during emergency power outages.

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: The project was awarded Aug. 13. The tank is scheduled to be taken offline on Sep. 16 and will remain out of service through late October. The project team has been extensively developing and testing an interim operating plan to ensure safe and uninterrupted service to customers while the tank is offline.

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: Approximately 500 feet of watermain, was disinfected, pressure-tested, and successfully commissioned. An additional 1,000 feet of watermain is expected to be commissioned in late September. The project was originally expected to be completed in 2024, but the schedule has been delayed due to a combination of unexpected permitting, procurement, and site condition challenges. The team is currently negotiating a contract extension that includes a revised 2025 completion schedule.

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 project team is continuing its efforts to resolve a design-related error pertaining to an undersized HVAC cooling system for the new server room. The work to install a temporary cooling solution is ongoing and nearing completion. The temporary duct and electrical work have been completed and cooled air is now flowing into the server room. The last remaining portion of temporary work to tie in the new dampers to the fire suppression system is scheduled for the week of Sep. 25. The design for the permanent solution is being finalized, and the two new HVAC units for the room have been ordered.



New ductwork routed from an existing HVAC unit (to temporarily cool the server room)

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: The team is currently focused on developing a bypass pumping plan that will be implemented when BPS 1 is taken offline for approximately six weeks, beginning in October. A functional test of the bypass pumping equipment is scheduled for Sep. 16. In addition, the concrete pump hatch risers are currently being poured at Wildridge BPS 2 and the team is continuing to work with the Town of Avon to obtain Right of Way permits.

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: Major invasive and demolition work within the facility has been temporarily halted until asbestos mitigation work can be completed. The team has contracted with an environmental contractor to mitigate asbestos and remediation activities are scheduled to begin the week of Sept. 23. The new emergency power generator was installed and the automatic transfer switch was successfully tested. The generator is expected to be fully functional by the end of October.

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: Preliminary design is underway and the 30% design deliverable is scheduled to be complete in late October. The draft preliminary design report is being revised to address District and contractor feedback prior to submitting the CDPHE permit application package. A formal partnering session between the Engineer, Owner, and Contractor is scheduled for Oct. 23. The 30% design review will occur in November and the contractor's cost estimate is expected to be submitted prior to the December holidays.

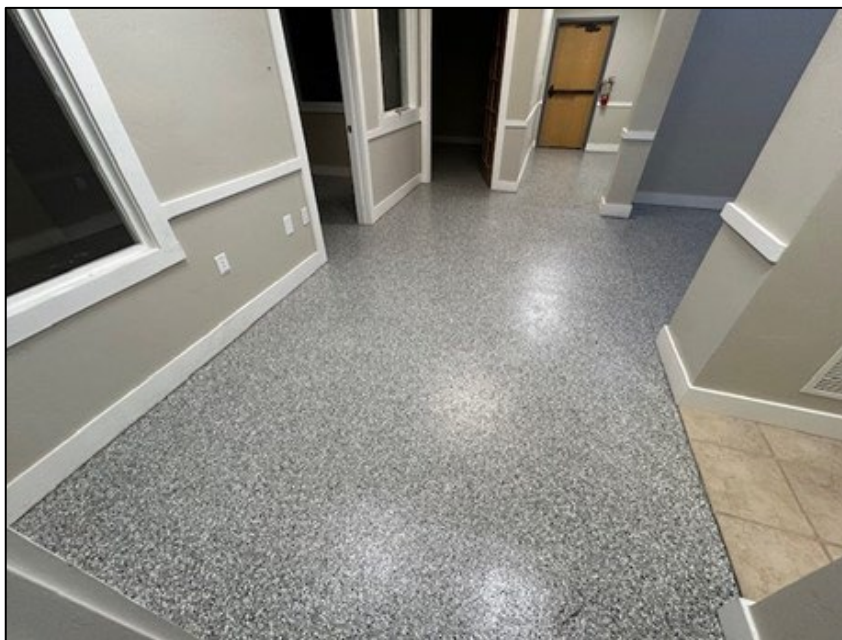
ADMINISTRATION PROJECTS

Eagle Vail Office (EVO) 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: The operation teams currently stationed at the Traer Creek office building are scheduled to move into EVO the week of Sep. 23. The new basement floor coatings have been installed and the IT Department established the data, internet, communication, and networking services. The final design plans were approved by the HOA and the building permit application for the first phase of the construction work was submitted to Eagle County. The first construction phase includes miscellaneous office improvements, sprinkler system upgrades, expanded fire-rated egress hallways from the elevator lobbies, and the required structural improvements and rough-in plumbing work needed to support a future conference room space on the upper level. The upstairs conference room will not be completed during the first construction phase, but the most invasive construction work will be completed in the lower levels in a deliberate attempt to minimize future disruption to office areas and staff.



Eagle Vail Office (EVO) basement epoxy floor installation



MEMORANDUM

TO: Boards of Directors
FROM: Leah Cribari, Laboratory and Regulatory Compliance Supervisor
DATE: September 20, 2024
RE: 2023 Macroinvertebrate Sampling Results

Each year, we provide a summary of macroinvertebrate sampling conducted at sites in the Eagle River, Black Gore Creek, Red Sandstone Creek, and Gore Creek. This sampling is important because the presence, diversity, and abundance of aquatic macroinvertebrates are indicators of water quality and stream health conditions, and results can impact wastewater treatment facility permits.

All sampling sites receive an attainment score, per Colorado Department of Public Health and Environment (CDPHE) regulations, that indicates whether the stream supports a healthy and balanced ecosystem. If the score meets the regulatory threshold, the stream is said to be “in attainment” of the desired water quality standard. We recently received sampling results for 2023. All sites along the Eagle River, Black Gore Creek, and Red Sandstone Creek were in attainment.

Gore Creek’s status is more complicated. There are multiple versions of the attainment metrics, known as Multimetric Index (MMI). CDPHE previously used MMI version 3 (V3). In 2023, all Gore Creek sites except Ford Park were in attainment using v3. However, CDPHE adopted a policy in 2020 that relies on MMI version 4 (V4). Scores differ between the two versions because V4 is overly sensitive to certain stressors, does not account for regional or seasonal variability, and relies on the proportion of sensitive insect taxa. Gore Creek continues to show gradual improvement in MMI scores under both V3 and V4. However, numerous sites along Gore Creek are failing under V4 due to new and sensitive taxa appearing at impaired study sites. As a result, Gore Creek will likely remain listed on the 303(d) list for aquatic life use impairment. Town of Vail (TOV) has devoted significant staff resources, programs, code amendments, education, and outreach to meet their goal of having Gore Creek delisted by 2029.

The differences in the characterization of Gore Creek illustrate the need to develop a new version of MMI that relies more on the presence or absence of sensitive taxa, and not the proportion of sensitive taxa. Due to concerns raised regarding the practical application of V4, CDPHE is forming a workgroup to develop MMI version 5. This is an opportunity for the District, TOV, and other stakeholders to participate in the development of a more accurate metric.

Siri Roman will be available at the Sept. 26 board meeting to answer questions. More details on 2023 sampling results, as well as comprehensive MMI scores from 2009-2023, are available upon request.



MEMORANDUM

TO: District and Authority Boards of Directors
FROM: Jason Cowles, P.E. and Justin Hildreth, P.E.
DATE: September 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 for the Authority. In the District, demolition of the Timber Ridge Apartments is underway. We are working with the developer to update the water dedication requirements after the unit count for the project recently increased. We will present the water dedication for approval at the District's October meeting.

Bolts Lake Redevelopment Project Update

We have included a program management progress report from Black & Veatch in this month's packet. The intent of the report is to capture the status of recent program management activities, provide near-term program management schedule milestones planned over the next 6 months, and immediate priorities that the team will be focused on between Board meetings so that the Boards are well apprised of the project's status and progress. We are open to feedback from the Boards on the content of the progress report and can adjust as needed.

Water Shortage Response Plan

On August 28, Page Weil of LRE Water and Justin Hildreth presented on the Water Shortage Response Plan (WSRP) at the Town of Vail's "Lunch with Locals" event. LRE Water submitted a draft of the WSRP for review on September 18. We are currently reviewing and will present the final plan to the Boards for adoption at the December Board meetings.

Water Resources Tour

We are excited to host the Boards on the water resources tour on Monday, September 30. We will gather at the District offices in Vail at 8:00am before embarking on a bus graciously provided by the Town of Avon. The tour will include stops at Bolts Lake, Camp Hale, Eagle Park Reservoir, and Black Lakes. We will provide snacks, lunches, beverages, as well as hard hats and vests to comply with Climax Molybdenum safety requirements while at the Eagle Park Reservoir site. Please wear closed toe shoes and be sure to bring a hat, jacket, water bottle, and sunscreen. The tour will conclude at the Vail offices at approximately 2:30pm.

Attachments:

1. Authority Unallocated In-Basin Supply, September 2024
2. ERWSD and UERWA New Development Reports, September 2024

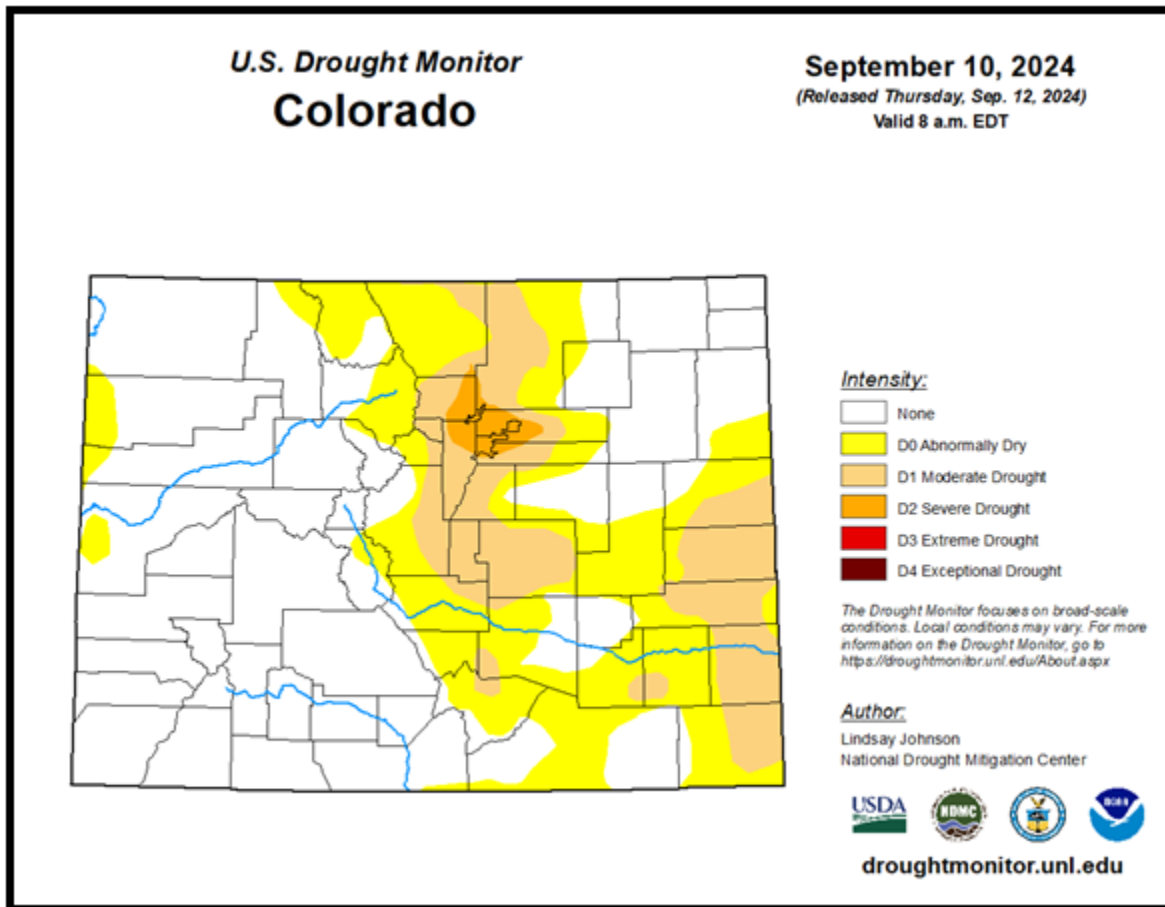
Water Resources Report

Justin Hildreth

Drought Conditions

On September 10, 2024, the U.S. Drought Monitor prepared by the National Drought Mitigation Center (NDMC) classified Eagle County as not experiencing drought conditions. The NDMC adjusted the drought classification for the northern front range from extreme drought to severe and moderate drought. Most of the western slope, including the upper Colorado River basin, is no longer classified as drought.

Figure 1: U.S. Drought Monitor – Colorado. September 10, 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 above normal, and precipitation is leaning near normal to below normal. The seasonal 3-month temperature and precipitation outlooks, which are less accurate, indicate temperatures are likely above normal and precipitation likely below normal.

Figure 2: 8-14 Day Temperature Outlook – September 15, 2024 (NOAA/National Weather Service Climate Prediction Center)

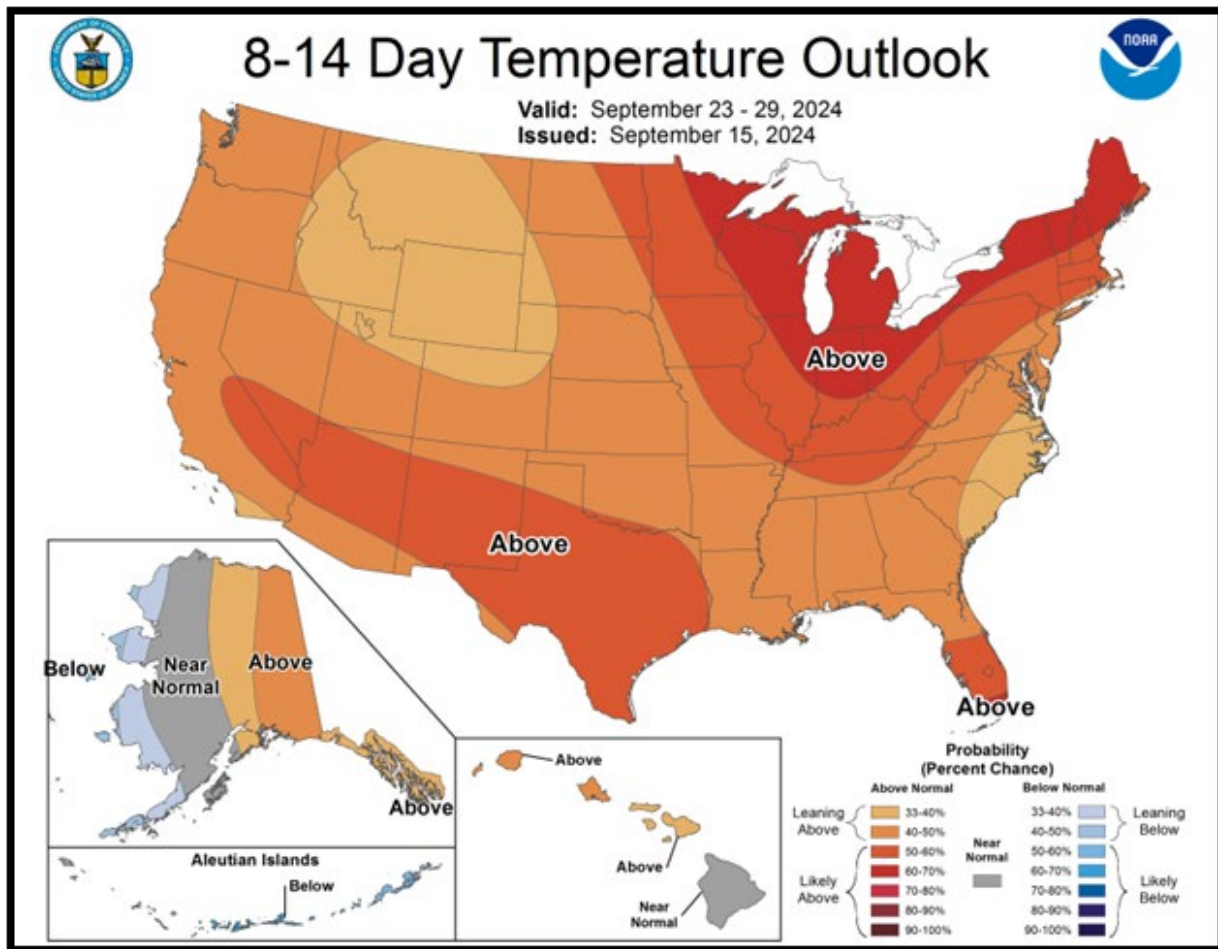
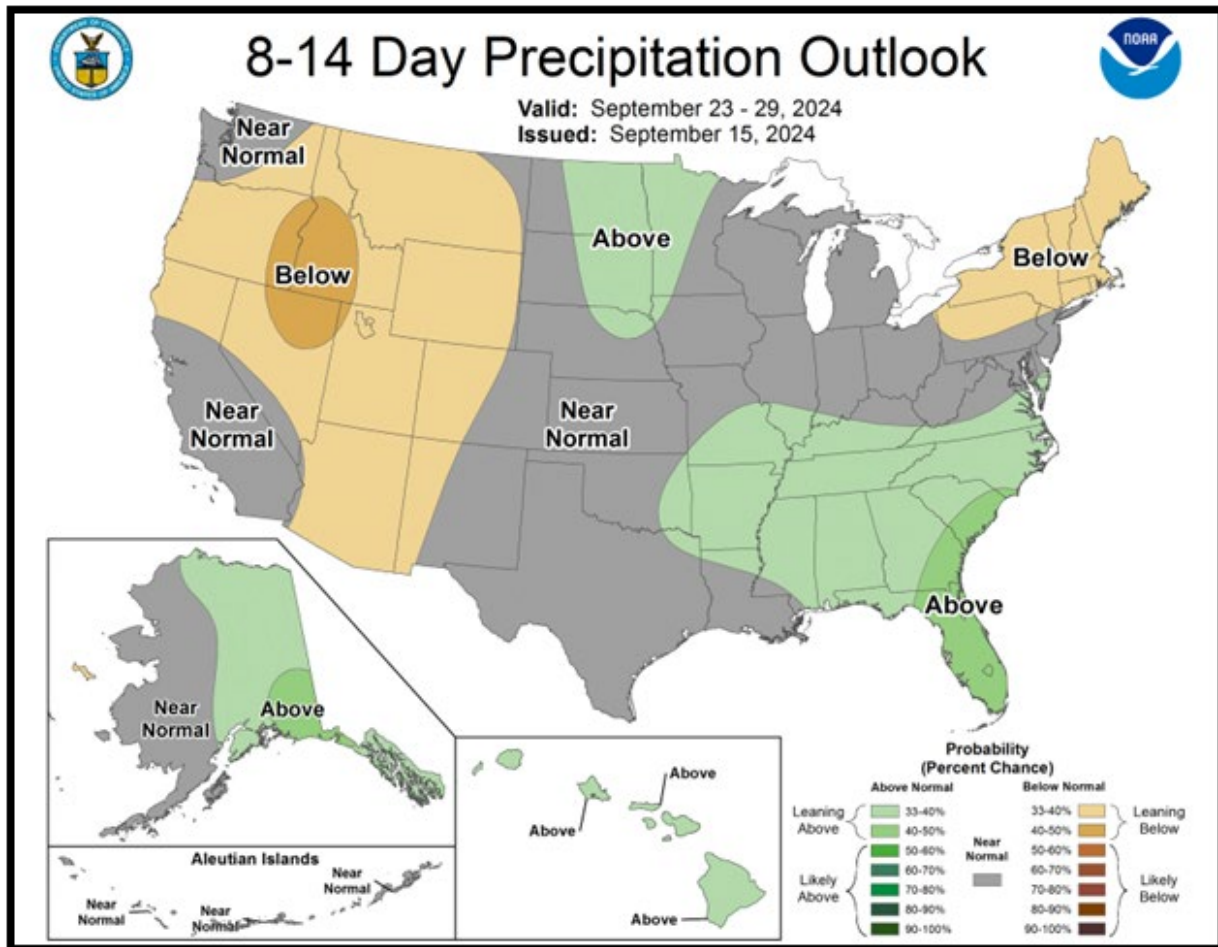


Figure 3: 8-14 Day Precipitation Outlook – September 15, 2024 (NOAA/National Weather Service Climate Prediction Center)



Precipitation Conditions

Figures 4 and 5 display the 2024 water year cumulative precipitation, which ends on September 30, at the Vail Mountain and Fremont Pass SNOTEL sites as of September 16, 2024. The Vail site's accumulated precipitation is 31.6", 94% of the 30-year median for this date. Fremont Pass's accumulated precipitation is 32.0, 113% of the 30-year medial peak for this date.

Figure 4: Accumulated Precipitation at Vail Mountain SNOTEL station, September 16, 2024 (USDA)

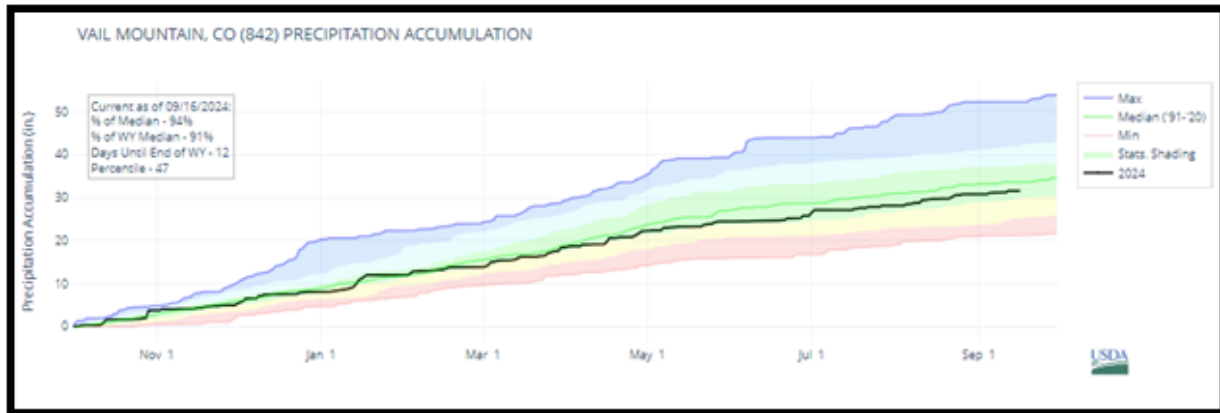
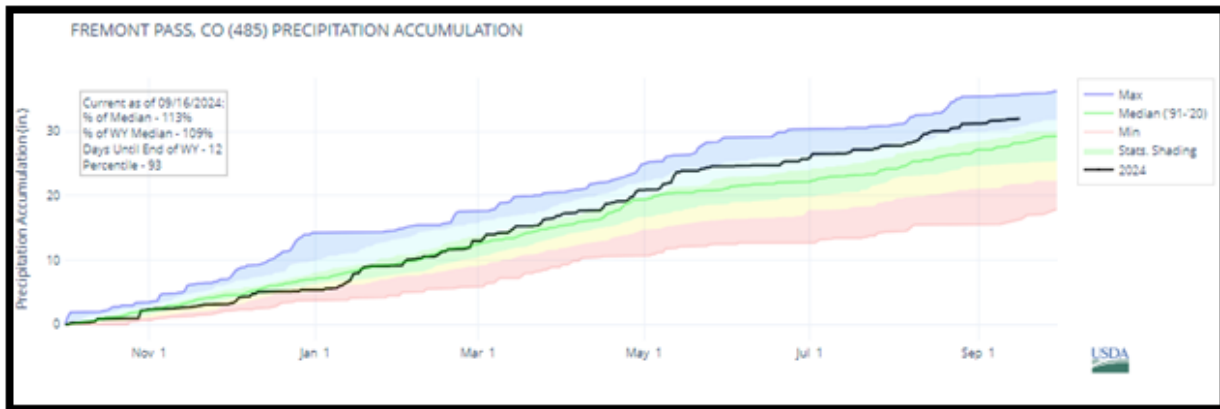


Figure 5: Accumulated Precipitation at Fremont Pass SNOTEL station, September 16, 2024 (USDA)



Streamflow

Figures 6, 7, and 8 contain the Colorado Basin River Forecast Center (CBRFC) hydrographs for Gore Creek above Red Sandstone Creek, Eagle River at Avon, and Colorado River at Dotsero respectively. The weather has been mild and dry over the last month and correspondingly the streamflows trended downward and are below the 25th percentile, except for the Colorado River at Dotsero where flows are being propped up by upstream reservoir releases to satisfy the Shoshone and Cameo calls.

The streamflow in Gore Creek above Red Sandstone Creek is currently 23 cfs, which is above the instream flow water right of 16 cfs. The Eagle River at Avon is hovering around the instream flow water right of 85 cfs. At the time of writing, the Colorado Water Conservation Board has not placed an instream flow call on the Eagle River. We anticipate that streamflows will continue to decline through the end of the month, potentially triggering releases from Eagle Park Reservoir if an instream flow call is placed. The instream flow water right in the Eagle River drops to 35 cfs on October 1, reducing the need for augmentation through the winter. Last winter’s snow water equivalent in the Eagle River basin was 109% of the median. Despite the above-average snowpack and summer precipitation, Eagle River flows have dropped below the minimum instream flow levels, prompting the need for in-basin augmentation releases.

Figure 6: Forecast Hydrograph, Gore Creek above Confluence with Red Sandstone Creek, September 16, 2024 (CBRFC)

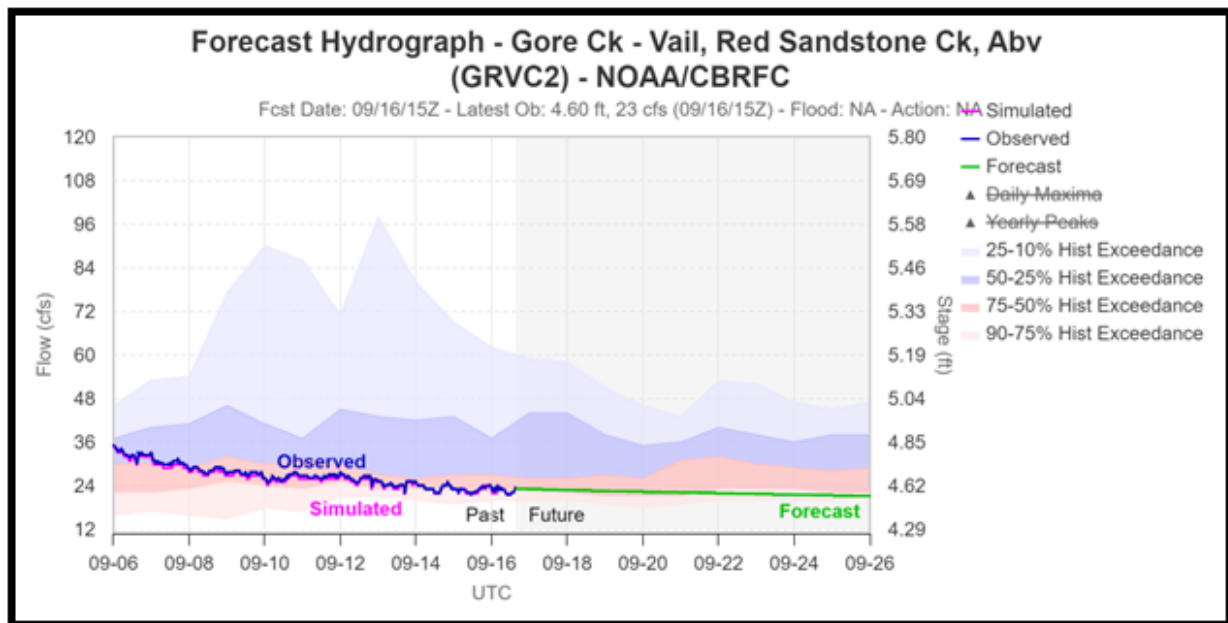


Figure 7: Forecast Hydrograph, Eagle River at Avon, September 16, 2024 (CBRFC)

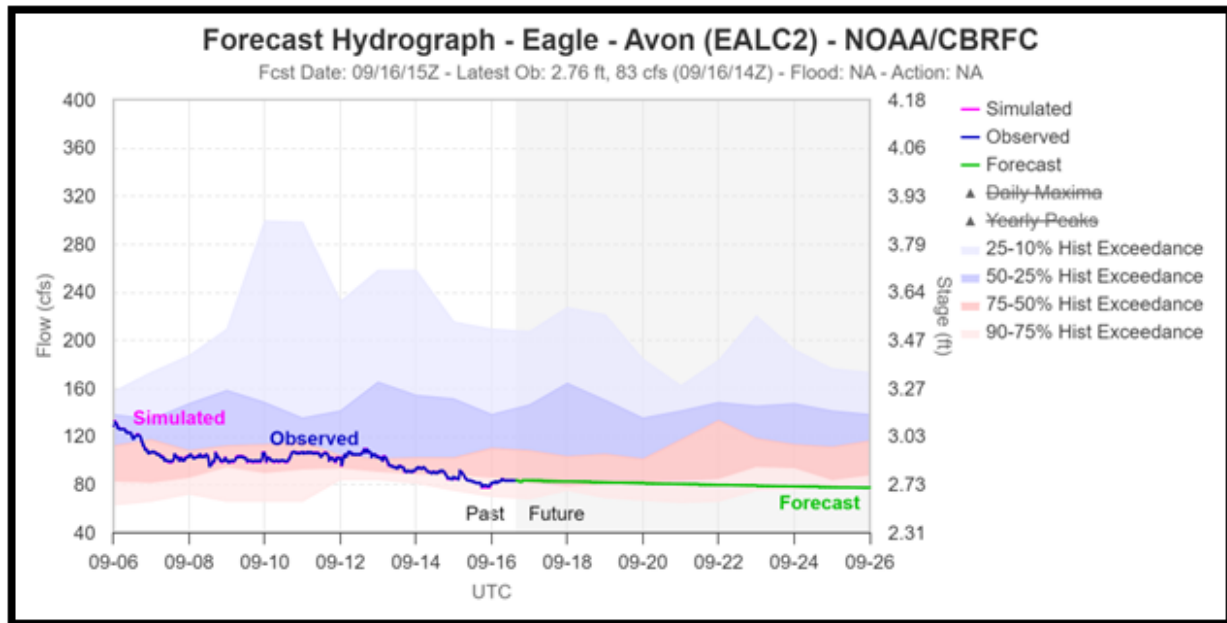
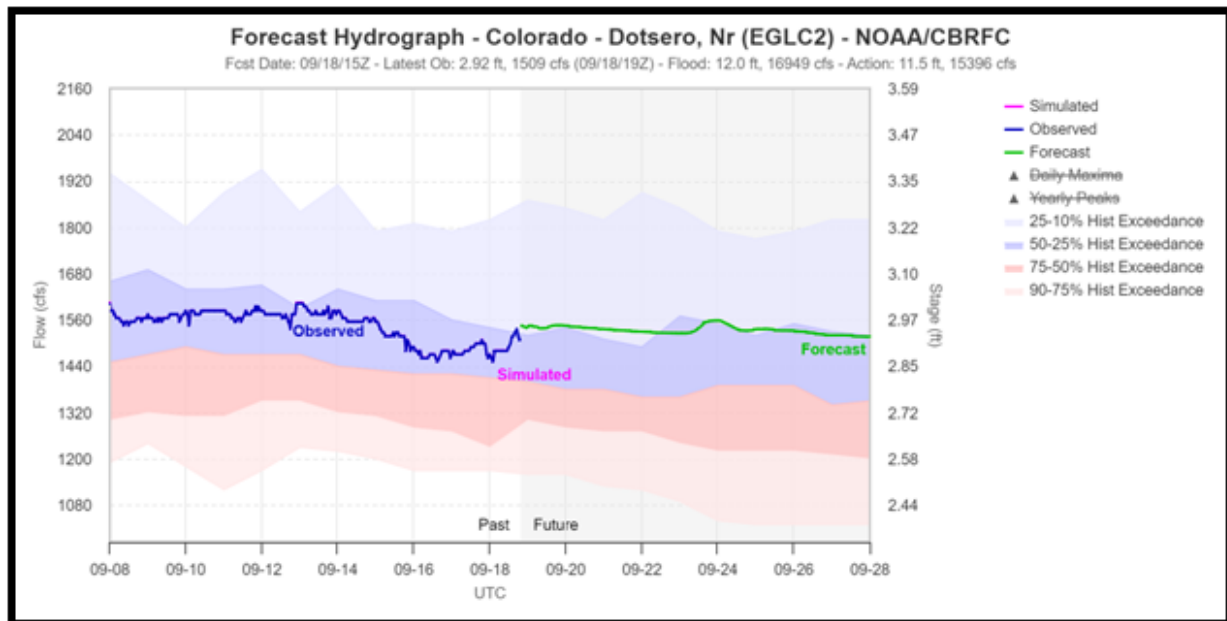


Figure 8: Forecast Hydrograph, Colorado River at Dotsero, September 16, 2024 (CBRFC)



Reservoir Volumes

Table 1 summarizes the reservoir storage accounts and indicates that the reservoir storage accounts are nearly full. The District and Authority accounts in Eagle Park were filled on September 1, 2024, when inflow from runoff was dispersed from the conservation storage pool to shareholder accounts following the adopted accounting procedures.

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

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

<u>Reservoir</u>	<u>ERWSD</u>		<u>UERWA</u>		<u>Total</u>	
Green Mountain	934	100%	539.29	98%	1473.29	99%
Black Lakes	425	100%	300	100%	425	100%
Eagle Park	407.81	100%	755.69	100%	1163.50	100%
Homestake Res	250	100%	256.50	100%	506.50	100%
Wolford Mtn	500	100%	695.96	98%	1195.96	99%

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

Authority Unallocated In-Basin Storage Supply

Updated: 09/18/2024 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)	3.27	--
Cairns Townhomes (Edwards)	--	1.08
CMC Student Housing Building 3 (Edwards)	3.17	--
Total Pending Dedications	22.44	1.25
Remaining Unallocated In-Basin Storage	64.96	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, September 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	Eagle County Agreement	36	3.17	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	10	1.18	June 7, 2023	3. Cond. Capacity Expires May 13, 2025	0. Conceptual
Eagle County - Freedom Park Project Edwards	Mixed	Eagle County Agreement	20 + Com	3.27	May 22, 2023	4. Water Rights Allocation & Service Agreement	3. Under Construction
North Road Project Traer Creek	Access Road	N/A	N/A	N/A	May 10, 2023	N/A	gracious saviors
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	4. Construction Acceptance
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	28.7	February 27, 2019	4. Water Rights Allocation & Service Agreement	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, September 2024

Project Location	Type of Use	SFEs Proposed	Augmentation Requirement (acre-feet)	Application Initiation Date	Development Approval Process Step:	Construction Approval Process Step:
Cornerstone Project Vail	Mixed	33 + Com	N/A	July 11, 2024	N/A	0. Conceptual
Timber Ridge II Redevelopment Vail	Residential	294 (195.4 net increase)	2.2	July 25, 2023	3. Conditional Capacity to Serve Letter	3. Under Construction
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
Alura (Miradoro) Vail	Residential	10	0.405	May 29, 2018	4. Water Rights Allocation & Service Agreement	3. Under Construction
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

Subject:	Board Update – September progress	Date:	09/14/24
Client:	Eagle River Water and Sanitation District and Upper Eagle Regional Water Authority	Project No.:	419055
Project Name:	Bolts Lake Redevelopment Program	File No.:	14.1000
From:	Ben Johnson		

The purpose of this memo is to provide an update on the status and progress of the Bolts Lake Redevelopment Program. The table below provides a snapshot of the work completed in the last month, upcoming milestones, and important next steps in key focus areas.

Category	Recent Progress	Near Term Milestones	Next Steps
Program Management	Draft plans submitted to District for review: <ul style="list-style-type: none"> Internal Communication (9/17/24) Procurement (9/17/24) Conflict Resolution (9/18/24) 	Finalize program management plans: (October 2024) <ul style="list-style-type: none"> Risk Management and Change Management Quality Management Environmental Compliance Program Controls Stakeholder Management Cost Management Plan Succession Plan Document Control 	District review of program management plans, and finalize plans when comments are received
Environmental Permitting	Field surveys for biological resources, cultural resources, and wetlands were completed by Pinyon Environmental	Draft Purpose and Need Statement by Helton and Williamson	Review field reports from environmental consultant (due October 15)
		Identify Lead Permit agency (January 2025)	
		Initiate consultations with interested parties and stakeholders (February 2025) Submit Draft Environmental Assessment to Lead Permit Agency (September 2025)	Contact Federal agencies regarding NEPA primacy
Technical	Interviewed and selected design engineer (AECOM)	AECOM deliverable: Technical Memorandum	Agree on scope and fee, execute design







Category	Recent Progress	Near Term Milestones	Next Steps
		regarding diversion alternatives (January 2025)	contract, and kickoff design meeting
		AECOM deliverable: Technical Memorandum regarding dam embankment and liner alternatives (January 2025)	
		Design alternatives workshop (February 2025)	Conduct topographic field surveys (October 2025)
		AECOM Deliverable: Draft 30% Design documents for use in NEPA consultations (April 2025)	
Funding	Draft funding opportunities memorandum submitted for review by Ferguson Group (September 11, 2024)	Funding strategy identified (December 2024)	Review funding opportunities with Senator Bennet's office
		Grant and loan applications to execute funding strategy	Draft Funding Strategy Memorandum (October 15)

In the next month, Black & Veatch will provide a schedule update, initiate the design process with AECOM, and review field reports from Pinyon Environmental. In addition, NEPA work will focus on establishing contact with relevant Federal agencies and continue the discussion regarding which agency will lead the NEPA process.

Activity ID	Activity Name	Remaining Duration	Start	Finish	2024				2025				2026				2027			
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Bolts Lake Reservoir					1900															
Milestones					1884															
A1000	30% Design NTP	0	15-Oct-24*																	
A1030	Construction NTP	0	29-Nov-27																	
A1010	Construction Completion	0		25-Apr-31																
A1020	Turnover Completion	0		18-Jul-31																
A1040	Final Completion	0		02-Jan-32																
Permitting/Surveys					860															
Federal Permitting					860															
BLM - Mining Permit					280															
A1580	Prepare Permit Application - BLM - Mining Permit	30	27-Jul-26	04-Sep-26																
A1590	Agency (BLM) Review - Mining Permit	250	07-Sep-26	20-Aug-27																
A1600	Permit Obtained - BLM - Mining Permit	0		20-Aug-27																
USFS - Wilderness Approval Permit					460															
A1760	Prepare Permit Application - USFS - Wilderness Approval Permit	90	02-Jun-25	03-Oct-25																
A1770	Agency (USFS) Review - Wilderness Approval Permit	370	06-Oct-25	05-Mar-27																
A1780	Permit Obtained - USFS - Wilderness Approval Permit	0		05-Mar-27																
FAA - Notice of Proposed Construction or Alteration					47															
A1700	Prepare Permit Application - FAA - Notice of Construction	2	02-Aug-27	03-Aug-27																
A1710	Agency (FAA) Review - Notice of Construction	45	04-Aug-27	05-Oct-27																
A1720	Permit Obtained - FAA - Notice of Construction	0		05-Oct-27																
EPA - Spill Prevention Control Coutermeasures Plan (SPCC)					40															
A1640	Prepare Plan - EPA - SPCC	40	15-Nov-27	07-Jan-28																
A1660	Plan Completed - EPA - SPCC	0		07-Jan-28																
USACE - Section 404 Permit					140															
A1610	Prepare Permit Application - USACE - Section 404 Permit	10	03-May-27	14-May-27																
A1620	Agency (USACE) Review - Section 404 Permit	130	17-May-27	12-Nov-27																
A1630	Permit Obtained - USACE - Section 404 Permit	0		12-Nov-27																
USFWS - Endangered Species Act Compliance Consultation					280															
A1730	Prepare Consultation Package - USFWS - Endangered Species Act Compliance	30	14-Dec-26	22-Jan-27																
A1740	Agency (USFWS) Review - Endangered Species Act Compliance	250	25-Jan-27	07-Jan-28																
A1750	Consultation - USFWS - Endangered Species Act Compliance	0		07-Jan-28																
Federal Lead Agency - NEPA - Environmental Assessment					710															
A1550	Generate Data Request - NEPA	15	13-Sep-24 A	11-Oct-24																
A1560	District to Provide Data - NEPA	60	14-Oct-24	03-Jan-25																
A1570	Agency/District Coordination & Refinement - NEPA	60	06-Jan-25	28-Mar-25																
A2330	Initiate Consultations, Draft Letters, & Receive Agency Response - NEPA	120	31-Mar-25	12-Sep-25																
A2340	Conduct Studies, Draft Baseline EA, & District Review - NEPA	120	15-Sep-25	27-Feb-26																
A2350	Incorporate Comments & Submit Draft EA - NEPA	30	02-Mar-26	10-Apr-26																
A2360	Action Agency Review - NEPA	120	13-Apr-26	25-Sep-26																
A2370	Receive Agency Responses - NEPA	0		25-Sep-26																
A2380	Respond to Agency, Revise EA, & Prepare FONSI - NEPA	60	28-Sep-26	18-Dec-26																
A2390	District Review FONSI - NEPA	30	21-Dec-26	29-Jan-27																
A2400	Notice of Availability of FONSI & Final EA - NEPA	45	01-Feb-27	02-Apr-27																
A2410	Final Public Review Period - NEPA	30	05-Apr-27	14-May-27																
A2420	FONSI Signed - NEPA	0		14-May-27																
A2430	Action Agency Publishes in Federal Registry - NEPA	20	17-May-27	11-Jun-27																

■ Project Baseline Bar
 ■ Remaining Work
 ◆ Baseline Milestone
■ Actual Work
 ■ Critical Remaining Work
 ◆ Milestone

Activity ID	Activity Name	Remaining Duration	Start	Finish	2024				2025				2026				2027			
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
A2440	NEPA EA Process Complete & Approval Obtained	0		11-Jun-27																
State Permitting		360	27-Jul-26	10-Dec-27																
CDPHE - Section 401 Water Quality Cert		160	05-Apr-27	12-Nov-27																
A1790	Prepare Permit Application - CDPHE - Section 401 Water Qual Cert	30	05-Apr-27	14-May-27																
A1800	Agency (CDPHE) Review - Section 401 Water Qual Cert	130	17-May-27	12-Nov-27																
A1810	Permit Obtained - CDPHE - Section 401 Water Qual Cert	0		12-Nov-27																
CDPHE - APEN & Application for General Construction (GP03)		80	26-Jul-27	12-Nov-27																
A1820	Prepare Permit Application - CDPHE - APEN & Gen Const App	30	26-Jul-27	03-Sep-27																
A1830	Agency (CDPHE) Review - APEN & Gen Const App	50	06-Sep-27	12-Nov-27																
A1840	Permit Obtained - CDPHE - APEN & Gen Const App	0		12-Nov-27																
CDPHE - CDPS General Permit for SW Discharge & SWPPP		75	23-Aug-27	03-Dec-27																
A1850	Prepare Permit Application - CDPHE - CDPS Gen Perm for SW & SWPPP	45	23-Aug-27	22-Oct-27																
A1860	Agency (CDPHE) Review - CDPS Gen Perm for SW & SWPPP	30	25-Oct-27	03-Dec-27																
A1870	Permit Obtained - CDPHE - CDPS Gen Perm for SW & SWPPP	0		03-Dec-27																
CDPHE - CDPS General Permit for SW Discharge from Construction Dewatering		60	23-Aug-27	12-Nov-27																
A1880	Prepare Permit Application - CDPHE - CPS Gen Permit for SW Dewatering Discharge	30	23-Aug-27	01-Oct-27																
A1890	Agency (CDPHE) Review - CPS Gen Permit for SW Dewatering Discharge	30	04-Oct-27	12-Nov-27																
A1900	Permit Obtained - CDPHE - CPS Gen Permit for SW Dewatering Discharge	0		12-Nov-27																
CDPHE - CDPS General Permit for Discharge Associated with Hydro Testing		60	05-Apr-27	25-Jun-27																
A1910	Prepare Permit Application - CDPHE - CDPS Gen Permit for Hydro Testing Discharge	30	05-Apr-27	14-May-27																
A1920	Agency (CDPHE) Review - CDPS Gen Permit for Hydro Testing Discharge	30	17-May-27	25-Jun-27																
A1930	Permit Obtained - CDPHE - CDPS Gen Permit for Hydro Testing Discharge	0		25-Jun-27																
CDNR - NOI to Construct Dewatering Wells		60	20-Sep-27	10-Dec-27																
A1940	Prepare Permit Application - CDNR - NOI to Construct Dewatering Wells	30	20-Sep-27	29-Oct-27																
A1950	Agency (CDNR) Review - NOI to Construct Dewatering Wells	30	01-Nov-27	10-Dec-27																
A1960	Permit Obtained - CDNR - NOI to Construct Dewatering Wells	0		10-Dec-27																
CDOT - Driveway Access Permit		120	14-Jun-27	26-Nov-27																
A1970	Prepare Permit Application - CDOT - Driveway Access Permit	40	14-Jun-27	06-Aug-27																
A1980	Agency (CDOT) Review - Driveway Access Permit	80	09-Aug-27	26-Nov-27																
A1990	Permit Obtained - CDOT - Driveway Access Permit	0		26-Nov-27																
CDOT - Oversize/Overweight Moving Permits		20	31-May-27	25-Jun-27																
A2000	Prepare Permit Application - CDOT - Oversize/Overweight Moving Permits	10	31-May-27	11-Jun-27																
A2010	Agency (CDOT) Review - Oversize/Overweight Moving Permits	10	14-Jun-27	25-Jun-27																
A2020	Permit Obtained - CDOT - Oversize/Overweight Moving Permits	0		25-Jun-27																
CPW - Protected Species Review		200	27-Jul-26	30-Apr-27																
A2030	Prepare Permit Application - CPW - Protected Species Review	70	27-Jul-26	30-Oct-26																
A2040	Agency (CPW) Review - Protected Species Review	130	02-Nov-26	30-Apr-27																
A2050	Permit Obtained - CPW - Protected Species Review	0		30-Apr-27																
SHPO - Archaeological & Historical Review		200	27-Jul-26	30-Apr-27																
A2060	Prepare Permit Application - SHPO - Archaeological & Historical Review	70	27-Jul-26	30-Oct-26																
A2070	Agency (SHPO) Review - Archaeological & Historical Review	130	02-Nov-26	30-Apr-27																
A2080	Permit Obtained - SHPO - Archaeological & Historical Review	0		30-Apr-27																
Local Permitting		340	29-Jun-26	15-Oct-27																
Minturn Planning Div - Site Plan Review		175	29-Jun-26	26-Feb-27																
A2120	Prepare Permit Application - Minturn - Site Plan Review	45	29-Jun-26	28-Aug-26																
A2130	Agency (Minturn) Review - Site Plan Review	130	31-Aug-26	26-Feb-27																
A2140	Permit Obtained - Minturn - Site Plan Review	0		26-Feb-27																
Minturn Planning Div - Grading Permit		100	16-Nov-26	02-Apr-27																

 Project Baseline Bar	 Remaining Work	 Baseline Milestone
 Actual Work	 Critical Remaining Work	 Milestone

Activity ID	Activity Name	Remaining Duration	Start	Finish	2024				2025				2026				2027						
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
A2150	Prepare Permit Application - Minturn - Grading Permit	30	16-Nov-26	25-Dec-26																			
A2160	Agency (Minturn) Review - Grading Permit	70	28-Dec-26	02-Apr-27																			
A2170	Permit Obtained - Minturn - Grading Permit	0		02-Apr-27																			
Minturn Planning Div - Floodplain Permit		100	16-Nov-26	02-Apr-27																			
A2180	Prepare Permit Application - Minturn - Floodplain Permit	30	16-Nov-26	25-Dec-26																			
A2190	Agency (Minturn) Review - Floodplain Permit	70	28-Dec-26	02-Apr-27																			
A2200	Permit Obtained - Minturn - Floodplain Permit	0		02-Apr-27																			
Minturn Planning Div - 1041 Permit		180	24-Aug-26	30-Apr-27																			
A2210	Prepare Permit Application - Minturn - 1041 Permit	50	24-Aug-26	30-Oct-26																			
A2220	Agency (Minturn) Review - 1041 Permit	130	02-Nov-26	30-Apr-27																			
A2230	Permit Obtained - Minturn - 1041 Permit	0		30-Apr-27																			
Minturn Building Div - Oversize/Overweight Moving Permit		20	14-Dec-26	08-Jan-27																			
A2240	Prepare Permit Application - Minturn - Oversize/Overweight Moving Permit	10	14-Dec-26	25-Dec-26																			
A2250	Agency (Minturn) Review - Oversize/Overweight Moving Permit	10	28-Dec-26	08-Jan-27																			
A2260	Permit Obtained - Minturn - Oversize/Overweight Moving Permit	0		08-Jan-27																			
Eagle County - Planning Div - 1041 Permit		180	08-Feb-27	15-Oct-27																			
A2270	Prepare Permit Application - Eagle County - 1041 Permit	50	08-Feb-27	16-Apr-27																			
A2280	Agency (Eagle County) Review - 1041 Permit	130	19-Apr-27	15-Oct-27																			
A2290	Permit Obtained - Eagle County - 1041 Permit	0		15-Oct-27																			
Eagle County - Building Div - Oversize/Overweight Moving Permit		20	31-May-27	25-Jun-27																			
A2300	Prepare Permit Application - Eagle County - Oversize/Overweight Moving Permit	10	31-May-27	11-Jun-27																			
A2310	Agency (Eagle County) Review - Oversize/Overweight Moving Permit	10	14-Jun-27	25-Jun-27																			
A2320	Permit Obtained - Eagle County - Oversize/Overweight Moving Permit	0		25-Jun-27																			
Biological Surveys		70	26-Aug-24 A	27-Dec-24																			
A2450	Wetland/Waters of the US Assessment	70	26-Aug-24 A	27-Dec-24																			
A2460	Biological Resources Assessment	70	26-Aug-24 A	27-Dec-24																			
A2470	Cultural Resources Survey & Report	70	26-Aug-24 A	27-Dec-24																			
Engineering		814	03-Jun-24 A	26-Nov-27																			
A1510	Prepare RFP for Design Contract	0	03-Jun-24 A	27-Jun-24 A																			
A1520	Advertise Design Contract	0	28-Jun-24 A	01-Jul-24 A																			
A1530	Prepare Proposals for Design Contract	0	02-Jul-24 A	02-Aug-24 A																			
A1540	Review Proposals and Conduct Interviews for Design Contract	0	03-Aug-24 A	05-Sep-24 A																			
A1150	30% Final Design Development	164	15-Oct-24	30-May-25																			
A1160	60% Final Design Development	300	02-Jun-25	24-Jul-26																			
A1350	SEO Review - 60% Final Design	40	27-Jul-26	18-Sep-26																			
A1170	90/100% Final Design Development	240	21-Sep-26	20-Aug-27																			
A1180	OPCC & Bid Phase	70	23-Aug-27	26-Nov-27																			
Procurement		280	23-Aug-27	15-Sep-28																			
Construction		860	03-Apr-28	18-Jul-31																			
Startup/Commissioning		120	18-Jul-31	02-Jan-32																			



MEMORANDUM

TO: Boards of Directors
FROM: Diane Johnson, Communications & Public Affairs Manager
DATE: September 26, 2024
RE: Communications and Public Affairs Report

Wipes labeling

In 2022, the District board supported staff in working on state legislation that would require labeling on wipes that are not intended to be flushed down a toilet. By emphasizing the visibility and prominence of labels on non-flushable wipes packaging, this legislation was intended to address the growing issues of sewer backups and blockages caused by flushed wipes. The District led this initiative, approaching then Rep. Dylan Roberts to discuss the critical need for wipes labeling to inform consumers and protect wastewater infrastructure. Rep. Roberts agreed with our analysis and in 2023 (as Sen. Roberts), co-sponsored [SB23-150, Require Labeling Disposable Wipes](#). We then worked with the Office of Legislative Services on drafting the legislation, created an outreach campaign that recruited dozens of wastewater utilities from across the state in support of the legislation, and coordinated with a lobbyist to pass the bill.

As a result of this work by staff and consultants, SB23-150 was signed into law on Apr. 11, 2023. The act requires manufacturers (and retailers responsible for labeling) of premoistened, nonwoven disposable wipes sold in Colorado to include a label with the phrase "Do Not Flush," starting on Dec. 31, 2023. As old, non-labeled inventories are being sold off, we are seeing more wipes packages with this label displayed. I recently saw Kroger brand wipes with prominent labeling, and we look forward to future data about the impacts of this legislation on reducing sewer backups and blockages.



After a decade of advocacy by the National Association of Clean Water Agencies (NACWA), state agencies, water sector partners, and manufacturers, a wipes labeling bill is making progress at the federal level. On June 11, 2024, the U.S. House of Representatives passed [H.R. 2964, Wastewater Infrastructure Pollution Prevention and Environmental Safety \(WIPPES\) Act](#), 351-56, including a "yea" vote by Rep. Neguse. The bill was referred to the Senate Committee on Commerce, Science, and Transportation, of which Sen. Hickenlooper is a majority member.

The federal legislative calendar is full, and many bills will not be considered before the 118th Congress concludes on Jan. 3, 2025. However, NACWA is optimistic that the WIPPES Act can pass in the Senate based on the bipartisan support of the House bill. NACWA is organizing an outreach campaign for utilities to request support from their Senators. While District support may be immaterial to the federal legislation, given our leadership on the Colorado legislation, we request Board support to join the NACWA campaign. We could send a letter to Sen. Hickenlooper urging support in Committee, as well as to Sen. Bennet for support in the full Senate. We also suggest sending a letter to Rep. Neguse to thank him for his support.

The WIPPES Act would direct the Federal Trade Commission, with guidance from the U.S. Environmental Protection Agency, to issue national regulations requiring wipes manufacturers to include clear,

consumer-friendly “Do Not Flush” labeling on the packaging of wet wipes that are not designed to be flushed. With Michigan becoming the sixth state to enact wipes labeling legislation earlier in 2024 (and several other states considering similar legislation), there is a patchwork of different state regulations. A federal law would unify regulations, ensuring consistency and clarity for wipes manufacturers, retailers, and consumers. The WIPES Act is similar to Colorado’s legislation, with the federal law providing more specific and prescriptive provisions on label size and location, particularly for different packing formats.

Ballot initiative

[HB24-1436, Sports Betting Tax Revenue Voter Approval](#), was passed by the Colorado legislature to refer a ballot issue to voters at the November statewide election to allow the state to keep and spend all revenue from the existing tax on the net proceeds of licensed sports betting (sports betting tax), including revenue in excess of the \$29 million fiscal year estimate included in the 2019 ballot question (which directed sports betting tax revenue towards water projects). The 2024 ballot issue is **Proposition JJ, Retain Sports Betting Tax Revenue for Water Projects Measure**.

A "yes" vote supports allowing the state to retain tax revenue collected above \$29 million annually from the tax on sports betting proceeds authorized by voters in 2019.

A "no" vote opposes allowing the state to retain tax revenue collected above \$29 million annually from the tax on sports betting proceeds authorized by voters in 2019, thereby requiring the state to refund tax revenue above \$29 million to casinos and sports betting operators.

Vail Farmers’ Market

Our hydration station at the Vail Farmers’ Market ends Oct. 6 with the last market. Started during the 2012 drought, this is our 11th season (since we took the 2020 and 2021 seasons off with the pandemic). The booth is a cross-departmental effort which allows many different employees to engage with the community on a variety of water topics. Customer interactions at the market are overwhelmingly positive.

2025 rate increase outreach

Given the new approach to three account types for 2025 rates, and increases associated with issuing bonds to complete required water projects, we have planned an outreach campaign like last year. We will mail a postcard to every address in the Vail, Minturn, Avon, and Edwards zip codes in early October, followed by the billing comparison mailer in November, and a billing insert in December.

Special District Association of Colorado (SDA)

ERWSD has long been a member and supporter of SDA. In addition to Dick Cleveland serving on the SDA Board of Directors, Brian Thompson was selected to participate in the 2024 SDA Leadership Academy. This seven-month program provides specialized training and resources to help special district leaders from across the state enhance their governance, management, and leadership skills. Brian represented ERWSD at the SDA Annual Conference, held Sept. 10-12 in Keystone, and moderated presentations on *Updating Bylaws* and *Community Management in Metropolitan Districts*.

Media reports:

1. Sep. 16, Colorado Sun: [Minturn settles dispute with developer for \\$48 million in land](#)
2. Sep. 12, Colorado Politics: [Unintended consequences: New law on accessibility leads to removal of public records from websites](#)
3. Sep. 11, NPR: [Can eating less beef and dairy help save the Colorado River?](#)
4. Sep. 9, KUNC: [Lake Powell plumbing will be repaired, some say Glen Canyon Dam needs a fix](#)
5. Sept. 9, Vail Daily: [Dylan Roberts column – More property tax relief.](#)
6. Sept. 4, Denver Post: [83-year-old Colorado fisherman is back, defiant, seeking arrest and support in fight for freedom to wade in state’s rivers](#)
7. Aug. 29, Newsweek: [Lake Powell: Water Rule Change Could Have Saved 28.5 Billion Gallons](#)
8. Aug. 28, Colorado Sun: [Show us the data: Northern Water questions deal to purchase one of Colorado’s oldest water rights](#)
9. Aug. 26, LA Times: [How much more water and power does AI computing demand? Tech firms don’t want you to know](#)
10. Aug. 20, KUNC: [As Lake Powell shrinks, a thriving desert oasis is coming back](#)



MEMORANDUM

TO: Board of Directors
FROM: Justin Way, Information Technology Manager
DATE: September 20, 2024
RE: Cyber Assessment – Sept. 26 Executive Session

This is a public memo summarizing topics that will be discussed in Executive Session at the Sept. 26 board meeting.

As a member of the Colorado Special Districts Property and Liability Pool, the District may qualify for a higher insurance sublimit by completing a cyber assessment. This assessment will include an overview of the following topics:

- 1) The District's current exposure to Personally Identifiable Information (PII)
- 2) Progress made to any recommendations or findings identified in the initial cyber assessment
- 3) Next steps to be taken over the next twelve (12) months regarding the District's cyber security

In addition, I will briefly discuss the evolving threat landscape, additional measures we are taking to strengthen our cybersecurity posture, and the growing cyber risks to the water and wastewater sector.

As the content of these discussions involves sensitive security information, it is imperative this discussion take place in Executive Session pursuant to §24-6-402(d), C.R.S.



M E M O R A N D U M

TO: Board of Directors
FROM: Brian Thompson, Government Affairs Supervisor
DATE: September 25, 2024
RE: Timber Ridge Purchase and Sales Agreement

At the Sept. 26 board meeting, Kathryn Winn and David Norris will discuss the potential purchase of employee housing units at Timber Ridge Village in Vail. This discussion will occur in executive session pursuant to §24-6-402(4)(a) and (b), C.R.S.

Kathryn and David have worked on a purchase and sales agreement (PSA), which is attached in the public packets under agenda item 11.1. Following the discussion in executive session, the board may, in open session, consider directing staff and counsel to execute the Timber Ridge PSA.

Details regarding relevant legal issues and budget implications will be presented in executive session.

Recommendation: Staff recommends the board approve the purchase of the Timber Ridge units.

Suggested motion: I move to direct staff and counsel to execute the Timber Ridge Purchase and Sales Agreement, as presented.

Attached Supporting Documentation: Timber Ridge Purchase and Sales Agreement

PURCHASE AND SALE AGREEMENT
FOR
TIMBER RIDGE VILLAGE

This Purchase and Sale Agreement (this "Agreement") is executed by TRIUMPH TIMBER RIDGE, LLC, a Delaware limited liability company, ("Seller"), and _____ ("Purchaser"), effective on the later of the dates on which Seller and Purchaser execute this Agreement (the "Effective Date").

1. Purchase and Sale.

a. The Unit. Subject to the terms of this Agreement, Seller agrees to sell and convey, and Purchaser agrees to purchase and pay for, the condominium Unit or Units identified on Attachment 1 attached to this Agreement (whether one, or more than one, collectively the "Unit") within the condominium project known as "Timber Ridge Village" in the Town of Vail, Colorado, as described in Section 2 below. If Attachment 1 indicates that more than one Unit is being purchased pursuant to this Agreement, then the term "Unit" as used herein means all such Units, or each of such Units, as the context requires.

2. Development of the Project.

a. The Project. The Unit is part of a condominium development known as Timber Ridge Village constructed or to be constructed by Seller within the Town of Vail, Colorado (the "Town") which is comprised of residential condominium units and related common elements and associated on-site and off-site infrastructure improvements (collectively referred to as the "Project"). The Unit is established (or to be established) pursuant to the Condominium Declaration for Timber Ridge Village (the "Declaration") and the Condominium Map for Timber Ridge Village (the "Map"), each of which Seller has recorded (or will record) in the Office of the Clerk and Recorder of Eagle County, Colorado (the "County Records"). The Project is organized pursuant to the laws of the State of Colorado and is defined as a condominium under the general provisions of the Colorado Common Interest Ownership Act, C.R.S. 38-33.3-101, et seq. (the "Act"). The Declaration and the Map must be recorded prior to the closing of the purchase and sale of the Unit (the "Closing"). The Project will be located on the property described on Exhibit A attached hereto (the "Project Property"), it being acknowledged and agreed that the final legal description of the Project Property will be established by the recorded Map and Declaration and reflected in the Final Commitment, as discussed in Section 7 below. The Project is intended to consist of 294 residential condominium units, a public transit facility condominium unit, and related common elements.

b. Project Association. In addition to the Declaration and the Map, the Project is also subject to the articles of incorporation, bylaws, policies and any rules and regulations (collectively, together with the Declaration and the Map, the "Association Documents") of the Timber Ridge Village Owner's Association, Inc., a Colorado nonprofit corporation (the "Association"), as established (or to be established) under the Declaration.

3. Condominium Unit. The Unit consists of a residential dwelling Unit and an undivided ownership interest in the Common Elements of the Project, as set forth in the Declaration and the Map and shall be described as follows:

Condominium Unit _____, Timber Ridge Village Condominiums, according to the Condominium Map for Timber Ridge Village and as defined and described in the Condominium Declaration for Timber Ridge Village, each to be recorded in the Office of the Clerk and Recorder of Eagle County, Colorado.

General floor plans for the Unit are available by following Hyperlink 3 listed on Attachment 2 to this Agreement (or copying same and pasting into an internet browser), and Purchaser acknowledges delivery in this manner as being acceptable and accepted by Purchaser. The complete Plans and Specifications for the Unit are discussed in Section 5.b below.

4. Purchase Price. The purchase price for the Unit (hereinafter referred to as the “Purchase Price”) is _____ (\$ _____ .00). If Purchaser is buying more than one Unit pursuant to this Agreement, the Purchase Price for each Unit purchased is identified on Attachment 1, and the Purchase Price is the aggregate purchase price for all Units. In addition, if Purchaser has opted to purchase parking appurtenant to the Unit, such parking and the purchase price therefor is identified on Attachment 1, and the Purchase Price includes the aggregate purchase price for all parking appurtenant to the Unit. The Purchase Price shall be paid as follows:

a. Earnest Money Deposit. Within five (5) business days following the Effective Date, Purchaser shall pay Seller an earnest money deposit equal to ten percent (10%) of the Purchase Price _____ (\$ _____) (the “First Earnest Money Deposit”) via wire transfer or other good funds. On or before January 15, 2025, Purchaser shall pay Seller another earnest money deposit equal to ten percent (10%) of the Purchase Price, _____ (\$ _____) (the “Second Earnest Money Deposit”) via wire transfer or other good funds. The First Earnest Money Deposit and the Second Earnest Money Deposit are herein collectively referred to as the “Earnest Money Deposit”. Purchaser’s failure to timely pay any installment of the Earnest Money Deposit beyond any applicable notice and cure period shall constitute a material default by Purchaser under Section 13 below.

i. Seller and Purchaser are parties to that certain Reservation Agreement for the Unit dated _____ (the “Reservation Agreement”). Purchaser delivered to Land Title Guarantee Company (“Title Company”) the sum of \$ _____ as the “Deposit” required by Section 1 of the Reservation Agreement. By its execution of this Agreement, Purchaser hereby directs the Title Company to deliver the Deposit to Seller to be included as a portion of the First Earnest Money Deposit under this Agreement. Purchaser shall pay to Seller the amount of \$ _____ within five (5) business days following the Effective Date, so that the full amount of the First Earnest Money Deposit is \$ _____.

b. Treatment of Earnest Money Deposit. Purchaser understands and agrees that Seller shall not be required to hold any of the Earnest Money deposit in escrow or in any separate account but may disburse same for the direct benefit of the Project as Seller deems necessary in Seller’s sole and absolute discretion, including without limitation for the payment of Project costs or the reimbursement of Project costs paid by Seller or its affiliate. Any interest on the Earnest Money deposit shall accrue for the benefit of Seller. Purchaser will be credited toward payment of the Purchase Price at the Closing with the total amount of the Earnest Money deposit (without interest). Except as expressly provided in this Agreement, the Earnest Money deposit shall not be refundable to Purchaser, and Purchaser acknowledges that Purchaser has had the opportunity to conduct all diligence related to this purchase prior to execution of this Agreement.

c. Balance. Purchaser shall pay the balance of the Purchase Price (which shall be the Purchase Price less the Earnest Money Deposit paid by Purchaser), plus any other amounts owing by Purchaser to Seller under this Agreement, as adjusted under Section 10 below, in Good Funds at the Closing as stated in §38-35-125 C.R.S.

d. Personal Property. The Unit is being sold unfurnished and will contain only the appliances and equipment described in the Plans and Specifications. Seller will convey any personal property and fixtures installed within the Unit to Purchaser at Closing by bill of sale.

e. Parking. Purchaser acknowledges and agrees that parking within the Project is fully assigned and appurtenant to condominium units as limited common elements within the Declaration and the Map, and Purchaser shall only have parking rights if they are identified as appurtenant to the Unit on Attachment 1. **IF THIS BOX IS CHECKED, PURCHASER ACKNOWLEDGES AND AGREES THAT PURCHASER HAS NOT ELECTED TO PURCHASE PARKING APPURTENANT TO THE UNIT, AND THAT PURCHASER SHALL HAVE NO RIGHT TO PARK ANY VEHICLE AT THE PROJECT.**

f. No Financing Contingency. Purchaser understands and agrees that this Agreement is not contingent upon Purchaser obtaining financing for Closing. Purchaser shall be solely responsible for making Purchaser's own financial arrangements to enable Purchaser to pay Seller for the Unit and Purchaser acknowledges that the satisfaction of any condition imposed by a lender is solely at Purchaser's risk, including, without limitation, the risk of any downward fluctuation in the value of the Unit.

5. Construction of the Unit.

a. Substantial Completion. Seller shall substantially complete construction of the Unit on or before the date falling thirty (30) months after the Effective Date, subject to Excusable Delays as defined in Section 20.f below. The Unit will be deemed substantially complete for all purposes under this Agreement on the date a certificate of occupancy, whether subject to conditions or otherwise, is issued for the Unit by the Town. Purchaser acknowledges that as of Closing, and for a reasonable period thereafter, subsequent construction of the Project (which may include by way of example, construction of additional buildings in the Project, landscaping, exterior site work, corridor finishes, etc.) may not be completed. The incompleteness of any such areas and the ongoing construction related thereto or other construction at or around the Project shall not delay Closing.

b. Plans and Specifications. The Unit will be constructed by Seller in substantial conformance with Plans and Specifications prepared by Seller's architect, Pure Design LLC (the "Architect") that are available by following Hyperlink 5.b listed on Attachment 2 to this Agreement (or copying same and pasting into an internet browser), and Purchaser acknowledges delivery in this manner as being acceptable and accepted by Purchaser (the "Plans and Specifications"). **PURCHASER HEREBY ACKNOWLEDGES THAT PURCHASER HAS RECEIVED THE PLANS AND SPECIFICATIONS AND HAS HAD THE OPPORTUNITY TO REVIEW THE PLANS AND SPECIFICATIONS PRIOR TO PURCHASER'S EXECUTION OF THIS AGREEMENT AND, BY SIGNING THIS AGREEMENT, PURCHASER ACCEPTS AND APPROVES THE PLANS AND SPECIFICATIONS.** Seller reserves the right, at its option, (i) to make modifications to the Plans and Specifications required by the Town pursuant to the Town's building permit process or required by any building code, fire code or other code governing the related improvements, and/or (ii) to substitute or change fixtures, equipment and materials, and make other minor modifications to the Plans and Specifications as Seller determines, provided, however, under either (i) or (ii) above that the modification or substitution is of substantially equivalent value. Without limiting the foregoing, in the event that substitutions or changes are made by Seller due to unavailability or unreasonable delivery delays, Seller will attempt to secure reasonably comparable fixtures, equipment or

materials but no assurance is made that the substituted or changed improvement will match the improvement described in the Plans and Specifications, so long as the substituted or changed improvement is of substantially equivalent value. PURCHASER UNDERSTANDS, ACKNOWLEDGES AND AGREES THAT THE PLANS AND SPECIFICATIONS ARE NOT SUBJECT TO CHANGE AT THE REQUEST OF PURCHASER, AND THAT NO CHANGE ORDER REQUEST WILL BE CONSIDERED BY SELLER WHATSOEVER.

c. Square Footage. Statements of approximate square footage of the Unit utilizing both the “architectural method” and the “air space measurement method” are made in the general floor plan for the Unit identified as Hyperlink 3 listed on Attachment 2 to this Agreement. Purchaser acknowledges that such square footage disclosure utilizing the architectural method measures square footage from the outside edge of all exterior sheathing, from the mid-point of all demising walls between the Unit and Common Elements (such as corridors), and from the mid-point of all demising walls between Unit, and is often used as the measurement in architectural plans. The air space measurement method, typically used in condominium maps and recorded condominium declarations, varies from the architectural method and measures square footage from the inside edge of exterior walls, the mid-point of demising walls between units, and from the inside edge of demising walls to common areas, and is the measurement likely to be listed by the Eagle County Assessor’s Office in its public records. Any references to square footage in the Plans and Specifications and/or in Seller’s marketing materials likely utilizes the architectural method described above. Purchaser acknowledges and agrees that square footage calculations may be made in a variety of manners and Purchaser will have no right to rescind this Agreement, nor will Purchaser be entitled to any claim for breach of this Agreement or adjustment of the Purchase Price, on account of alleged discrepancies in square footage calculations. PURCHASER HEREBY ACKNOWLEDGES THAT PURCHASER HAS EITHER INDEPENDENTLY VERIFIED SQUARE FOOTAGES CONTAINED IN THE PLANS AND SPECIFICATIONS OR HAS ELECTED NOT TO DO SO. Purchaser further acknowledges and understands that minor changes in square footages may occur during construction of the Unit and that the square footages of the Unit as disclosed in Hyperlink 3 listed on Attachment 2 to this Agreement are approximate only.

d. Control of Construction. Purchaser acknowledges that control, direction and supervision of all construction personnel at the construction site will lie exclusively with Seller and that Purchaser may not issue any instructions to, or otherwise interfere with, construction personnel. Purchaser will not perform any work or contract with Seller's contractors or other builders, contractors, interior decorators, or others to perform work in or about the Unit until title is transferred to Purchaser at the Closing or otherwise agreed to in writing by Seller in Seller’s sole and exclusive discretion. Purchaser will indemnify, defend and hold harmless Seller, and its lenders, members, investors, contractors, subcontractors, employees and agents against any claims, demands, loss, damages, liability, or other expense that they may incur by reason of Purchaser's breach of any provision of this Section.

6. Limited Warranty. Seller warrants that all materials incorporated in and made a part of the structure of the Unit shall be new as of the date of installation and shall remain free from defects in workmanship or quality for a period of one (1) year from the date of Closing, provided, however, that if the closing of the sale of the Unit occurs more than 90 days after issuance of a certificate of occupancy for such Unit, the one-year warranty shall be reduced one day for each day that closing occurs after such 90-day period. (the “Warranty Period”). Seller represents that Seller will cause to be remedied, by repair or replacement, any structural defects in the Unit which appear within the Warranty Period and which result from faulty material or workmanship, provided that Purchaser gives Seller written notice of any such defect within ten (10) days after Purchaser’s discovery of the defect. Any such notice shall be addressed to Seller at the address following Seller’s signature below, or such other address for notice furnished to Purchaser in accordance with Section 15 below. Purchaser’s sole remedy (in lieu of all remedies implied by law or

otherwise) against Seller in connection with such defects shall be to require Seller to correct the defect in material or workmanship. Seller shall not be responsible for any defects where the cause is determined to result from Purchaser's or any future owner's actions, negligence or insufficient maintenance. This limited warranty does not extend to any Common Elements of the Project, including, without limitation, building systems serving the Unit.

Any appliance, item of equipment, or other item in the Unit (whether or not attached to or installed in the Unit) which is a "consumer product" as defined in the Magnuson Moss Warranty Act, 15 U.S.C. § 2301, is hereby excluded from the coverage under this limited warranty. The following are examples of consumer products: fire and security alarm systems, refrigerator, range, dishwasher, garbage disposal, heat recovery ventilator, hot water heater, water source heat pump, clothes washer and dryer, audio/visual equipment and thermostats. The Unit may not contain some of these items, and they may contain other items that may also be consumer products. With regard to any consumer products in the Unit, Seller disclaims all warranties. Seller is not responsible for performance under any such manufacturers' warranties in any way. However, Seller hereby assigns and transfers to Purchaser all manufacturer warranties applicable to all such consumer products, subject to final Closing and conveyance of the Unit. WITH REGARD TO ANY SUCH CONSUMER PRODUCTS, WHETHER OR NOT WARRANTED BY MANUFACTURERS, SELLER DISCLAIMS ALL WARRANTIES INCLUDING, BUT NOT LIMITED TO, THOSE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

PURCHASER AGREES TO COMPLY WITH ALL MAINTENANCE MANUALS AND OTHER DOCUMENTS AND RECOMMENDATIONS PROVIDED TO PURCHASER WITH RESPECT TO THE INSPECTION, OPERATION AND ROUTINE MAINTENANCE OF ALL SYSTEMS, EQUIPMENT, AND SIMILAR ITEMS (INCLUDING, BUT NOT LIMITED TO, MECHANICAL, ELECTRICAL, PLUMBING, STRUCTURAL AND EXTERIOR SYSTEMS AND IMPROVEMENTS) MADE PART OF OR SERVING THE UNIT. PURCHASER UNDERSTANDS AND AGREES THAT IF PURCHASER FAILS TO FOLLOW THE INSPECTION, MAINTENANCE AND REPAIR REQUIREMENTS AND STANDARDS CONTAINED IN SUCH MANUAL OR MATERIALS DELIVERED TO PURCHASER AND SUCH FAILURE CAUSES, WHETHER IN WHOLE OR IN PART, DAMAGE TO THE UNIT OR OTHER PROPERTY, THE RESULTING DAMAGE SHALL NOT BE COVERED BY THIS LIMITED WARRANTY AND SHALL FURTHER BE DEEMED NOT TO BE THE RESULT OF A DESIGN OR CONSTRUCTION DEFECT.

EXCEPT AS STATED IN THE FIRST PARAGRAPH OF THIS LIMITED WARRANTY ABOVE, SELLER MAKES NO WARRANTY OR REPRESENTATION OF ANY NATURE, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THOSE OF WORKMANLIKE CONSTRUCTION, HABITABILITY, DESIGN, CONDITION, OR QUALITY AS TO THE PROJECT PROPERTY, THE UNIT, OR THE OTHER IMPROVEMENTS CONSTITUTING THE PROJECT, AND, TO THE EXTENT PERMITTED BY LAW, SELLER SPECIFICALLY EXCLUDES SUCH MATTERS IN CONSIDERATION OF THE EXPRESS WARRANTIES GIVEN UNDER THIS AGREEMENT.

AS MORE FULLY SET FORTH IN SECTION 19.g BELOW, SELLER MAKES NO REPRESENTATION OR WARRANTY CONCERNING ANY GEOLOGICAL OR ENVIRONMENTAL MATTERS AND SPECIFICALLY EXCLUDES GEOLOGICAL AND ENVIRONMENTAL MATTERS FROM ANY WARRANTIES GIVEN UNDER THIS AGREEMENT.

Except as otherwise provided in this limited warranty, Purchaser assumes the risk of damage occurring to the Unit after Closing. Notwithstanding any provisions in this Section 6 to the contrary, this Section shall be construed in accordance with Colorado law and limited to the extent necessitated thereby.

The Project is being developed upon land that was owned by the Town of Vail, but which the Town of Vail contributed to the Project in an effort to maintain affordability. In consideration of this fact, Purchaser hereby waives any claim against the Town of Vail relating in any way to construction defects within the Project.

The provisions of this Section shall survive Closing.

7. Title. Title will be marketable in Seller at the time of Closing, subject to the matters set forth in Exhibit B attached hereto and incorporated herein (the "Permitted Exceptions"), the documents referred to in Section 9 below and those matters shown on the Map of the Project. Seller, at its expense, will give to Purchaser a title insurance commitment (the "Commitment") issued by Land Title Guarantee Company (the "Title Company") to insure the title to the Unit in Purchaser's name for the amount of the Purchase Price. If the Commitment discloses the existence of any defects in title, other than the Permitted Exceptions, the documents referred to in Section 8 below, those matters shown on the final Map of the Project and the standard printed exceptions appearing in the Commitment, and such defects render title to any portion of the Unit unmarketable and the defects are not waived by Purchaser, Purchaser must give Seller written notice of the title defects within seven (7) days after receipt of the Commitment. Thereafter, Seller will have forty-five (45) days in which Seller may elect to cure the defects and render title marketable or provide title insurance against the defects and, if necessary, the Closing shall be postponed accordingly. If Seller fails to cure the defects or provide title insurance after timely notice of the defects or Seller elects not to pursue a cure or title insurance as evidenced by a written notice to Purchaser, Purchaser, as its sole remedy, may elect, within seven (7) days after the earlier of Purchaser's receipt of Seller's notice of election not to cure or the end of the forty-five (45) day period, either (a) to terminate this Agreement, in which event all amounts paid to Seller under this Agreement will be returned to Purchaser, and neither party will have any further obligations under this Agreement; (b) with Seller's consent, to grant one or more additional periods of time within which Seller may but shall not be required to attempt to cure, remove or obtain title insurance protection against the exceptions; or (c) to accept title with all defects as shown in the Commitment, without adjustment in the Purchase Price. If Purchaser fails to give timely notice of termination, Purchaser will be deemed to have elected to accept title as shown in the Commitment and to have waived all defects. Purchaser expressly relinquishes and waives any and all other remedies, claims, demands, and causes of action at law or in equity against Seller for failure to deliver marketable title. No equitable title to the Unit will pass to Purchaser until Closing. Purchaser acknowledges and accepts that there will likely be recorded against the Project additional easements and/or other documents that do not render title to the Unit unmarketable, and that such recordings are permissible.

Following the recording of the final Condominium Map creating the Unit and the Declaration, Seller shall procure a legal description of the Unit and deliver to Purchaser, at least five (5) business days before Closing, the Commitment in a revised form, reflecting the final recorded Map, Declaration, the final legal description of the Unit and other reasonable adjustments to the Commitment (the "Final Commitment"), which Final Commitment Purchaser accepts. The Final Commitment will commit to insure marketable title to the Unit in Purchaser, upon payment of the policy premium by Seller and the satisfaction of certain requirements by Seller, subject to the standard printed exceptions and the exceptions accepted by Purchaser pursuant to this Section above. After the Closing, Seller, at its expense, will cause the Title Company to issue to Purchaser a title insurance policy in conformance with the Final Commitment, which title insurance policy will also include "owner's extended coverage" and delete or insure over standard printed exceptions Nos. 1-5.

8. Unit Owners' Association Matters and Deed Restrictions.

a. Association Membership. Purchaser acknowledges that as owner of the Unit, Purchaser shall be subject to the provisions of and restrictions contained in the Declaration and the Map, shall automatically become a member of the Association and shall be governed by the Association Documents. These documents require, among other things, membership by Purchaser in the Association and payment of assessments to the Association.

b. Other Restrictions. Purchaser also acknowledges that Purchaser shall be subject to all other instruments and documents recorded in the County Records which concern and restrict the use, occupancy and maintenance of the Unit and the Project.

c. Documents. The draft documents listed immediately below are referred to herein collectively as the "Disclosure Documents".

i. A draft of the Declaration (including, without limitation, Section 24.12 thereof, Dispute Resolution, as more fully discussed in Section 13.f below) available by following Hyperlink 8.c.i listed on Attachment 2 to this Agreement (or copying same and pasting into an internet browser), and Purchaser acknowledges delivery in this manner as being acceptable and accepted by Purchaser;

ii. The draft Articles of Incorporation, Bylaws and Responsible Governance Policies of the Association available by following Hyperlink 8.c.ii listed on Attachment 2 to this Agreement (or copying same and pasting into an internet browser), and Purchaser acknowledges delivery in this manner as being acceptable and accepted by Purchaser;

iii. A preliminary first year budget for the Association available by following Hyperlink 8.c.iii listed on Attachment 2 to this Agreement (or copying same and pasting into an internet browser), and Purchaser acknowledges delivery in this manner as being acceptable and accepted by Purchaser;

iv. A preliminary draft of the Rules and Regulations for the Association available by following Hyperlink 8.c.iv listed on Attachment 2 to this Agreement (or copying same and pasting into an internet browser), and Purchaser acknowledges delivery in this manner as being acceptable and accepted by Purchaser;

v. Soils Report available by following Hyperlink 8.c.v listed on Attachment 2 to this Agreement (or copying same and pasting into an internet browser), and Purchaser acknowledges delivery in this manner as being acceptable and accepted by Purchaser.

Purchaser acknowledges to Seller that the Purchaser shall have an opportunity to review the latest version of the Disclosure Documents at least fifteen (15) days prior to Closing.

d. Seller's Right to Make Changes. Purchaser acknowledges and understands that certain of the Disclosure Documents are drafts that remain subject to review by the Town and Seller reserves the right to amend any of the Disclosure Documents at any time or from time to time prior to the Closing as the Town may require or as Seller may deem necessary or desirable to make corrections or to meet the requirements of applicable laws, governmental regulations, lending institutions and marketing programs or so long as the amendments do not materially adversely affect the use and enjoyment of the Unit. Purchaser acknowledges that Seller has reserved the right, at any time after Closing, to amend the Association Documents for the purposes and under the conditions outlined under those documents.

e. Deed Restriction. Purchaser acknowledges and agrees that the Project is a deed-restricted housing project that is a partnership with the Town. The Unit will be subject to a deed restriction in the form attached hereto as Exhibit C (the “Deed Restriction”) limiting its occupancy and ownership in accordance with the terms thereof. Purchaser represents and warrants to Seller that Purchaser has reviewed the Deed Restriction and is qualified to purchase and own the Unit under the terms thereof. Purchaser is required to execute and deliver to Seller at Closing an affidavit affirming to the Town that Purchaser meets the requirements to purchase and own the Unit; if Purchaser does not meet such requirements, Seller is required, and has the right, to terminate this Agreement. If the Seller determines that Purchaser met the requirements of the Deed Restriction at the time this Agreement was executed but no longer meets the terms of the Deed Restriction at Closing through no fault of their own, the Earnest Money will be returned to to Purchaser; otherwise, the Earnest Money will be retained by Seller as its sole and exclusive remedy hereunder.

f. Sale Restriction. Purchaser acknowledges and agrees that when Purchaser closes on the purchase of the Unit, Seller may continue to have other units within the Project in inventory and for sale, and that it would be detrimental to Seller and the Project for Purchaser to sell the Unit while Seller inventory remains available. Therefore, Purchaser agrees that Purchaser will not advertise, list or market the Unit for sale, nor sell or otherwise transfer title to the Unit, before July 1, 2027. To memorialize this sales restriction, Seller and Purchaser shall execute the document attached hereto as Exhibit D at Closing, and cause same to be recorded against the Unit in the real property records of Eagle County, Colorado, immediately following the recording of the Town’s deed restriction described in Section 8.e.

9. Closing.

a. Closing Date. Subject to the provisions of Section 7 (Title), the Closing shall occur after substantial completion of the Unit as set forth in Section 5.a above, at a date, hour and place designated by Seller; or, at Seller's or Seller's agent's option, Closing will be accomplished by an exchange of the required documents by certified mail or overnight express courier service selected by Seller. Seller, or Seller's agent, will give to Purchaser by way of written notice, notice of the date of Closing as follows:

i. at least one hundred twenty (120) days before Closing, Seller shall notify Purchaser of Seller’s estimated timing for Closing; and

ii. Seller shall notify Purchaser of a five (5) business day window (the “Closing Window”) within which Closing will occur at least sixty (60) days prior to the last day of the Closing Window.

iii. Seller and Purchaser will mutually set a specific date for Closing at least ten (10) business days prior to the last day of the Closing Window; provided, however, that if Seller and Purchaser do not mutually set a specific date for Closing as required herein for any reason, the Closing shall occur on the last day of the Closing Window. If Seller shall fail to close upon the Unit on the date for Closing for any reason except as provided in Section 20.f of this Agreement and except as a result of Purchaser’s action, inaction or default, then Seller will pay to Purchaser at Closing a penalty of \$1,000 plus \$250 for each day after the date for Closing until Closing actually occurs. Such payment shall be Purchaser’s sole and exclusive remedy against Seller in the event of a delayed Closing.

Purchaser acknowledges that dates given verbally by any agent or representative of Seller are merely estimates and are not binding on Seller. A certification by one of Seller’s employees or agents that notice was given to Purchaser will be conclusive for purposes of proving that notice was in fact given. If Purchaser fails to receive any notice because Purchaser failed to advise Seller of any change of address or because Purchaser failed to pick up correspondence, Purchaser will not be relieved of Purchaser’s

obligation to proceed with Closing on the scheduled date of Closing unless Seller agrees in writing to postpone the date of Closing. Purchaser understands that Seller is not required to reschedule or to permit a delay in Closing.

b. Closing Procedures. The Closing shall be held in Eagle County, Colorado, at a time and place specified by Seller, unless extended pursuant to Section 7 above, or at such other time and place as shall be mutually acceptable to Seller and Purchaser. At the Closing, the parties shall take the following actions:

i. Seller shall deliver to Purchaser an executed and acknowledged special warranty deed to the Unit subject only to those matters as set forth in Section 7 of this Agreement and any other title exceptions waived by Purchaser pursuant to Section 7 above;

ii. Seller shall convey title to the personal property and fixtures installed within the Unit by a bill of sale;

iii. Purchaser shall pay the balance of the Purchase Price as required by Section 4 above and the other charges and fees described in this Agreement to be paid at Closing; and

iv. Purchaser and Seller shall execute and deliver such other documents and take such other actions as may be necessary to accomplish the Closing and carry out their obligations under this Agreement.

c. Closing Costs. Purchaser agrees to pay the documentary fee on the deed conveying the Unit and the fee for recording that deed, any sales taxes on the personal property conveyed and located within the Unit, and all fees and payment obligation required of Purchaser's lender. If, at the request of Purchaser, the Closing is held in a place other than Eagle County, Colorado, Purchaser shall pay at Closing all costs of whatever kind or nature incurred by Seller or its agents in accommodating Purchaser, including, without limiting the generality of the foregoing, all costs of any courier service or postage. Seller and Purchaser agree to pay all other costs associated with the Closing which are customarily paid by sellers and purchasers in similar transactions in Eagle County, Colorado, including, without limitation, one-half of the Title Company's closing fee. The sale and transfer of the Unit is exempt from the Town of Vail Real Estate Transfer Tax.

d. Pre-Closing Walk-Through. Prior to the Closing, Purchaser agrees to participate in one walk-through of the Unit ("Walk-Through") with Seller's representative to compile a list of items the parties mutually agree need correction ("Walk-Through List"), which Walk-Through List shall be signed by both Purchaser (or Purchaser's designee) and Seller and shall be considered the complete list of items that require correction by Seller. If Purchaser fails to schedule a Walk-Through within seven (7) days following Seller's request for same, or if Purchaser declines or refuses to complete the Walk-Through or have Purchaser's designee do so on Purchaser's behalf at the scheduled time, Purchaser shall be deemed to have conclusively waived Purchaser's right to participate in a Walk-Through and to have a Walk-Through List compiled and addressed by Seller as provided in this Section. In no event will any difficulty in scheduling a Walk-Through with Purchaser be the basis for a delay in the Closing. At the time of the Walk-Through, Purchaser acknowledges that mechanical systems may not all be operational or fully balanced but that they will be fully operational and balanced by Closing and under the limited warranty provided in Section 6 above. Seller will use its commercially reasonable efforts to complete the items on the Walk-Through List at Seller's expense within sixty (60) working days after the later of the date of preparation of the Walk-Through List or of the date of Closing, subject to Excusable Delays. Purchaser understands that paving, exterior cement work, landscaping, final exterior finish and some components of the Project may not be completed when a certificate of occupancy is issued and that Seller will complete such paving,

exterior cement work, landscaping and final exterior finish work as soon as practicable thereafter. Purchaser's refusal to close this transaction due to the need for reasonable further work (to be noted on the Walk-Through List with respect to the Unit) shall constitute a default by Purchaser under this Contract.

e. Insurance. Purchaser acknowledges that the Declaration sets forth the insurance coverage responsibilities governing the Project and accepts same.

f. Multiple Units; Phased Closings. If this Agreement is for the purchase and sale of more than one Unit, and the Units are located in different buildings within the Project, then there shall be phased Closings of the Units as each building containing a Unit is completed, and this Agreement shall remain in force and effect until all Units have been conveyed to Purchaser.

10. Adjustments. The following items shall be adjusted as of the date of Closing:

a. Taxes and Assessments. Real property taxes and assessments for the year of Closing, based upon the most current assessment and levy, and all assessments or charges imposed on the Project or the Unit by any governmental, quasi-governmental or private entity, including, without limitation, the Association, and any metropolitan or special districts to which the Project is subject, shall be apportioned to the date of Closing. If real property taxes have not been assessed specifically to the Unit in such prior year, Seller may reasonably estimate the amount of such taxes attributable to the Unit, which estimate shall be apportioned to the date of Closing and shall be considered a final settlement.

b. Working Capital Fund. At Closing, Purchaser shall pay to the Association an amount equal to two (2) months' regular assessments, as determined in accordance with the Declaration, such sum to be part of the working capital fund for each such association.

c. Fees for Extended Closing Date. If, at the request of Purchaser, an extension is granted such that the Closing is held on any date later than the date originally scheduled pursuant to Subsection 9.a. above, in addition to all other rights of Seller under this Agreement Purchaser shall pay to Seller interest computed at the annual rate of twelve percent (12%) on the amount to be paid by Purchaser at the Closing as specified in Subsection 4.c for the period beginning on the original date of Closing and continuing through the actual date of Closing and taxes and assessments will be prorated as of the original date of Closing.

11. Possession. Purchaser will have possession of the Unit upon completion of the Closing. After Purchaser takes possession, portions or phases of the Project may remain uncompleted. Seller and its agents, contractors, and employees will have the right to enter on the Project as necessary to complete the Project, and Purchaser acknowledges that construction activities may take place on the site after Purchaser takes possession of the Unit. Seller and its agents, contractors and employees will take reasonable measures relative to the safety of Purchaser and Purchaser's lessees, guests and invitees. Purchaser acknowledges that Purchaser's possession will constitute Purchaser's agreement that Purchaser, Purchaser's family and invitees will remain outside of any fenced or posted construction areas and any other areas in which work is being performed pending completion of the Project and that Purchaser will indemnify and hold harmless Seller and its agents, contractors and employees from and against any and all loss or liability on account of such entry by Purchaser or such other persons. The terms and covenants of this Section 11 will survive the Closing. Further, the terms and covenants of this Section 11 are supplemental to and are not substituted for the covenants, conditions, and restrictions set forth in the Declaration.

12. No Brokers. Each party represents to the other that no real estate broker has any claim for compensation or expenses as a result of this transaction and each party shall indemnify the other against

any claims for commissions or other compensation by any other broker or finder with whom the indemnifying party has dealt.

13. Performance; Default.

a. Time is of the Essence. Time is of the essence with regard to the performance of the obligations of Seller and Purchaser under this Agreement. If the date for any such performance falls on a Saturday, Sunday, or banking holiday, the date of performance shall be extended to the next regular business weekday.

b. Default by Purchaser Before Closing. If Purchaser is in material default under this Agreement before Closing (including, without limitation, for failure to timely close), then subject to the two paragraphs immediately following, Seller's sole remedy shall be to terminate this Agreement following delivery to Purchaser of notice of such default and Purchaser's failure to cure the default within seven (7) days following said notice; provided, however, that no notice and cure period shall be afforded or required in the event of Purchaser's failure to close on the Closing Date. Upon termination due to Purchaser's default, Seller shall be entitled to retain the Earnest Money Deposit and any interest as liquidated damages, except as discussed in Section 8.e. Purchaser and Seller each desire to provide for liquidated damages and agree that if Purchaser is in breach of Purchaser's obligations under this Agreement before Closing, it will be difficult to determine Seller's damages, which include (without limitation) the lost opportunity of selling the Unit to another purchaser while it was under contract to Purchaser. Consequently, the parties agree that the liquidated damages provided in this Agreement are a fair and reasonable estimate of Seller's damages.

The foregoing limitations on Seller's remedies shall not apply in the event of a default by Purchaser arising from Purchaser's recording of this Agreement (or a memorandum or notice of it) in violation of Section 17 below.

c. Default by Seller Before Closing. If Seller is in material default under this Agreement before Closing (including, without limitation, for failure to timely close) and if, within five (5) days after receipt from Purchaser of written notice of the default, Seller fails to commence the steps necessary to cure the default and to complete the cure within a reasonable time, and if Purchaser is in compliance with all its obligations under this Agreement, then Purchaser may terminate this Agreement upon written notice to Seller, in which event Purchaser shall be entitled to a return of the Earnest Money Deposit paid by Purchaser (without interest) within seven (7) days of delivery of notice of termination to Seller. Purchaser expressly waives all claims against Seller for specific performance.

d. Default After Closing. In the event of a default by either party arising after Closing, the non-defaulting party shall have all rights and remedies permitted by law, subject to the express limitations set forth in other provisions of this Agreement, including, without limitation, the Mandatory Alternative Dispute Resolution Procedures described in Section 13.f below. Claims or demands shall be made within a reasonable time after any dispute has arisen, and in no event shall be made after the date when institution of legal or equitable proceedings based on such dispute would be barred by the applicable statute of limitations or statute of repose.

e. Effect of Closing. Upon conveyance of the Unit and completion of the Closing, Seller and Purchaser shall be released from their respective obligations under this Agreement except those that, by their express terms, survive Closing.

f. **IMPORTANT NOTICE: Mandatory Alternative Dispute Resolution. Seller and Purchaser agree to be bound by the Dispute Resolution Procedures set forth in Section 24.12 of the Declaration (the "Procedures"). Seller is referred to as "Declarant" and Purchaser as an**

“Owner” in the Procedures. The Procedures shall govern all Disputes (as defined therein) between Seller and Purchaser in the manner set forth in the Procedures, which Purchaser acknowledges and agrees contains, among other matters, the requirement of binding arbitration.

Initials: Purchaser _____ Seller _____

14. Risk of Loss; Casualty.

a. Allocation of Risk. Seller shall bear the risk of loss to the Unit until the Closing. After Closing, Purchaser shall bear all such risk of loss.

b. Termination Following Casualty. If casualty by fire or otherwise occurring prior to Closing damages more than twenty percent (20%) of the building in which the Unit is located or more than thirty percent (30%) of the Unit, then Seller shall have the right to terminate this Agreement by giving notice to Purchaser within twenty (20) days after the date of determination of the percentage of damage. With any such notice, Seller shall return to Purchaser the Earnest Money Deposit paid by Purchaser (without interest), Purchaser acknowledging that Purchaser shall have no other remedy for Seller's failure to proceed to Closing because of such damage, and the parties shall be released from all other obligations under this Agreement. If (i) the casualty damage exceeds the percentage limitations set forth above, and if Seller does not give Purchaser notice of Seller's intent to terminate this Agreement within twenty (20) days as provided above, or (ii) the casualty damage does not exceed such percentage limitations set forth above, then in either case, Seller shall repair the damage and rebuild the Unit as soon as reasonably practicable, and the Closing shall be delayed as necessary to allow the completion of such repair and rebuilding work, which delay is permissible beyond the date for substantial completion of the Unit as set forth in Section 5.a above. The Architect shall be the sole party responsible for determining the percentage of damages for purposes of this Section.

c. Eminent Domain. No taking by eminent domain of a portion of the Project that does not substantially interfere with or diminish the practical enjoyment and use by Purchaser of the Unit shall be deemed grounds for termination of this Agreement. In the event, however, that a taking by eminent domain results in a taking of a portion of the Unit or a portion of the Project that diminishes the practical enjoyment and use of the Unit prior to the date of Closing, this Agreement shall be deemed to have automatically terminated, in which event the Earnest Money Deposit and all other amounts paid to Seller in connection with this Agreement shall be returned to Purchaser, and neither party shall have any further obligations under this Agreement. Notwithstanding the foregoing, Purchaser may independently assert any separate claims against the condemning authority.

15. Notices. All notices or deliveries required under this Agreement shall be hand-delivered, given by regular mail or overnight courier directed to the address of Purchaser or Seller set forth under their signatures or delivered by email transmittal to the email address for Purchaser or Seller set forth under their signatures below. All notices so given shall be considered effective, if hand-delivered, when received; if delivered by courier, one business day after timely deposit with the courier service, charges prepaid; if mailed, three days after deposit, first class postage prepaid, with the United States Postal Service; or if delivered by email transmittal, upon delivery with acknowledgement or confirmation of receipt. Either party may change the address to which future notices shall be sent by notice given in accordance with this Section. Seller's agent or attorney may send notices at the direction of and in place of Seller. The email

address set forth beneath the signature of Seller or Purchaser, as applicable, below shall be used for email notices.

16. Purchaser Assignment; Seller Assignment.

a. Purchaser Assignment. This Agreement is personal to Purchaser, and Purchaser may not assign this Agreement without the prior written consent of Seller, which may be granted or denied in Seller's sole and absolute discretion. Any purported attempted assignment of this Agreement without Seller's written consent, shall be voidable and shall place Purchaser in default under Section 13 above, at the option to Seller. Seller's refusal to consent to an assignment of this Agreement shall not entitle Purchaser to terminate this Agreement or give Purchaser any rights or claims for damages against Seller.

b. Seller Assignment. Seller may assign its rights and delegate its duties under this Agreement to any affiliate of Seller, or to any lender to Seller, without Purchaser's consent. If any assignment by Seller (or its successors or assigns) shall be for the purpose of securing a lender to Seller (or its successors or assigns), Purchaser's rights under this Agreement shall, at the option of such lender, be subject and subordinate to the rights of such lender. In the event of a conflict between this Section and any other Section of this Agreement, this Section shall prevail.

c. Purchaser's Consent, Acknowledgment and Waiver. Purchaser acknowledges that Seller intends to collaterally assign this Agreement and the Earnest Money Deposit to a development and construction lender selected by Seller ("Lender") pursuant to a Collateral Assignment of Purchase and Sale Agreement and Earnest Money Deposit (the "Lender Assignment") to be executed between Seller and Lender. As of the date of this Agreement, Purchaser:

i. Represents and warrants that Purchaser and Seller are parties to this Agreement pursuant to which Purchaser has agreed, among other things, to purchase an individual condominium unit within the Project and to pay the Earnest Money Deposit.

ii. Acknowledges and agrees that the Earnest Money Deposit will be used at the discretion of Seller for the direct benefit of the Project as described in Section 4.b above and that the Earnest Money Deposit will not be refunded to the Purchaser under any circumstances except specifically if (i) Seller is in default under this Agreement and Purchaser terminates this Agreement in the manner provided in Section 13.c above, or (ii) Purchaser properly exercises a right of termination under the second paragraph of this Agreement by the Termination Deadline, under Section 7 (Title), in which case the entire Earnest Money Deposit would then be refunded to Purchaser.

iii. Acknowledges and agrees that this Agreement and the Earnest Money Deposit are junior and subordinate to the lien of the deed of trust in favor of Lender and have been or will be collaterally assigned by Seller to Lender pursuant to the Lender Assignment as additional collateral for the loan from Lender to Seller and that, by Purchaser's execution of this Agreement below, consents to such assignment to the extent any such consent may be required under this Agreement.

iv. Represents and warrants that, except for its right to have the Earnest Money Deposit returned to Purchaser under those circumstances described in Section 16.c.ii above, Purchaser has no claim or lien (whether at law, equity or otherwise) against the Unit or the Project with respect to the Earnest Money Deposit, and Purchaser irrevocably waives and releases any and all claims or liens (whether at law, equity or otherwise) against the Unit and the Project with respect to the Earnest Money Deposit, including any claim or lien related to Seller's use of the Earnest Money Deposit in connection with the Project or Seller's collateral assignment of this Agreement and the Earnest Money Deposit to the Lender.

v. Purchaser further acknowledges and agrees that the Purchaser has read the terms of this Section carefully and understands each of its terms and provisions, and that Purchaser has sought, or had the opportunity to seek, independent legal counsel of Purchaser's choice in connection with Purchaser's review and agreement to its terms and provisions, including the consents, acknowledgments and waivers contained herein.

d. Third Party Beneficiary. Lender shall be deemed a third party beneficiary with respect to all of the provisions of this Agreement and shall have the full right to enforce this Agreement in accordance with its terms as if Lender were a signatory hereto.

17. Prohibition Against Recording. Neither this Agreement nor any memorandum or notice of it shall be recorded. If Purchaser violates this restriction, the event of recording shall be considered a material default by Purchaser, and Seller shall have all remedies available to it as a result of such default, including, without limitation, terminating this Agreement and retaining the Earnest Money Deposit, and bringing an action for damages and/or equitable relief. The recording of this Agreement or any memorandum or notice of it shall not be considered for any purpose as constituting a cloud or defect upon the marketability of Seller's title to the Unit or any other property comprising the Project or adjacent to or in the vicinity to the Project.

18. Representations, Warranties and Understandings of Purchaser.

a. No Representations. NO BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN WRITING WITHIN THE OFFERING MATERIALS PROVIDED BY SELLER, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS SHALL NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY SELLER. PURCHASER ALSO ACKNOWLEDGES AND HEREBY REPRESENTS THAT NEITHER SELLER, NOR ANY BROKER FOR SELLER, NOR ANY OF THEIR AFFILIATES, EMPLOYEES, AGENTS, BROKERS OR SALES AGENTS HAVE REPRESENTED OR OFFERED THE UNIT AS AN INVESTMENT OPPORTUNITY FOR APPRECIATION OF VALUE OR AS A MEANS OF OBTAINING INCOME. PURCHASER ALSO ACKNOWLEDGES THAT SELLER NOR ANY OF ITS AFFILIATES, EMPLOYEES, AGENTS, BROKERS OR SALES AGENTS HAVE DISCUSSED OR MADE ANY REPRESENTATIONS AS TO THE RESALE, RENTAL OR OTHER INCOME FROM THE UNIT OR AS TO ANY OTHER ECONOMIC OR TAX BENEFIT.

Initials:
Purchaser _____

b. Acknowledgment. Purchaser acknowledges that it has reviewed and understands all documents referenced in this Agreement. Further, Purchaser acknowledges that Seller has advised Purchaser to obtain legal counsel to review all aspects of the transaction contemplated by this Agreement, and to represent Purchaser in connection with the examination of title and the Closing.

c. No Short-Term Rentals. Purchaser acknowledges and agrees that Section 13.9 of the Declaration contains restrictions on Purchaser's rental and leasing activities.

d. Association Access to Unit. Purchaser acknowledges and accepts that the Declaration contains certain easements to the benefit of the Association allowing the Association access to and through the Unit in connection with the maintenance of its areas of responsibility.

e. Incomplete Development. Purchaser acknowledges and recognizes that because Purchaser will be purchasing the Unit during a period in which construction is or will be occurring and that the Unit may be completed prior to the completion of other units in the Project, there may be certain inconveniences until construction is completed, and Purchaser waives all claims with respect thereto. Purchaser agrees that if Purchaser, Purchaser's family, guests, employees, contractors, agents, or invitees enter onto any area of construction, they do so at their own risk, and neither Seller, nor Seller's contractors, if any, agents or employees shall be liable for any damage, loss or injury to such persons. Substantial construction-related activities relating to the development of the Project may cause considerable noise, dust and other inconveniences to the Purchaser and other owners within the Project. These activities may include, without limitation: (i) construction traffic (including, without limitation, construction vehicles, equipment, and vehicles used or owned by Seller or its affiliates and any of their respective construction contractors, or their employees) traveling on the roads, drives and parking areas serving the Project; and (ii) construction activities (including, without limitation, completion of site work and the construction of improvements). Purchaser agrees that Purchaser will not have the right to rescind this Agreement or to claim any breach of this Agreement on account of the existence or occurrence of such construction activities and such impacts and disturbances.

f. Mountain Conditions. Ownership of real property in mountain areas involves certain inherent inconveniences. These include, but are not limited to, (a) dripping water onto decks and porches from snow melt, (b) snow and ice build-up on roofs, decks and porches during winter months, and the need to remove snow and ice to prevent leaking or damage to these structures, (c) the need to maintain the internal temperature of the Unit at a minimum temperature of 60 degrees in order to prevent broken pipes, and (d) other inconveniences arising from the sometimes severe winter conditions in the Rocky Mountains.

g. Assessments. The estimated Association assessments for the Unit is available by following Hyperlink 18.g listed on Attachment 2 to this Agreement (or copying same and pasting into an internet browser), and Purchaser acknowledges delivery in this manner as being acceptable and accepted by Purchaser. Purchaser acknowledges that this estimate of assessments is based upon a preliminary proforma budget of the Association, which is an estimate of expenses that may vary from actual expenses.

h. No View Easement. Notwithstanding any representation made to Purchaser to the contrary by Seller, any real estate agency or any agent, employee or representative of Seller, or any other person, and by signing this Agreement, Purchaser acknowledges and agrees, there is no easement or other right, express or implied, for the benefit of Purchaser or the Unit for light, view or air included in or created by this Agreement, the Declaration, or as result of Purchaser owning the Unit. Purchaser acknowledges that it has in no way relied upon any statements or representations as to the location, height, design, dimensions or other elements of any development in the vicinity of the Project in connection with Purchaser's purchase of the Unit. Any such elements depicted on models or other renderings cannot be relied upon as accurate.

i. No Smoking. Purchaser acknowledges that smoking is strictly limited within the Project in the manner set forth in the Declaration and the rules and regulations of the Association.

j. Materials. Purchaser acknowledges that (a) hardwood floors and other wood products in the Unit, if any, are (or will be) constructed of natural materials that may fade, cup, crack, shrink, separate or warp, (b) hardwood floors, if applicable, are (or may be) floating assemblies and will move, shrink or shift based on humidity levels, which may cause gaps in the floor planks, and (c) the floor structure of the Unit is (or will be) constructed of timber and concrete, which, in order to protect the structural integrity of the building cannot be penetrated without the prior written consent of the Executive Board of the Association.

Further, Purchaser understands that certain features, items and equipment (including, without limitation, paint, tile, stone and/or mechanical equipment) are subject to change or variation naturally or by the manufacturer and may vary from those depicted in the Plans and Specifications or any marketing materials of Seller. Noise transference is greater for wood floors than for carpeted floors.

k. Walls. Purchaser acknowledges that he or she may not, without the prior written consent of the Executive Board of the Association, Owner may not penetrate the surfaces of perimeter walls or concrete columns or pillars located within the Unit for any reason. Owner acknowledges that such penetrations can damage the Unit or cause damage to another Unit.

l. Grilling; Patio Furniture. Purchaser acknowledges that charcoal grills, hot tubs, patio furniture and the balcony, patio and terrace areas of the Unit are or may be regulated by the Declaration and the rules and regulations of the Association.

m. Homeowner Maintenance Manual. Purchaser acknowledges that he or she shall receive a homeowner maintenance manual from Seller at Closing and that he or she is responsible for maintaining the Unit and personal property contained therein, including without limitation, refrigerators, microwave ovens, dishwasher, ovens and other appliances, in accordance with said maintenance manual. Purchaser further acknowledges that he or she shall turn over the homeowner maintenance manual to any future purchaser of the Unit.

n. Radon Gas. The Colorado Department of Health and the United States Environmental Protection Agency (the "EPA") have detected elevated levels of naturally occurring radon gas in certain residential structures throughout the State of Colorado. The EPA has voiced concerns about the possible adverse effects to human health from the long-term exposure to high levels of radon gas. Purchaser is hereby advised that the Seller is not qualified and has not undertaken to evaluate all aspects of this issue and that Seller has made no representation or warranty, express or implied, concerning the presence or absence of radon in the soils at or adjacent to the Project or the Unit. Purchaser hereby (i) acknowledges that it has read the foregoing disclosure and fully understands its content, and (ii) to the fullest extent permitted by law, for itself, its heirs, administrators, executors, successors and assigns, releases Seller from any and all liability with respect to the matters discussed in this paragraph.

o. Condensation. In the event of cold outside air temperatures and/or high humidity inside the Unit, condensation and/or frost and ice may form on the aluminum frame and/or glass. Purchaser acknowledges the responsibility to maintain Unit humidity within levels specified by the warranty materials provided to Purchaser, and that Seller is not responsible for any damage to the Unit or to personal items in the Unit, including, but not limited to, hardwood flooring or other flooring material or gypsum drywall, which may occur due to condensation resulting from high humidity levels.

p. Mold. Fungi, mold, toxic mold, mycotoxins, microbial volatile, dust mites, mildew, organic compounds and other micro-organisms (collectively, "Mold") naturally occur in soil, water, plants and air. Mold may be present in varying quantities within any indoor environment, including the Unit and Common Elements, and may be present on the materials used in the Unit. Mold is a known allergen which can cause respiratory problems in some people and aggravate asthma symptoms. According to the EPA, other health effects may be linked to toxic mold, including immune system suppression, acute or chronic liver or central nervous system damage, endocrine effects, and cancer, based on case reports and occupational studies. Purchaser is hereby advised that the Seller is not qualified and has not undertaken to evaluate all aspects of this issue and that Seller has made no representation or warranty, express or implied, concerning the presence or absence of Mold in the Unit or the Project. Purchaser assumes all responsibility for the maintenance of the Unit necessary to keep the Unit free, to the greatest extent possible, from Mold

and other indoor environmental contaminants. Purchaser hereby (i) acknowledges that it has read the foregoing disclosure and fully understands its content and (ii) to the fullest extent permitted by law, for itself, its heirs, administrators, executors, successors, and assigns, releases Seller from any and all liability with respect to the matters discussed in this paragraph.

q. Authorization and Liability. If Purchaser is a legal entity, Purchaser shall deliver to Seller at or prior to Closing a copy of a resolution of Purchaser, duly adopted as required by the laws of the State of Colorado, authorizing the purchase of the Unit, together with all other documents required by Colorado law to enable Purchaser to hold title to the Unit.

r. Materiality. Purchaser acknowledges and agrees that the disclaimers contained in this Section 18 are material to Seller entering into the Agreement and, as such, Purchaser specifically acknowledges Purchaser's awareness of each disclosure. Purchaser agrees to hold Seller harmless from and to indemnify Seller against any and all claims arising by or through Purchaser based on any matter contained in this Section 18, and neither Purchaser nor anyone acting on behalf of Purchaser shall make any conflicting representations with respect to such matters.

s. Survival. The provisions of this Section 18 shall survive Closing.

19. Required Disclosures.

a. Potable Water Source. **THE SOURCE OF POTABLE WATER FOR THE UNIT IS A WATER PROVIDER, WHICH CAN BE CONTACTED AS FOLLOWS:**

EAGLE RIVER WATER AND SANITATION DISTRICT
846 Forest Road, Vail, Colorado 81657
Phone: 970-476-7480
Website: www.erwsd.org

NOTE TO PURCHASER: SOME WATER PROVIDERS RELY, TO VARYING DEGREES, ON NON-RENEWABLE GROUND WATER. YOU MAY WISH TO CONTACT YOUR PROVIDER TO DETERMINE THE LONG-TERM SUFFICIENCY OF THE PROVIDER'S WATER SUPPLIES.

b. Carbon Monoxide Alarms. IN ACCORDANCE WITH COLO. REV. STAT. § 38-45-102, SELLER ASSURES PURCHASER THAT AN OPERATIONAL CARBON MONOXIDE ALARM IS INSTALLED WITHIN FIFTEEN FEET OF THE ENTRANCE TO EACH ROOM LAWFULLY USED FOR SLEEPING PURPOSES OR IN A LOCATION AS SPECIFIED IN ANY BUILDING CODE ADOPTED BY THE STATE OR ANY LOCAL GOVERNMENT ENTITY.

c. RESPA Disclosure. As required by the Real Estate Settlement Procedures Act of 1974, Purchaser acknowledges that Seller has not directly or indirectly required Purchaser, as a condition of sale, to purchase either a fee owner's or mortgagee's title insurance policy from any particular title company. If Purchaser does not wish Seller to purchase the Title Insurance Policy from the Title Company as provided in this Agreement, Purchaser may elect to obtain such title insurance from a title company of his or her choice and shall pay, at Closing, that portion, if any, of the Title Insurance Policy premium in excess of what the premium would have been if Purchaser had accepted the Title Insurance Policy offered by Seller.

d. Colorado Common Community Disclosure: **THE UNITS ARE LOCATED WITHIN A COMMON INTEREST COMMUNITY AND ARE SUBJECT TO THE**

DECLARATION COMPRISING SUCH COMMUNITY. THE OWNER OF THE UNIT WILL BE REQUIRED TO BE A MEMBER OF THE OWNERS' ASSOCIATION FOR THE COMMUNITY AND WILL BE SUBJECT TO THE BYLAWS AND RULES AND REGULATIONS OF THE ASSOCIATION. THE DECLARATION AND THE BYLAWS, POLICIES AND RULES AND REGULATIONS WILL IMPOSE FINANCIAL OBLIGATIONS UPON THE OWNER OF THE UNIT, INCLUDING AN OBLIGATION TO PAY ASSESSMENTS OF THE ASSOCIATION. IF THE OWNER DOES NOT PAY THESE ASSESSMENTS, THE ASSOCIATION COULD PLACE A LIEN ON THE UNIT AND POSSIBLY SELL IT TO PAY THE DEBT. THE DECLARATION AND THE BYLAWS, POLICIES AND RULES AND REGULATIONS MAY PROHIBIT THE OWNER FROM MAKING CHANGES TO THE UNIT OR RELATED LIMITED COMMON ELEMENTS WITHOUT AN ARCHITECTURAL REVIEW BY THE ASSOCIATION (OR BY A COMMITTEE THEREOF) AND THE APPROVAL OF THE ASSOCIATION OR COMMITTEE. PURCHASERS OF PROPERTY WITHIN THE COMMON INTEREST COMMUNITY SHOULD INVESTIGATE THE FINANCIAL OBLIGATIONS OF MEMBERS OF THE ASSOCIATION. PURCHASERS SHOULD CAREFULLY READ THE DECLARATION AND THE BYLAWS, POLICIES AND RULES AND REGULATIONS.

e. Special District Acknowledgment. By executing this Agreement Purchaser acknowledges the following:

SPECIAL TAXING DISTRICTS MAY BE SUBJECT TO GENERAL OBLIGATION INDEBTEDNESS THAT IS PAID BY REVENUES PRODUCED FROM ANNUAL TAX LEVIES ON THE TAXABLE PROPERTY WITHIN SUCH DISTRICTS. PROPERTY OWNERS IN SUCH DISTRICTS MAY BE PLACED AT RISK FOR INCREASED MILL LEVIES AND TAX TO SUPPORT THE SERVICING OF SUCH DEBT WHERE CIRCUMSTANCES ARISE RESULTING IN THE INABILITY OF SUCH A DISTRICT TO DISCHARGE SUCH INDEBTEDNESS WITHOUT SUCH AN INCREASE IN MILL LEVIES. BUYERS SHOULD INVESTIGATE THE SPECIAL TAXING DISTRICTS IN WHICH THE PROJECT PROPERTY IS LOCATED BY CONTACTING THE COUNTY TREASURER, BY REVIEWING THE CERTIFICATE OF TAXES DUE FOR THE PROJECT PROPERTY, AND BY OBTAINING FURTHER INFORMATION FROM THE BOARD OF COUNTY COMMISSIONERS, THE COUNTY CLERK AND RECORDER, OR THE COUNTY ASSESSOR.

f. Insulation of Premises. Seller and Purchaser hereby acknowledge pursuant to Section 460.16 of the Federal Trade Commission Regulations regarding labeling and advertising of home insulation, that the types, thicknesses and R-Values of insulation presently anticipated to be installed in the Unit at the time of Closing shall be as set forth below:

Insulation Disclosure Table				
Area Insulated	Assembly Name	Exterior Insulation	Cavity Insulation	R-Value
Exterior Wall		R-6 (Zip)	R-21 (Unfaced Batt)	R-27
Exterior Roof / Floor			Blown-In	R-60
<i>Interior Assemblies:</i>				
Unit Floor			Blown-In	R-40+
Unit Ceiling	Only at roof level		Blown-In	R-30

Unit Demising Wall			Roxul (Full Height Attenuation)	R-24
Unit Corridor Wall			Roxul (Full Height Attenuation)	R-12

The "R-Value" indicates the resistance of insulation to heat flow. The higher the R-Value, the greater the insulating power. Seller has not made its own independent determination of the R-Value data provided to Seller by the insulation manufacturer.

g. **Important Notice Regarding Soils Condition.** Purchaser acknowledges that it has been advised by Seller and understands, that the soils within the State of Colorado consist of both expansive soils and low-density soils which will adversely affect the integrity of the Unit if not properly maintained, and may cause concrete flatwork and paving to crack or heave due to settling, expansion and contraction. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT SELLER HAS NOT MADE, AND SELLER HEREBY SPECIFICALLY DISCLAIMS, ANY WARRANTY OR REPRESENTATION CONCERNING ANY GEOLOGICAL OR ENVIRONMENTAL MATTERS PERTAINING TO THE PROJECT OR THE LAND UNDERLYING THE PROJECT.

h. **Surface Estate Disclosure.** **THE SURFACE ESTATE OF THE PROJECT PROPERTY MAY BE OWNED SEPARATELY FROM THE UNDERLYING MINERAL ESTATE, AND TRANSFER OF THE SURFACE ESTATE MAY NOT INCLUDE TRANSFER OF THE MINERAL ESTATE. THIRD PARTIES MAY OWN OR LEASE INTERESTS IN OIL, GAS, OR OTHER MINERALS UNDER THE SURFACE, AND THEY MAY ENTER AND USE THE SURFACE ESTATE TO ACCESS THE MINERAL ESTATE.**

THE USE OF THE SURFACE ESTATE TO ACCESS THE MINERALS MAY BE GOVERNED BY A SURFACE USE AGREEMENT, A MEMORANDUM OR OTHER NOTICE OF WHICH MAY BE RECORDED WITH THE COUNTY CLERK AND RECORDER.

THE OIL AND GAS ACTIVITY THAT MAY OCCUR ON OR ADJACENT TO THIS PROPERTY MAY INCLUDE, BUT IS NOT LIMITED TO, SURVEYING, DRILLING, WELL COMPLETION OPERATIONS, STORAGE, OIL AND GAS, OR PRODUCTION FACILITIES, PRODUCING WELLS, REWORKING OF CURRENT WELLS, AND GAS GATHERING AND PROCESSING FACILITIES.

THE BUYER IS ENCOURAGED TO SEEK ADDITIONAL INFORMATION REGARDING OIL AND GAS ACTIVITY ON OR ADJACENT TO THIS PROPERTY, INCLUDING DRILLING PERMIT APPLICATIONS. THIS INFORMATION MAY BE AVAILABLE FROM THE COLORADO OIL AND GAS CONSERVATION COMMISSION.

20. **Miscellaneous.**

a. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of Purchaser and Seller and their respective heirs, personal representatives, successors and permitted assigns.

b. **Reporting of Transaction.** The Title Company or Seller shall prepare promptly after the Closing, a Form 1099-S with the Internal Revenue Service, if applicable under Section 6045(e)(2) of the Internal Revenue Code, as amended.

The Title Company will also prepare the real property transfer declaration required under Colo. Rev. Stat. §39-14-102, as amended from time to time.

c. Entire Agreement. This Agreement, together with any exhibits or documents referred to in or supplied pursuant to the terms of this Agreement (all of which are incorporated in this Agreement by this reference), contains the entire agreement between the parties and supersedes any and all prior oral representations, covenants, understandings or other agreements between the parties or their agents. Purchaser acknowledges that Purchaser has not relied upon any statement or representations regarding the development of the Project, including, without limitation, any statements or representations made by Seller or any agent or employee of Seller, except for those statements and representations expressly set forth in this Agreement and the exhibits and documents incorporated herein. This Agreement may not be modified in any matter except by an instrument in writing signed by all parties. The provisions of this Section 20.c shall survive Closing.

d. Survival of Representations, Warranties and Covenants. All representations, warranties and covenants set forth herein shall survive the Closing.

e. Section Headings. The Section headings are inserted only for convenient reference and do not define, limit or prescribe the scope of this Agreement.

f. Excusable Delay. In the event that Seller shall be delayed in the performance of any construction or repair obligation such as, but not limited to, Seller substantially completing construction of the Unit as described in Section 5.a above, by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, contractor's or subcontractor's breaches of contract, court orders, casualty, condemnation, governmental restriction, regulation or control, civil commotion, pandemic or other health or safety emergency, natural disaster or emergency, acts of God or reasons of a similar nature and further delay resulting from its impact on construction sequencing and construction schedule (in each case despite the good faith, diligent efforts of Seller), then performance of such act shall be excused for the period of the delay and the period for performance of any such act shall be extended for a period equivalent to the period of such delay ("Excusable Delay").

g. Construction of Agreement. It is Purchaser and Seller's mutual desire and intention that all provisions of this Agreement be given full effect and be enforceable strictly in accordance with their terms. If, however, any part of this Agreement is not enforceable in accordance with its terms or would render other parts of this Agreement in its entirety unenforceable, the unenforceable part or parts are to be judicially modified, if at all possible, to come as close as possible to the expressed intent of such part or parts and still be enforceable without jeopardy to other parts of this Agreement, or this Agreement in its entirety, and then are to be enforced as so modified. If the unenforceable part or parts cannot be so modified, such specific part or parts shall be considered null and void in order that the mutual paramount goal that this Agreement be enforced to the maximum extent possible strictly in accordance with its terms can be achieved. Without limiting the generality of the foregoing, under no circumstances shall either Purchaser or Seller have the right to terminate this Agreement or rescind the sale solely by reason of the inclusion of certain language in this Agreement, unless the specific purpose of that language is to grant a right of termination.

h. Governing Law. This Agreement shall be construed under the provisions of Colorado law.

i. Number and Gender. The term "Purchaser" in this Agreement, or any pronoun used in place of that term, shall include the masculine, feminine, singular, plural, individuals, partnerships or corporations where applicable.

j. Severability. If any terms, covenants, or provisions of this Agreement shall be illegal or unenforceable for any reason, the same shall not invalidate any other term, covenants, or provisions, and all of the remaining terms, covenants, and provisions shall remain in full force and effect.

k. Exhibits. All exhibit referenced in this Agreement and attached hereto shall be deemed incorporated into this Agreement by such reference.

l. Counterparts; Electronic Signatures. This Agreement may be executed in counterparts, which, taken together, shall constitute the agreement of Seller and Purchaser. This Agreement and its signatures may be transmitted by electronic means and all parties agree it shall be a legal, binding agreement.

[signature page follows]

The parties hereby EXECUTE this Purchase and Sale Agreement on the dates shown below.

SELLER:

Triumph Timber Ridge, LLC,
a Delaware limited liability company,

By: _____

Name: _____

Its: Authorized Person

Date: _____

Address: PO Box 2444

Edwards, CO, 81632

Email:

Phone:

PURCHASER:

_____ ,

By: _____

Name: _____

Its: _____

Date: _____

Address: _____

Email: _____

Phone: _____

ATTACHMENT 1

Identification of Unit(s) and Parking

ATTACHMENT 2

Links to Documents Referenced in Agreement, including Disclosure Documents

Hyperlink 3 [Floor Plans of Unit]:

Hyperlink 5.b [Plans and Specifications]:

Hyperlink 8.c.i [Declaration]:

Hyperlink 8.c.ii [Articles of Incorporation, Bylaws and Responsible Governance Policies]:

Hyperlink 8.c.iii [Preliminary Association Budget]:

Hyperlink 8.c.iv [Association Rules and Regulations]:

Hyperlink 8.c.iv [Soils Report]:

Hyperlink 18.g [Estimated Association Assessments]

EXHIBIT A

DESCRIPTION OF PROJECT PROPERTY

LOT 1, TIMBER RIDGE SUBDIVISION, ACCORDING TO THE AMENDED FINAL PLAT RECORDED APRIL 9, 2024 UNDER RECEPTION NO. 202403760, COUNTY OF EAGLE, STATE OF COLORADO.

EXHIBIT B

Permitted Exceptions

Recorded Easements affecting the Property

EXHIBIT C
Town Deed Restriction

(attached)

EXHIBIT D
Sale Restriction

(attached)