



**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 Administrator
DATE: September 22, 2023
RE: September 28, 2023, Board Meeting

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

**Thursday, September 28, 2023
8:30 a.m.**

This meeting will be held in-person

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

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

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



**UPPER EAGLE REGIONAL
WATER AUTHORITY**

BOARD OF DIRECTORS REGULAR MEETING
September 28, 2023
8:30 a.m.
Walter Kirch Conference Room

GOVERNED BY:

The Metropolitan
Districts of:

Arrowhead

Beaver Creek

Berry Creek

EagleVail

Edwards

The Town of Avon

AGENDA

- | | <u>Attachment Link</u> |
|---|-------------------------------|
| 1. Introductions | |
| 2. Safety and Operational Awards Recognition | |
| 3. Public Comment | |
| 4. Action Items | |
| 4.1. Consideration of minutes from August 24, 2023, Regular Meeting | Action Item |
| 4.2. Consideration of minutes from August 24, 2023, Special Joint Meeting with ERWSD Board | Action Item |
| 4.3. J. Res. 2023-03: Joint Resolution in Support of the Bolts Ditch Act – Kristin Moseley | Action Item |
| 5. Information Reports | |
| 5.1. Development report | Informational |
| 5.2. Board committees | Informational |
| 5.3. August meeting summary – draft | Informational |
| 5.4. Contract log | Informational |
| 6. Board Member Input | |
| 7. Work Session: Proposed FY 2024 Budget – Jim Cannava & David Norris | Informational |
| 8. General Manager Report – Siri Roman | |
| 8.1. GM information items | Informational |
| 8.1.1. Minturn and Battle North Settlement Agreement | Informational |
| 8.2. Business Administration report – David Norris | |
| 8.2.1. Water conservation program updates – Allison Ebbets | Informational |
| 8.3. Operations report – Brad Zachman | Informational |
| 8.4. Engineering and Water Resources report – Jason Cowles | Informational |
| 8.5. Communications and Public Affairs report – Diane Johnson | Informational |
| 9. Water Counsel Report – Kristin Moseley | |
| 10. General Counsel Report – Kathryn Winn | Confidential |

11. Executive Session

- 11.1.** Motion to move into Executive Session pursuant to §24-6-402(4)(b), C.R.S., to receive legal advice regarding Colorado River Cooperative Agreement matters related to a proposed Colorado Water Conservation Board grant

Confidential

12. Any Action as a Result of Executive Session

13. Adjournment



1155 CANYON BOULEVARD, SUITE 110, BOULDER, CO 80302
OFFICE: 303-449-2834 FAX: 720-535-4921
SOMACHLAW.COM

MEMORANDUM

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

FROM: Kristin Moseley

DATE: September 20, 2023

RE: Bolts Ditch Federal Legislation – S. 2156 and H.R. 4297 – Resolution of Support

As you know, the District and Authority boards passed a Resolution in 2022 encouraging introduction of federal legislation to allow the District and Authority to use, maintain and repair Bolts Ditch and its associated headgate within the Holy Cross Wilderness area. Now that H.R. 4297 has been introduced into the House and S. 2156 has been introduced in the Senate, legislative staff for Senator Bennett and Representative Neguse have encouraged passage of an updated Resolution citing the introduced Bolts Ditch bills. A recommended draft Resolution is attached for your consideration.

JOINT RESOLUTION 2023-03
EAGLE RIVER WATER & SANITATION DISTRICT &
UPPER EAGLE REGIONAL WATER AUTHORITY
IN SUPPORT OF THE BOLTS DITCH ACT

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

WHEREAS, the District is functionally integrated with the Upper Eagle Regional Water Authority (the “Authority”). Together they constitute the second largest municipal water provider on the west slope. The District staff operates the Authority’s water system; and

WHEREAS, the District and Authority have an integrated water system that provides municipal water and sanitation services from Vail to Wolcott; and

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

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

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

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

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

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

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

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

WHEREAS, the Bolts Ditch Act (the “Act”), introduced on June 22, 2023, in the U.S. House of Representatives by Rep. Joe Neguse and Rep. Lamborn (H.R.4297) and the U.S. Senate by Sen. Michael Bennet and Sen. Hickenlooper (S.2156), seeks to authorize the District and Authority to be eligible to use, maintain and repair Bolts Ditch and its headgate within the Holy Cross Wilderness area in Colorado.

NOW THEREFORE, be it resolved that the District and Authority hereby support the immediate passage of the Act as introduced.

INTRODUCED, READ, APPROVED, ADOPTED AND RESOLVED this ____ day of September, 2023.

EAGLE RIVER WATER & SANITATION DISTRICT

By: _____
Dick Cleveland, Chair

ATTEST:

By: _____
Robert Warner, Jr., Secretary

UPPER EAGLE REGIONAL WATER AUTHORITY

By: _____
George Gregory, Chair

ATTEST:

By: _____
Kim Bell Williams, Secretary



UERWA New Development Report, September 2023

Project Location	Type of Use	Water Source	SFEs Proposed	Augmentation Requirement	Application Initiation Date	Development Approval Process Step:	Construction Approval Process Step:
Projects undergoing Water Rights Dedication							
Eagle River Presbetyrian Church Housing Unincorporated ECO	Residential	Unallocated	2	0.17	June 20, 2023	2. Water Analysis	0. Conceptual
Cairn's Townhomes Edwards	Residential	Unallocated	12	1.16	May 22, 2023	2. Water Analysis	0. Conceptual
Margaux PUD Edwards	Residential	Unallocated	32	3.56	October 11, 2021	3. Cond. Capacity Expires June 27, 2023	0. Conceptual
Edwards River Park PUD Edwards	Mixed	Unallocated	440+com	70.2	December 2, 2016	3. Cond. Capacity Expire December 31, 2023	0. Conceptual
Projects not requiring or that have completed Water Rights Dedication							
Eagle County - Freedom Park Project Edwards	Mixed	Berry Creek Allocated Water Rights	20 + Com	3.28	June 7, 2023	2. Water Analysis	1. Plan Review
140 W BC BVLD Hotel Avon	Residential	Avon SFE Gaurantee	79		May 16, 2023	N/A	1. Plan Review
Tract Y- Metcalf Road Avon	Residential	Avon SFE Gaurantee	53		February 16, 2023	5. Ability to Serve Letter	2. Plan Approval
CMC Student Housing (Phase I & II) Berry Creek	Residential	Berry Creek Allocated Water Rights	72		February 16, 2022	5. Ability to Serve Letter	4. Final Acceptance
Avon Dual Brand Hotel Traer Creek - Tract J	Commercial	Traer Creek Water Service Agreement	85		February 4, 2022	5. Ability to Serve Letter	3. Under Construction
ECO School District Housing Berry Creek	Residential	Berry Creek Allocated Water Rights	37		August 12, 2021	5. Ability to Serve Letter	3. Under Construction
McGrady Acres Avon	Residential	Avon SFE Gaurantee	24		August 5, 2021	5. Ability to Serve Letter	3. Under Construction
Riverfront Lot 1 Avon	Residential	Avon SFE Gaurantee	53		December 22, 2020	N/A	3. Under Construction
Maverik Gas Station Traer Creek	Commercial	Traer Creek Water Service Agreement	2.6		November 11, 2020	5. Ability to Serve Letter	4. Final Acceptance
NorthStar PUD Amendment Edwards	Commercial	Unallocated	TBD	3.7	November 3, 2020	5. Ability to Serve Letter	3. Under Construction
West End PUD Amendment Edwards	Residential	Unallocated	275	34.25	February 27, 2019	3. Cond. Capacity Expires August 12, 2023	1. Plan Review
Frontgate (CO World Resorts) Avon	Mixed	Unallocated	84	2.6	December 12, 2017	5. Ability to Serve Letter	3. Under Construction
Fox Hollow Amended PUD Edwards	Mixed	Unallocated	108	14	February 28, 2017	5. Ability to Serve Letter	3. Under Construction
Projects Completing Construction Warranty Period							
185 Elk Tract, Piedmont Apartments, Riverfront Village, Stillwater							
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
Construction Approval Process Steps:	0. Conceptual			1. Plan Review	2. Plan Approval	3. Under Construction	4. Final Acceptance



ERWSD New Development Report, September 2023

Project Location	Type of Use	SFEs Proposed	Additional Water Rights Required	Application Initiation Date	Development Approval Process Step:	Construction Approval Process Step:
Timber Ridge II Redevelopment	Residential	289	2.2	July 25, 2023	2. Water Analysis	1. Plan Review
Midtown Village PUD Minturn	Mixed	42 + Com		October 13, 2022	N/A	1. Plan Review
North Minturn PUD Minturn	Residential	36		October 10, 2022	N/A	0. Conceptual
Middle Creek Lot 4,5 Vail	Mixed	64	0.72	June 28, 2022	0. Conceptual	0. Conceptual
Wolcott PUD Wolcott	Mixed	360 + Com		May 11, 2022	0. Conceptual	0. Conceptual
The Residences at Main Vail Vail	Residential	72	0.81	February 11, 2021	5. Ability to Serve Letter	4. Final Acceptance
Belden Place (1200 Block Main St) Minturn	Residential	41		December 23, 2020	N/A	2. Plan Approval
Highline (Double Tree Expansion) Vail	Residential	43.65	0.79	July 11, 2019	5. Ability to Serve Letter	2. Plan Approval
500 E Lionshead Circle - Legacy Vail	Residential	20	0.29	August 29, 2018	4. Water Rights Allocation & Service Agreement	3. Under Construction
Alura (Miradoro) Vail	Residential	10	0.83	May 29, 2018	4. Water Rights Allocation & Service Agreement	3. Under Construction
534 E Lionshead Circle - Elevation Vail	Residential	12	0.31	May 14, 2018	1. Connection Application	0. Conceptual
Booth Heights East Vail	Residential	TBD	TBD	August 23, 2017	1. Connection Application	0. Conceptual
Projects Completing Warranty Period						
3010 Basingdale (Phase II), 841/851 Main St Minturn, Red Sandstone Parking Garage, VVMC Phase II-East Wing, Vail Marriot Residence Inn						
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	
Construction Approval Process Steps:	0. Conceptual	1. Plan Review	2. Plan Approval	3. Under Construction	4. Final Acceptance	



BOARD COMMITTEES

DISTRICT

Audit/Budget Dick Cleveland
Steve Coyer
*Sarah Smith Hymes

Employee Housing Steve Coyer
Rick Pylman
*Robert Warner, Jr.

Retirement Plans Robert Warner, Jr.
Siri Roman
David Norris
*Dick Cleveland

Organizational Development Robert Warner, Jr.
Dick Cleveland
*Timm Paxson

Water Quality Sarah Smith Hymes
Timm Paxson
*Steve Coyer

AUTHORITY

Audit/Budget Geoff Dreyer
George Gregory
*Mike Trueblood

JOINT

Rules and Regulations Kim Bell Williams (A)
Robert Warner, Jr. (D)
*George Gregory (A)
*Rick Pylman (D)

Water Conservation Mike Trueblood (A)
Tamra Underwood (A)
Kate Burchenal (D)
Steve Coyer (D)
*Kevin Hillgren (A)
*Sarah Smith Hymes (D)

(A) = Authority, (D) = District

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



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MEMORANDUM

TO: Board of Directors
FROM: Brian Thompson, Government Affairs Administrator
DATE: September 20, 2023
RE: Summary of Authority’s August 24, 2023, Board Meeting

The following is a summary of items discussed at the Authority’s August 24, 2023, board meeting.

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

- Board committee alternates** Board committees were amended to assign directors as a backup to serve in the absence of a primary committee member, as follows: Chair Gregory to Rules and Regulations, Director Hillgren to Water Conservation; and Director Trueblood to Audit and Budget.
- Bench installation by Edwards facility** Bill Simmons, former Authority director and District board chair, will dedicate a bench in honor of his late wife, Shelley, to be installed near the Edwards Drinking Water Facility.
- Proposed 2024 budget** The proposed FY 2024 budget will be provided to board members for discussion at the Sept. 28 board meeting, earlier than previous years and before the Oct. 15 statutory deadline. The draft budget will be in the publicly available board packet.
- Eagle River Watershed Council (ERWC) Funding Request for FY 2024** ERWC Executive Director James Dilzell presented the annual funding request. ERWC is requesting the same funding as FY 2023: \$25,000 towards the Water Quality Monitoring & Assessment Program and \$25,000 towards ERWC’s general administration. This funding request will be considered during the development of the FY 2024 budget.
- Community involvement** Siri Roman reported on a wildfire/watershed meeting with Congressman Joe Neguse, the Colorado Water Congress summer conference, and upcoming presentations at the Special District Association of Colorado annual conference.
- Irrigation-Only Rate Restructure Analysis** David Norris presented a proposed restructure of variable (usage) rates for *Irrigation-Only* accounts. Per board direction, staff and members of the joint board Water Conservation committee have been evaluating the current rate structure to address inequities and make progress towards the Authority’s water conservation goals. The 383 *Irrigation-Only* accounts are only 3.8% of the total accounts, though constitute 60.55% of total consumptive use by all customers because *Irrigation-Only* accounts are exclusively outdoor use. The restructure would consolidate the current three structures into one Coverage Based structure using a multiplier based on acres of irrigated area, add year-round base rates to align with other account types, and anchor the allotment and pricing structure to targeted percentages of water needed during peak season to supplement precipitation. Modified rate structures on

Individually Metered Residential and Irrigation-Only accounts will be incorporated into the FY 2024 budget; the board will analyze remaining account types in 2024.

**Colorado Green
Business Network
(CGBN) Gold Level
Status**

Tim Friday reported on the District's completion of the requirements to achieve CGBN's gold level status and the preliminary results of the greenhouse gas (GHG) inventory, which recognized the District's operational efficiencies including reducing GHG emissions by 3,121 metric tons over the past five years.

**The following is a summary of items discussed at the Aug. 25, 2023, Joint Meeting
with the Eagle River Water & Sanitation District board of directors.**

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

**Bolts Lake project
update**

Jason Cowles and Justin Hildreth provided an update on the Bolts Lake reservoir project, which is a planned 1,200 acre-foot reservoir on private property that is meant to provide additional in-basin storage supplies necessary to serve customers while maintaining healthy river flows and building strategic reserves to mitigate against the impacts of a warming climate. They reviewed timelines for preliminary design, permitting, and construction, as well as projected expenses, grant opportunities, and water rights implications.

**Gore Creek fish kill
settlement**

Siri Roman reported on the state's \$275,000 settlement with Vail Resorts that resolves damages associated with the September 2021 fish kill incident on Mill and Gore creeks. She said staff is pleased that the outcome will provide funds to help restore the Gore Creek basin.



2023 UERWA CONTRACT LOG

Contract No.	Date Executed	Change Order Signed On	Project Name	Contractor	Contract Amt.	Project Mgr.	Account No.	Status / Description
23.20.024	08/25/23		Cordillera West Tank 1 Rehabilitation	Black & Veatch	\$70,000.00	K. Nelson	20.1.2.00.30.301	Provide a design for tank improvements that will meet the current CDPHE design criteria and protect the tank from corrosion.



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TO: Board Directors
FROM: David Norris, Director of Business Administration
DATE: September 28, 2023
RE: Proposed 2024 Budget

Introduction

An effective and efficient budget proposal is one that is a team effort and a cross-collaboration from 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 2024 District and Authority budgets, the attached draft budget packet includes the staff recommended budgets for 2024.

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:

- Total Decision Items for 2024 equal 3 or \$864,200
- Authority proposed water rates:
 - Commercial, Mixed Use, Multifamily, Municipal - 4%
 - Individually Metered Residential:
 - Transition away from SFE multiplier on water tiers but kept on base rates.

Tier	Increase/Decrease
1	4%
2	4%
3	3%
4	-25%
5	-30%

- Wastewater rates: 20.2%
- Combined total increase to rates: 10.9%
- Irrigation only rates:
 - Added base rates
 - Transition to Coverage Based Irrigation Rates for all irrigation only customers.

Tier	Increase/Decrease
1	37.33%
2	18.62%
3	-20%
4	-30%
5	-28.43%

- Operating Agreement: \$8,481,648 an increase of \$1,056,648, or 14%
- To increase financial health, project from unforeseen economic events, and to supplement future bonds, a fund balance policy & investment policy will be proposed in 2023 as part of the strategic plan.
 - Proposed fund balance target equal to 1 year of non-bonded expenses or \$17,678,978 for 2024.

Budget Summary

Below is a summary of the proposed 2024 budget. Each topic was discussed in more detail at the first budget subcommittee meeting.

(Table 1: Proposed 2024 Budget Summary)

Total Budget Comparison	Amount	\$ Change	% Change
2023 Revised Budget	25,754,331		
2023 Projection	19,492,959	(6,261,372)	-24.31%
2024 Proposed Budget	23,293,193		
2023 Projected Carryforward	5,930,173		
2024 Total Appropriated Funds	29,223,365	9,730,406	49.92%

- Operating increase 9% over the 2023 projection, 9.1% over the 2023 revised budget
- Capital/CRP increase 22.5% over the 2023 projection, 5.7% increase over the 2023 revised budget.
- Bond increase 54.4% over the 2023 projection, 40.7% decrease from 2023 revised budget.

Net Income Summary

The proposed 2024 budgeted net income is \$2,050,051 to grow the fund balance and reduce the reliance on Bond funding for future projects and improve the financial health of the Authority. The positive Operating net income offsets the CRP and Capital deficits.

(Table 2: 2024 Proposed Net Income Summary)

Type	Revenue	Expense	Net
Operating	15,264,292	12,132,567	3,131,724
Debt Service	2,748,426	2,871,560	(123,134)
CRP	1,092,055	1,197,500	(95,445)
Capital	624,255	1,487,350	(863,095)
Subtotal	19,729,029	17,688,978	2,050,051
Bond Projects		5,604,215	
Total		23,293,193	

Rate Summary

(Table 3: Proposed 2024 Water Base Rates)

Water Service Base Charge/SFE/Month				
	2023	2024	\$ Change	% Increase
Base Rate	23.53	24.47	0.94	4.0%
Typical Use (6kgal)	28.5	29.64	1.14	4.0%
Debt Service 2013A Bonds	3.34	3.33	(0.01)	-0.3%
Debt Service 2020 Rev	6.75	7.07	0.32	4.7%
Debt Service 2020 Ref	2.80	2.75	(0.05)	-1.8%
Capital Replacement Program	4.75	5.23	0.48	10.0%
Base Portion of Bill per SFE	69.67	72.49	2.82	4.0%

Commercial, Mixed Use, Multi-Family, Municipal/SFE/Month				
Water Usage Rates (per kgal)	2023	2024	\$ Change	% Increase
Tier 1 (0 - 6,000 gallons)	4.75	4.94	0.19	4.0%
Tier 2 (6,001 - 12,000 gallons)	7.39	7.69	0.30	4.0%
Tier 3 (12,001 - 18,000 gallons)	12.89	13.28	0.39	3.0%
Tier 4 (18,001 – 24,000 gallons)	26.86	27.67	0.81	3.0%
Tier 5 (Greater than 24,000 gallons)	40.30	41.51	1.21	3.0%

Individually Metered Residential *				
Water Usage Rates (per kgal)	2023	2024	\$ Change	% Increase
Tier 1 (0 - 6,000 gallons)	4.75	4.94	0.19	4.0%
Tier 2 (6,001 - 12,000 gallons)	7.39	7.69	0.30	4.0%
Tier 3 (12,001 - 18,000 gallons)	12.89	13.28	0.39	3.0%
Tier 4 (18,001 – 30,000 gallons)	26.86	20.15	-6.71	-25.0%
Tier 5 (Greater than 30,000 gallons)	40.30	28.21	-12.09	-30.0%

*Per board direction, the rates for individually metered residential accounts are listed above as well as the rates for all other account types and the proposed rate structures. SFE multiplier reduced to 1.0 for water use only where the multiplier will still apply to base rates.

Coverage Based Irrigation/Acre/Month*				
Irrigation Usage Rates (per kgal)	2023	2024	\$ Change	% Increase
Base Rate (per Acre)		13.72	13.72	100.00%
Tier 1 (0 - 85,000 gallons)	6.91	9.49	2.58	37.33%
Tier 2 (85,001 - 142,000 gallons)	10.74	12.74	2.00	18.62%
Tier 3 (142,001 – 170,000 gallons)	18.23	14.58	-3.65	-20.00%
Tier 4 (170,001 – 190,000 gallons)	24.41	17.09	-7.32	-30.00%
Tier 5 (Greater than 190,000 gallons)	29.23	20.92	-8.31	-28.43%

*Per board direction, transitioning all irrigation only accounts to coverage-based rates listed above and added base rate to the structure. The table above shows the tiered allotments per acre at the 2024 prices.

Temporary/Suspended Service Rates/SFE/Month				
	2023	2024	\$ Change	% Increase
Water Service Base Charge	29.41	34.87	5.46	18.57%
Wastewater Service Base Charge	33.79	42.19	8.40	24.86%
<i>Water Usage Rates</i>				
Tier 1 (0-6 kgal)	6.91	9.49	2.58	37.34%
Tier 2 (6-12 kgal)	10.74	12.74	2.00	18.62%
Tier 3 (12-18 kgal)	20.55	14.58	-5.97	-29.05%
Tier 4 (18-24 kgal)	33.03	17.09	-15.94	-48.26%
Tier 5 (more than 24 kgal)	49.55	20.92	-28.63	-57.78%

Seasonal Fire Hydrant Use				
	2023	2024	\$ Change	% Increase
Hydrant and Meter Damage Deposit	4,000	4,000	0	0%
Meter Install/Removal Fee	168	200	32	19.04%
Weekly Meter Rental Fee	143	175	32	22.37%
<i>Water Usage Rates</i>				
Tier 1 (0-9 kgal)	6.91	9.49	2.58	37.34%
Tier 2 (9-18 kgal)	10.74	12.74	2.00	19.04%
Tier 3 (18-36 kgal)	20.55	14.58	-5.97	-29.05%
Tier 4 (36-72 kgal)	33.03	17.09	-15.94	-48.26%
Tier 5 (more than 72 kgal)	49.55	20.92	-28.63	-57.78%
<i>Only available April 15 through October 15</i>				

(Table 4: Proposed 2024 Wastewater Base Rates)

Wastewater Service Base Charge/SFE/Month (7.13 per kgal to 7.34 per kgal)				
	2023	2024	\$ Change	% Increase
Base Service (min charge 5 kgal)	35.65	36.72	1.07	3.0%
Capital Replacement Program	5.31	5.47	0.16	3.0%
Debt Service 2017 Bonds	2.77	2.75	(0.02)	-0.7%
Debt Service 2020A Bonds	2.74	5.13	2.39	87.2%
Debt Service 2020B Bonds	5.15	5.06	(0.09)	-1.7%
Debt Service 2023 Bonds	0.00	6.91	6.91	
Base Portion of Bill/SFE/Month	51.62	62.04	10.42	20.2%

Combined Water and Wastewater				
Typical customer pays per SFE/Month:	2023	2024	\$ Increase	% Increase
UERWA Customer	121.29	134.53	13.24	10.9%

(Table 5: Impact Fees, Development, Inclusion, & Dedication Fees)

Upper Eagle Regional Water Authority Impact Fees								
	RESIDENTIAL	COMMERCIAL - Based on Meter Size						
CONNECTION FEE	Base Rate Per Square Foot	¾" 1.5 SFE	1" 2.6 SFE	1½" 5.8 SFE	2" 10.3 SFE	3" 23.0 SFE	4" 40.9 SFE	6" 92.1 SFE
UERWA WSIF								
Tier 1 (0-2,500)	6.40	20,576	35,665	79,561	141,289	315,500	561,042	1,263,374
Tier 2 (2,501-3,500)	8.02							
Tier 3 (3,501-5,000)	10.00							
Tier 4 (5,000 +)	12.52							
ERWSD-Wastewater	5.46	18,709	32,429	72,341	128,468	286,869	510,129	1,148,725
The following Other Impact Fee assessment may also apply:								
UERWA-Irrigation Water System Impact Fee	1.53 per sq. ft. of irrigation	Applies to new multi-family, open areas, new parks and commercial irrigated areas						
West Edwards Encumbrance Fee	1,100 per SFE	1,100 per SFE						

- Anchoring to construction costing index, the rates above are increased 7.45% in 2024. The West Edwards Encumbrance fee is not changed compared to 2023.

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

2024 Development, Inclusion, & Dedication Fees		
Eagle River Water & Sanitation District	Upper Eagle Regional Water Authority	
DEVELOPMENT FEE/ DEDICATION/ DEPOSIT	RESIDENTIAL	COMMERCIAL
Inclusion Fee	1,182.00	
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	1,773.00	
Water Rights Dedication Cash-in-lieu	70,985 per consumptive acre-foot of water*	

- Anchoring to construction costing index, the rates above are increased 7.45% in 2024. The Cash-in-Lieu rate is proposed to increase 7.45% compared to 2023 in anchoring to the construction costing index.

2024 OTHER FINES AND FEES		
Description	2023 Fee/Fine	2024 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 SFE/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	\$100	\$200
Service Turn-off fee for remodel or construction	\$100	\$100
Tampering and Unauthorized Use	5000 per violation	5000 per violation
Turn-off and Turn-on Fee for unpaid charges	\$150	\$175
Transfer of Service Fee	\$145	\$165
Account Reactivation Fee	\$100	\$125
New Connection Application Fee	\$150	\$175
Easement Encroachment Review	\$450	\$475
Variance Review	\$450	\$475
Development Approval Process	\$1,675	\$1,750
Infrastructure Acceptance Process	\$1,950	\$2,000
Waste Hauler Discharge Annual Permit Fee	\$200	\$250
Delinquent Charge (CRS 29-1-1102)	3% on past due amount	5% on past due amount
Waste Hauler Discharge Fee	0.25 per gallon (charge based on size of tank regardless of actual volume)	0.25 per gallon (charge based on size of tank regardless of actual volume)

(Table 7: Fund Balance Summary)

Authority	Fund Balance
Beginning Balance	3,854,285
2023 Projected Contribution	3,523,770
2024 Projected Beginning Balance	7,378,055
2023 Carry Forward	(244,397)
2024 Contribution	2,050,051
2024 Projected End Balance	9,183,709

- The projected fund balance growth is primarily due to Water System Impact Fees of major projects paying their impact fees in 2023, interest, and water use revenues. The projection includes the proposed water rights purchase in 2023 of \$1,651,575.
- To increase financial health, protect from unforeseen economic events, and to supplement future bonds, a fund balance policy & investment policy will be proposed in 2023 as part of the strategic plan.
 - Proposed fund balance target equal to 1 year of non-bonded expenses or \$17,678,978 for 2024. With a projected 2024 fund balance of \$9,183,709, this puts the Authority under target by \$8,495,269.

Budget Overview

2023 Operating Expense Budget Forecast

The 2023 operating budget was \$11,124,457; the 2023 projected operating expenditures are \$11,133,017, less than 1% over budget. The projected 6.7% operating agreement overage is offset by legal, electric, and meter purchases projected under budget.

Note: Total expenditures include operations, outsourced services, operating agreement, and *exclude* any expenditures related to debt service or debt issuance as those are typically capitalized and represented in our capital budgets.

2024 Operational Expense Budget Summary

The 2024 operating budget decision item narratives describing each request are included as an attachment to this memorandum. The proposed 2024 operating budget is \$12,132,567, an increase of \$1,008,110 or + 9.06% over the 2023 budget. The table below illustrates the proposed 2024 budget by department, as it relates to the 2023 budget.

(Table 8: Department YOY Comparisons)

Department	2023 Budget	2023 Projection	2024 Budget	YoY Budget Var	% Change
Administration & Community Relations	141,800	70,955	115,100	(26,700)	-19%
Engineering	612,806	573,703	606,242	(6,564)	-1%
Field Ops	730,000	649,243	750,368	20,368	3%
Lab	50,000	50,000	50,000	0	0%
Finance	7,324,777	7,812,694	8,360,257	1,035,480	14%
Ops Tech	85,000	69,937	100,000	15,000	18%
Utility Services	550,000	408,402	520,000	(30,000)	-5%
Water	1,438,074	1,285,597	1,490,600	52,526	4%
Water Conservation	192,000	212,487	140,000	(52,000)	-27%
Total	11,124,457	11,133,017	12,132,567	1,008,110	9.06%

The most significant change to the proposed 2024 Operating Budget is an increase to the Operating Agreement with the District to offset growth in personal services, Life Cycle expenses, and CIP contributions to major projects.

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, and then the accounts are reconciled for each preceding year once the respective costs are properly allocated to each entity. In 2023, the operations agreement was increased from \$6,750,000 to \$7,425,000. The projected need for 2024 is \$8,481,648. The intent is for rates to cover the total expenses associated with the Operating Agreement versus dipping into fund balance to cover the costs.

At the end of the fiscal year, true ups commence, and the Authority pays what is needed. Within the total budget package, there is a \$8,481,648 operations agreement request for 2024. This represents a 14% increase over 2023 due to increased operational costs.

Routine operations overhead include office and operations facilities, supplies and management overhead. Its components are generally split on payroll allocation percentage basis for the

Authority and District, respectively. Personnel expenditures are based on the estimated costs for the District staff time spend on Authority operations.

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

(Table 9: UERWA Operating Agreement Historical Actuals)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Budget	3,345,025	3,672,879	4,076,066	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	3,942,664	4,061,355	3,912,674	4,914,771	4,961,104	4,959,745	6,555,621	7,539,684	8,434,768	7,924,998	
Fund Impact	(597,639)	(388,476)	163,392	(838,705)	(881,104)	(859,745)	(1,855,621)	(2,839,684)	(1,684,768)	(499,998)	

*Increases in 2024 are primarily driven by increases in operational costs. From 2014 – 2023 the UERWA fund balance has been absorbing the overages in the budget and actuals from the Operating Agreement totaling \$10,282,348.

Overall Payroll, and Benefits

The Operating Agreement indirectly pays for a portion of payroll and benefits. The total number of full-time employees for 2024 proposed to the District board, is 1.5. The increase of 1.5 FTE brings the full-time positions to a total of 144. Budget impacts due to FTE increases are \$204,329. While 1.5 additional FTE are being requested this budget cycle, there were needs surpassing the requested FTE for the coming year. In addition to the 1.5 FTE request, staff requested of the District board (to which the board approved), 2 off-cycle positions, one water and one wastewater operator in 2023, which impacts the total payroll and benefits costs. With a collaborative effort among the departments, the strategy was developed to concentrate on maintaining the compensation study through cost-of-living adjustments and reduce the FTE requests to allow for debt service rate increases.

- Customer Service – Front Desk Administrative Assistant Part-Time to Full-Time
- IT – SharePoint Developer and Database Administrator
- 4% Cost of Living Adjustment
- 3% Merit Increase

(Table 10: PS Decision Items)

Request	FTE	Operating	Capital	Total
IT – Network Administrator	1	201,329	3,000	204,329
Cost of Living Adjustment		537,574		537,574
Merit Increase		374,510		374,510
Total	1	1,113,413	3,000	1,116,413

The proposed budget includes a 4% a cost-of-living adjustment (COLA), and 3% merit. The combined increase is equal to \$912,084.

Health and other benefit costs are projected to increase by 6%. It is proposed that the District split the increased health costs with employees. The total health, dental, vision, and life is estimated to increase from \$3,322,174 to \$3,521,505, for a total of \$199,331. The proposed budget includes a 75% (4.5%) / 25% (1.5%) distribution of the costs with the employee.

Total District personnel costs (salaries and benefits) for 2024 are budgeted at \$19,540,345 an increase of \$1,545,919 from the 2023 projection, or 8.6%. Of this increase, \$1,137,952 is dedicated to FTE decision items (1.5 new FTE), and the COLA/Merit package.

Capital Budget Overview

Summary

The 10-year Capital Budget Spreadsheet for 2024 and decision item narratives describing each request are included as an attachment to this memorandum. The total proposed 2024 capital budget is \$8,289,065, including bonded projects. Of the \$8,289,065 total budget, the below articulates the following major capital projects, where the remaining projects are listed in the 10-year Appendix B:

(Table 11: Major Capital Projects)

Fund Type	Project Name	2024 Budget	Total Project Budget
Bond Project	Arrowhead Transmission Main Rehab	2,500,000	3,350,000
Bond Project	Beaver Creek BPS 1,2, & 3 Rehabilitation	1,000,000	11,851,400
Bond Project	Bolts Lake Reservoir	875,000	68,949,223
Bond Project	Cordillera West Tank 1 Rehabilitation	685,800	762,000
Bond Project	Wildridge BPS and PRV Improvements	543,415	6,793,415

In addition to 2024 requests for funding, the proposed 2024 capital budget is also comprised of projected carryforwards and returned funds from 2023. While every effort is made to accurately forecast project timing, rollovers and returned funds occur for various reasons. The major components are detailed below:

(Table 12: 2023 to 2024 Budget Carryforward Summary)

Fund Type	Project Name	Estimated Carryforward
Bond Project	Wildridge BPS and PRV Improvements	3,956,585
Bond Project	Fenno Well House/Raw Water Conveyance	1,210,725
Bond Project	Bolts Lake Reservoir	261,812
Bond Project	Beaver Creek BPS 1,2, & 3 Rehabilitation	222,537

Capital	Water Treatment Master Plan	190,364
Capital	ADWF Bathroom/Kitchen Remodel	37,426
Bond Project	Cordillera West Tank 1 Rehabilitation	29,532
Capital	ADWF Domestic Lift Station Rehabilitation	15,607
Bond Project	Arrowhead Transmission Main Rehab	4,584

The total carryforward is estimated to be \$5,929,173, where \$243,397 come from operating revenues (fund balance) and \$5,685,775 coming from bond funds.

(Table 13: 2023 Return to Fund Summary)

Fund Type	Project Name	Estimated Carryforward
Bond Project	RTU System Upgrade	149,411
Capital	Water System Emergency Power	147,587
CRP	CRP-Water Storage Tank Improvements	100,000
CRP	CRP-OT Network Upgrade/Improvements	25,000
CRP	CRP-Safety/Security	10,000

The total returned funds are estimated to be \$431,998 comprised of \$149,411 from Bond projects, and \$282,587 from Capital and CRP.

Debt Service

As stated in the 2023 budget memo, it is anticipated a revenue bond will be needed in 2023. The ongoing water master plan has informed the estimates in the table below. In the 2023 second quarter financial report, we estimated the bond issue need would be \$20MM and the associated per SFE per month rate would be an estimated \$6.85. If the bond issue is revised to \$32MM to fund projects through 2026 the associated per SFE per month would be an estimated \$11.03. The three-year bond need is currently under review.

(Table 14: Bond Fund Projection)

UERWA	Bond Fund Balance
Beginning Balance	(893,928)
2023 Projection	(3,629,438)
2023 Projected Beginning Balance	(4,523,366)
2023 Carryforward	(5,685,775)
2024 Budget	(5,604,215)
2025 Budget	(8,369,750)
2026 Budget	(7,919,750)
2026 Ending Bond Balance	(32,102,856)*

*Estimated total at this time, the projects will be drafted for board review prior to the issuance on new bond proceeds.

Consumer Price-Index

Past budget cycles included a memo documenting the Consumer Price Index values and its impacts to all. Consumer Price Index, CPI, is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. Indexes are available for the U.S. and various geographic areas. While the information is informative, Denver-Aurora- Lakewood is not as representative of CPI metrics in the high mountains. Using the Bureau of Labor Statistics going forward and anchoring to Mountain-Plains information, annual increase through June 2023 compared to June 2022 is 3.7%. Projected December 2023 CPI values near 3.5% for the same region.

Decision Items

(Table 15: Decision Items)

Department	Type	Description	2024	2025	2026	2027	2028	2029	2030	Project Total
Water	Capital	Cordillera West Tank 1 Rehabilitation	614,200							672,058
Water	Capital	ADWF Electric Service Improvements	150,000	2,000,000						2,150,000
Water	Capital	Bachelor Gulch Tank 4 and Straw Park Tank		100,000	1,000,000					1,100,000
Water	Capital	ADWF Bathroom/Kitchen Remodel	100,000	310,530						460,530
Water	Capital	EDWF PLC and Control Improvements						250,000	3,000,000	3,250,000
Water	Capital	Arrowhead Tank 2 Rehabilitation		75,000	750,000					825,000
Water	Capital	EDWF Treatment Improvements			450,000	4,000,000	2,000,000			6,450,000
		Total	864,200	2,485,530	2,200,000	4,000,000	2,000,000	250,000	3,000,000	14,907,588

Decision Items Details

1. Name of Request: Cordillera West 1 Tank

Department: **Water**

Problem or Opportunity:

The Cordillera West 1 tank was noted in 2018 comprehensive inspection report that it contained some corrosion issues and needed rehabilitation within 5 years. As part of the rehabilitation, CDPHE requires that major rehabilitation requires that the utility bring the tank into current design standards, meaning multiple entry hatches, overflow and venting evaluation and

improvements, etc. In order to install new venting, some structural modifications are required to the roof. Steel tanks require periodic rehabilitation prior to a failure. This project has been in the 10-year CIP since 2020 and the decision item reflects considerable cost escalation since the original estimates were provided.

Consequences of Problem:

Failure to proactively rehabilitate the WST could lead to leaks or sanitary issues which could have public health and water supply delivery concerns. This tank receives water from the Fenno Wellhouse and Cordillera West 1 BPS and is critical to supplying not only the zone served by the tank but upper zones in the western side of Cordillera.

Proposed Solution:

A full rehabilitation proactively improves the infrastructure before it fails or causes other operational issues. The scope includes venting and overflow analysis and redesign, structural repairs, sandblasting and recoating, grading and drainage work and other work to bring the tank into current design standards and extend the life of the infrastructure by at least 20 years. It is likely a cathodic protection system will be installed to further prevent steel corrosion.

Costs:

Source: Capital

Costs	2024
Design/Permitting	614,200
Construction	
Totals:	614,200

2. Name of Request: ADWF Electric Service

Department: **Water**

Problem or Opportunity:

The capacity of the ADWF is rated at 10MGD. However, previous studies indicated that there are limitations on pumping capacity due to the size of the incoming electrical service. At certain conditions, they are at risk of overheating the conductors at over 1,100 amps and potentially causing catastrophic electrical failure. The facility has backup power capabilities to run on a limited basis for a short period of time, but an extended outage of ADWF would likely result in a water supply emergency. Other treatment improvements are still pending based on completion of the master planning effort, but this improvement is one that can increase plant capacity and set us up for future treatment and production capacity improvements, whatever they may be. This is truly a strategic project as it addresses a need that accommodates uncertain future improvements.

Consequences of Problem:

Failure to complete this project could result in overheating and melting wire insulation which could result in a high voltage short circuit or utility outage. Further, any production improvements will likely result in this project needing to happen eventually, so forward progress can be made on the facility while we determine an exact strategy for treatment and production improvements. There is a small but high consequence risk of electrical system failure that should be addressed at the most critical water system asset.

Proposed Solution:

The exact scope of work is yet to be determined but generally will include the following items:

- Replace existing transformer and CT cabinet in coordination with Holy Cross
- New duct bank and conductors from XFMR to main service gear
- Misc. site restoration
- Misc. modifications to main service gear
- New larger main service switch gear if existing main service size is exceeded due to additional electrical demands at ADWF (larger FW pumps, energy intensive treatment processes, etc.)
- Conductors from new gear to old gear and other feeders from new gear.
 - Assumes we can find space for new gear.

Costs:

Source: Capital

Costs	2024	2025
Design/Permitting	150,000	
Construction		2,000,000
Totals:	150,000	2,000,000

3. Name of Request: Bachelor Gulch to Strawberry Connection

Department: **Field Operations**

Problem or Opportunity:

The 2020 Distribution Master Plan identified a lack of available fire flow (AFF) in Bachelor Gulch Zones 2, 3, 4 and Strawberry Park 1 and 2. This project envisions additional storage at BG4, with a pipe and PRV connection between BG zone 4 and Strawberry Park 2. This will add additional storage and fire flow capabilities to multiple zones with a relatively small improvement. PRV usage could also help with tank turnover and water quality in these far reaches of the pressure zones.

Consequences of Problem:

A fire flow event in the area would use a majority of the storage, potentially causing operational and water supply issues for adjacent zones. The 2020 distribution MP recommended projects that make strategic improvements to the water system, increasing levels of service and redundancy/reliability of the water system.

Proposed Solution:

The solution as contemplated in the Master Plan involves the construction of additional storage at Bachelor Gulch 4 and a pipeline/PRV connection to Strawberry Park 2 zone. This

improvement will put more storage ‘on top of the hill’ and will allow for greater fire flow volumes in all of the pressure zones below.

Costs:

Source: Capital/Bond

Costs	2025	2026
Design/Permitting	100,000	
Design/construct		
Construction		1,000,000
Totals:	100,000	1,000,000

4. Name of Request: Bathroom/Kitchen Remodel

Department: **Field Operations**

Problem or Opportunity:

ADWF lacks adequate and equal bathroom and shower facilities for its female staff. With the admin expansion project on hold, certain components such as this one need to be advanced forward. Plus, the bathroom needs a remodel, the dishwasher is broken, cabinets are hanging by one hinge, etc.

Consequences of Problem:

We could be at risk of not providing equal facilities for all genders. Also, facilities can have an impact on staff morale and satisfaction.

Proposed Solution:

We are in preliminary design of improvements to the facility to provide for a women’s restroom and shower facility as well as a kitchen remodel. We are working with LKSM architects; this decision item would be a ‘green light’ for full design and construction of the improvements.

Costs:

Source: Capital

Costs	2024	2025
Design/Permitting		
Design/construct	100,000	
Construction		310,530
Totals:	100,000	310,530

5. Name of Request: EDWF PLC and Control

Department: **Water**

Problem or Opportunity:

EDWF’s control system runs on a touchy problematic pneumatic system for many of the automated valves, and the PLC/control network is called Data Highway, an antiquated, unsupported technology. This is a high priority identified by OTS and should be considered on the heels of any treatment expansion or improvements at the facility. The exact scope and

timing of this work will materialize once we complete the ongoing Water Treatment and Production Master Plan. Significant capital investment in the EDWF is very likely based on new operational philosophies and staffing.

Consequences of Problem:

EDWF is an automated plant, and if the communication and control system fail, the plant could be inoperable. This project is a strategic one to plan for future investment in the facility. Bringing the system up to current standards, similar to ADWF, will increase reliability and make the system more uniform and easier to troubleshoot and improve in the future.

Proposed Solution:

The proposal is for a future control and PLC overhaul of this treatment facility, similar to the ongoing project at ADWF. More details on scope and timing will emerge as the master planning efforts are completed, but it is important to note the needed improvements are coming in the future.

Costs:

Source: Capital

Costs	2029	2030
Design/Permitting	250,000	
Design/construct		
Construction		3,000,000
Totals:	250,000	3,000,000

6. Name of Request: Arrowhead Tank 2 Rehabilitation

Department: **Water**

Problem or Opportunity:

Recent inspection work using underwater UAVs indicated some concerning conditions in the tank interior. Findings include – deteriorated interior concrete, what appear to be plugs from previous crack injection, and a failed interior coating. The interior coating on a concrete tank is troubling as it is not required but would be utilized to protect deteriorating concrete.

Consequences of Problem:

A failure or leak of the tank requiring emergency repair would be costly and disruptive to customers in the Arrowhead 2 zone. As with any project, it is more beneficial to study the defects and provide a detailed, site-specific design that will extend the life of this infrastructure for another 30+ years. There is no way to isolate the tank or to feed the area from other storage locations.

Proposed Solution:

The proposed solution is a complete design and construction of rehabilitation, the exact details of which are undetermined at this time. This project became a high priority due to concerning inspection data received in summer 2023 and as such should be addressed with a specific major rehab project. Along with concrete repairs, a major rehab involves bringing the tank to current design standards, meaning that venting/overflows/access hatches, etc. will all be evaluated and improved if necessary.

Costs:

Source: Capital

Costs	2025	2026
Design/Permitting	75,000	
Design/construct		
Construction		750,000
Totals:	75,000	750,000

7. Name of Request: EDWF Treatment Improvements

Department: **Water**

Problem or Opportunity:

EDWF requires some investment in its facilities to optimize its production. Areas of known needs include the high service pumps, additional membrane rack capacity, and chemical feed areas for disinfection and other needs. This budget item is intended to capture the impending need to invest capital in the facility that went largely without major investment since its construction in 2001. New leadership at the facility and the Water department has uncovered a multitude of small projects, and as we complete our master planning efforts, we will be able to determine the exact scope and timing of the needed improvements. This proactive approach allows us to better utilize the production facility more frequently and less as a ‘peaking facility,’ taking pressure off of other production facilities and increasing the overall system redundancy and resiliency.

Consequences of Problem:

EDWF is our second largest treatment facility, and according to the risk analysis performed as part of our master planning efforts, the second most critical. Failure to proactively invest in optimizing the facility can result in loss of production and lack of redundancy and resiliency in the entire water system.

Proposed Solution:

The exact scope of work is not known at this time but will be developed as part of the ongoing Water Treatment and Production Master Plan. We are aware of issues with chemical feed, in particular chlorine, the membrane cleans in place citric acid system, pneumatic valves, influent pump station (potential additional pre-treatment) and overall production capacity (additional membrane rack(s)). This project demonstrates the need to invest in EDWF after several years of consistent investment in ADWF.

Costs:

Source: Capital

Costs	2026	2027	2028
Design/Permitting	450,000		
Design/construct		4,000,000	
Construction			2,000,000
Totals:	450,000	4,000,000	2,000,000

Appendix A: 10-Year Capital Plan

Appendix B: Capital Project Narratives

Appendix C: Line-Item Detail

Appendix D: Operating Agreement with District

Appendix A:

10-Year Capital Plan

Account/Project Name	Department	Project Type	2023 Revised				2024 Budget	2025 Budget	2026 Budget	2027 Budget	2028 Budget	2029 Budget	2030 Budget	2031 Budget	2032 Budget	2033 Budget	2034 Budget
			Budget	2023 Projection	Carry Forward	Project Total											
20-1-2-00-00-136 Bolts Lake Reservoir	Engineering	Bond Project	695,737	433,925	261,812	68,949,223	875,000	875,000	875,000	1,000,000	1,500,000	18,750,000	18,750,000	18,750,000			
20-1-2-00-00-028 Traer Creek Tank Replacement	Engineering	Bond Project	20,000			30,554											
20-1-2-00-00-014 Wildridge BPS and PRV Improvements	Field Ops	Bond Project	4,748,548	791,963	3,956,585	6,793,415	543,415	1,250,000									
20-1-2-00-20-101 Beaver Creek BPS 1,2, & 3 Rehabilitation	Field Ops	Bond Project	361,900	139,363	222,537	11,851,400	1,000,000	5,744,750	4,744,750								
20-1-2-00-00-138 Arrowhead Transmission Main Rehab	Field Ops	Bond Project	23,738	19,154	4,584	3,350,000	2,500,000	500,000									
20-1-2-00-00-499 Edwards Transmission Line Phase 2	Field Ops	Bond Project	10,000	20,899		10,000											
20-1-2-00-00-469 RTU System Upgrade	Ops Tech	Bond Project	150,000	589			-										
20-1-2-00-00-019 Upgrade PLC 6 @ ADWF-Master PLC	Ops Tech	Bond Project	2,061,659	2,061,659	-	2,966,245	-										
20-1-2-00-00-039 Fenno Well House/Raw Wtr Conveyance	Water	Bond Project	1,295,389	84,664	1,210,725	1,356,501	-										
20-1-2-00-30-301 Cordillera West Tank 1 Rehabilitation	Water	Bond Project	76,200	46,668	29,532	762,000	685,800										
20-1-2-00-00-490 ADWF Administration Expansion	Water	Bond Project	-	-		2,300,000	-			2,300,000							
Bond Project Total			9,443,171	3,629,438	5,685,775	98,338,783	5,604,215	8,369,750	7,919,750	1,000,000	1,500,000	18,750,000	18,750,000	18,750,000	-	-	-
20-1-2-00-00-131 Aerial Imagery Service Area Mapping	Engineering	Capital	-	-			-										
20-1-2-00-00-994 Reservoir Storage Master Plan	Engineering	Capital	-	-			-										
20-1-2-00-00-398 Fire Flow Improvements (Share of AWWTF fireflow)	Field Ops	Capital	-	2,380			-										
20-1-2-00-20-001 Dowd BPS Upgrades	Field Ops	Capital				1,020,000		120,000	900,000								
20-1-2-00-20-100 Beaver Creek BPS3 Rehabilitation	Field Ops	Capital	-														
20-1-2-00-30-001 Cordillera Autoflush Hydrants	Field Ops	Capital	-			240,000		120,000	120,000								
20-1-2-00-00-900 Capitalized Construction Management	Finance	Capital	566,500	566,500		5,551,700	623,150	623,150	623,150	623,150	623,150	623,150	623,150	623,150			
20-1-2-00-00-135 Water System Emergency Power	Water	Capital	197,587	-		275,000	-										
20-1-2-00-00-133 Water Treatment Master Plan	Water	Capital	190,364	-	190,364	333,333											
20-1-2-00-00-140 ADWF Membrane Roof Replacement	Water	Capital	400,000	685,000		400,000	-										
20-1-2-00-00-333 Zeta Potential Analyzer for Coagulant System	Water	Capital	-	-			-										
20-1-2-00-00-350 Eagle-Vail Tanks WST #1 & #2 Replacement	Water	Capital	-	-		6,312,905	-			250,000	6,000,000						
20-1-2-00-00-462 ADWF High Zone Production Imp.-Design A13	Water	Capital	-	-		5,201,344	-	2,200,000	3,000,000								
20-1-2-00-00-494 ADWF Facility Assessment	Water	Capital	-	-			-										
Arrowhead Tank 2 Rehabilitation	Field Ops	Capital				825,000		75,000	750,000								
EDWF Treatment Improvements	Water	Capital				6,450,000		450,000	4,000,000	2,000,000							
EDWF PLC and Control Improvements	Water	Capital				3,250,000					250,000	3,000,000					
Distribution connection treatment: Batch Gulch Tank 4 and Straw Park Tank	Water	Capital				1,100,000		100,000	1,000,000								
ADWF Electric Service Improvements	Water	Capital				2,150,000	150,000	2,000,000									
20-1-2-00-30-300 Cordillera East1 (Teacup) Tank Expansion	Water	Capital	57,858	-		672,058	614,200										
Capital Project Total			1,412,309	1,253,880	190,364	33,781,340	1,387,350	5,238,150	6,843,150	4,873,150	8,623,150	873,150	3,623,150	623,150	-	-	-
20-1-2-00-00-244 CRP-Pump Station Industrial Painting	Field Ops	CRP	75,000	50,000			65,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
20-1-2-00-00-999 CRP-Distribution System Capital Replacement Prog.	Field Ops	CRP	300,000	325,000			235,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
20-1-2-00-00-325 CRP-Safety/Security	Human Resource	CRP	10,000	-			7,500	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
20-1-2-00-00-024 CRP-OT Network Upgrade/Improvements	IT	CRP	25,000	-			20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
20-1-2-00-00-045 CRP-ADWF Bathroom/Kitchen Remodel	Utility Services	CRP	50,000	12,574	37,426		100,000	310,530									
20-1-2-00-00-043 CRP-Water Storage Tank Improvements	Water	CRP	180,000	180,000			250,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
20-1-2-00-00-044 CRP-ADWF Domestic Lift Station Rehabilitation	Water	CRP	78,032	62,425	15,607		85,000										
20-1-2-00-00-238 CRP-ADWF Metcalf Ditch	Water	CRP	-	-			-										
20-1-2-00-00-260 CRP-UERWA Analyzer Replacement Allowance	Water	CRP	100,000	104,000			100,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
20-1-2-00-00-375 CRP-ADWF Plant Repairs	Water	CRP	100,000	80,165			100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
20-1-2-00-00-376 CRP-EDWF Plant Repairs	Water	CRP	100,000	93,000			200,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
20-1-2-00-00-377 CRP-Wells/Misc Repairs	Water	CRP	100,000	31,034			125,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
20-1-2-00-47-100 OTS Equipment Inventory	Ops Tech	CRP-Inventory	10,000	-	1,000			10,000									
CRP Project Total			1,128,032	938,198	54,033	-	1,297,500	1,165,530	855,000	855,000	855,000	855,000	855,000	855,000	855,000	855,000	855,000
Total 10-Year Plan			11,983,512	5,821,516	5,930,173	132,120,123	8,289,065	14,773,430	15,617,900	6,728,150	10,978,150	20,478,150	23,228,150	20,228,150	855,000	855,000	855,000

Appendix B:

UERWA Capital Project Budget Narratives

Engineering

Project Name: Bolts Lake Reservoir	Account Code: 20.1.2.00.00.136
Project Description: Capital fund for UERWA portion (75/25) for land purchase, permitting, design, and construction of a future water supply project.	
Statement of Need: 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.	
2024 Budget Request: 875,000 (UERWA)	
Total Project Budget: 68,949,223 (UERWA)	
Basis of Estimate: 75% of actual land costs, rough conceptual estimates on design/permitting costs, and a conceptual engineer estimate.	
Engineer: Shannon-Wilson and Leonard Rice	Project Manager: Jason Cowles, Justin Hildreth

Field Operations

Project Name: Wildridge BPS and PRV Improvements	Account Code: 20.1.2.00.00.014
Project Description: Replacement and rehabilitation for various distribution system assets in the Wildridge Subdivision, namely, tanks, pump stations, PRVs, and other appurtenances. The various facilities are at end of life cycle (40+ years old).	
Statement of Need: The high elevation, 40-year-old subdivision infrastructure scored very high in the 2020 Distribution System Master Plan condition assessment both for consequence and likelihood of failure. This project was the first project output of the plan recommended. In fact, a budget was created for this project in 2017 due to operational concerns but was put on hold in favor of completing the master plan. The master plan served to reinforce the priority of this important project.	
2024 Budget Request: 543,415	
Total Project Budget: 6,793,415	
Basis of Estimate: Construction bid and engineering service contract	
Engineer: AE2S	Project Manager: Carter Keller

Project Name: Arrowhead Transmission Main Rehab	Account Code: 20.1.2.00.00.138
Project Description: Investigation, design, and construction of rehabilitated or replaced 16" transmission main feeding the Arrowhead WST. Scope also includes a valve vault near the tank to help with tank balancing with CVC in the Edwards low zone. Project originally budgeted in 2020, but another design alternative was explored, delaying implementation for a year.	
Statement of Need: Corrosive soils in the area led to a line break in 2019 on this critical infrastructure. In addition, much of the pipeline has seen excessive fill atop the pipe throughout the years.	
2024 Budget Request: 2,500,000	
Total Project Budget: 3,350,000	
Basis of Estimate: 100% Design Level Engineer's Estimate plus contingencies	
Engineer: Tetra Tech, Inc.	Project Manager: Mark Mantua

Appendix B:

UERWA Capital Project Budget Narratives

Project Name: CRP – Distribution Industrial Painting		Account Code: 20.1.2.00.00.244
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.		
2024 Budget Request: 75,000		
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: CRP – Water Main Capital Replacement Program		Account Code: 20.1.2.00.00.999
Project Description: Annual account for small projects such as small mainline extensions, replacements, or hydrant relocations for the UERWA 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, etc.		
2024 Budget Request: 235,000		
Total Project Budget: Annual		
Basis of Estimate: Annual account, based on potential expenditures		
Engineer: N/A		Project Manager: Niko Nemcanin

Project Name: Beaver Creek BPS 1, 2, 3 Rehabilitation		Account Code: 20.1.2.00.20.101
Project Description: Identified in the 2020 Water Distribution Master Plan and included due to high scores on both consequence and likelihood of failure. Aging assets in high elevation pump stations are in need of rehabilitation/replacement throughout the distribution system. Beaver Creek 3, 2, and 1 are the top three highest scoring pump station assets in the risk-based assessment. Originally budgeted as separate projects and only including BPS 3 and 2, the projects are combined, and BPS 1 added to the scope.		
Statement of Need: Pumps condition and reliability scored poorly in the condition assessment portion of the 2020 master plan. In addition, a preliminary review revealed that the pumps run off of their curve, reducing their efficiency. Additional scope includes connection point for portable mobile generators in the event of a power outage. Scope includes replacement of the pump stations; we are evaluating creative options to improve the location and access to these distribution facility assets.		
2024 Budget Request: 1,000,000		
Total Project Budget: 11,851,400		
Basis of Estimate: Conceptual design report planning level estimate plus additional escalation and contingency.		
Engineer: Burns McDonnell		Project Manager: Carter Keller

Appendix B:

UERWA Capital Project Budget Narratives

Project Name: Dowd BPS Upgrades		Account Code: 20.1.2.00.20.001	
Project Description: Rehabilitation and potential capacity increase of the Dowd Booster Pump Station. Project identified in the 2020 Distribution System Master Plan. Subsequent Risk and Resiliency Assessments and ongoing Emergency Response Planning reinforces the critical nature of the facility.			
Statement of Need: A major factor in the reliability and resiliency of the water distribution system is the ability to transfer water between zones for normal operations, water quality, or emergency scenarios. Dowd Junction BPS is the point at which water from the Avon High Zone is transferred to West Vail and is a critical pumping facility. Recent pump rehabs with long equipment replacement lead times reinforces the need for proactive improvements			
2024 Budget Request: N/A – projected to start in 2025			
Total Project Budget: 1,020,000			
Basis of Estimate: Conceptual master planning estimate with additional escalation and contingency			
Engineer: TBD		Project Manager: TBD	

Project Name: Cordillera Autoflush Hydrants		Account Code: 20.1.2.00.30.001	
Project Description: Autoflush hydrants are a way to improve water quality without manual flushing of fire hydrants. They have been successfully installed at Webb Peak and Red Draw in Cordillera.			
Statement of Need: Seasonal water usage fluctuations and large tank storage capacity lead to water quality concerns in the far reaches of Cordillera, whether from low chlorine or disinfection byproducts. Autoflush hydrants are a relatively simple capital solution. An added benefit is that it leads to reduced manpower to flush fire hydrants, and system benefits of more frequent lower flow result in fewer PRVs opening, which could cause pressure spikes and potential breaks.			
2024 Budget Request: N/A – projected for 2025			
Total Project Budget: 240,000			
Basis of Estimate: Escalated cost from recently completed project			
Engineer: N/A		Project Manager: TBD	

Finance

Project Name: CRP – Capitalized Construction Management		Account Code: 20.1.2.00.00.900	
Project Description: As provided in the Authority Agreement, this account compensates the District for project management by the Engineering department for Authority projects.			
Statement of Need: Required per Authority Agreement and included in the base compensation.			
2024 Budget Request: 623,150			
Total Project Budget: Annual			
Basis of Estimate: Annual account			
Engineer: N/A		Project Manager: N/A	

Appendix B:

UERWA Capital Project Budget Narratives

IT

Project Name: CRP – OT Network Upgrades/Improvements	Account Code: 20.1.2.00.00.024
Project Description: Annual account for large OTS purchases or small projects outside of expense budgets	
Statement of Need: Annual account, having funds on hand can help if a need arises mid-year	
2024 Budget Request: 5,000	
Total Project Budget: Annual	
Basis of Estimate: In house conceptual estimate	
Engineer: N/A	Project Manager: Fred Fernandez/Dan Caffery

Operational Technology

Project Name: ADWF Master PLC Upgrade	Account Code: 20.1.2.00.00.019
Project Description: Replacement of outdated and unreliable controls and communications network at the ADWF. Includes new server room located in the western portion of the plant, new fiber optic cabling throughout the plant, and new remote I/O and PLC equipment throughout for full redundancy and increased reliability. Total project budget originally 1,050,000 last year, small adjustment needed this year. Project timing adjusted from a fast track delivery to a more traditional design-bid-build approach.	
Statement of Need: Existing PLC is unreliable and has no room for future expansion. Server room relocation is required for ADWF Admin project; project timing led to its inclusion in this project.	
2024 Budget Request: N/A	
Total Project Budget: 2,966,245	
Basis of Estimate: Guaranteed Maximum Price (GMP) Proposal from Hensel Phelps	
Engineer: Stantec, Inc.	Project Manager: Jenna Beairsto

Project Name: OTS Spare Parts Inventory	Account Code: 20.1.2.00.47.100
Project Description: Annual account for purchase of electrical and controls equipment such as motors, starters, VFDs, communication cards, etc.	
Statement of Need: Annual account for planned and potentially unforeseen purchases. Critical due to supply chain issues that could turn a simple card replacement into a months-long equipment outage.	
2024 Budget Request: 10,000	
Total Project Budget: Annual	
Basis of Estimate: Annual account, based on past expenditures	
Engineer: N/A	Project Manager: Daniel Caffery

Appendix B:

UERWA Capital Project Budget Narratives

Water

Project Name: Fenno Well House/Raw Water Conveyance	Account Code: 20.1.2.00.00.039
Project Description: This project is an overhaul of the water production and treatment facilities that serve the west side of Cordillera. The new wellhouse and improvements to well F6 were completed in 2022. Since then, we have been systematically pulling wells, replacing well pumps and motors, and assessing the well casings. Future improvements include rehab or replacement of meter pits, electrical, and piping. Difficult access to sites and renegotiation of easements in numerous production well locations delayed the implementation of the well phase.	
Statement of Need: Project was identified in previous 2009 Master Planning efforts and again in the recent 2020 Distribution Master Plan. Mostly related to code compliance, reliability, and replacement of aging infrastructure. Added to the scope is design work and construction of improvements at the 7 Fenno Wells due to pipeline condition, electrical concerns, and future RTU compatibility.	
2024 Budget Request: N/A – rollover from 2023	
Total Project Budget: 1,356,501	
Basis of Estimate: Actual design and construction costs for wellhouse plus 30% conceptual estimate for well improvements currently under investigation/design.	
Engineer: SGM, Inc.	Project Manager: Carter Keller

Project Name: Water Storage Tank Improvements	Account Code: 20.1.2.00.00.043
Project Description: Annual account for small tank rehabilitation/repair projects throughout the UERWA system's water storage tank inventory.	
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 for the Vail System and represents a proactive approach to addressing storage tank deficiencies. Increased request for 2024 due to re-bidding work not completed in 2023.	
2024 Budget Request: 250,000	
Total Project Budget: Annual	
Basis of Estimate: Annual account, based on anticipated expenditures and annual workloads	
Engineer: Various	Project Manager: Travis Young

Project Name: Cordillera West Tank 1 Rehabilitation	Account Code: 20.1.2.00.30.301
Project Description: In 2018, Arrowhead and Cordillera West 1 tanks were inspected by SGM. They are steel tanks which periodically require recoating to extend the project life cycle. It was determined at the time to push Cordillera West 1 another 5 years. The tank requires sandblasting, weld repairs as needed, and application of a new engineered coating system. In addition, the venting, hatches, and overflows often require modifications to bring them up to current CDPHE standards.	
Statement of Need: Originally budgeted in 2019 and deferred due to favorable condition at the time, it is critical to recoat steel WSTs on a periodic basis to ensure their integrity, mitigate failure and leakage concerns, and avoid large replacement costs. Decision item submitted to request additional funding due to cost escalation.	
2024 Budget Request: 685,800	
Total Project Budget: 762,000	
Basis of Estimate: 2020 Distribution Master Plan estimate plus small escalation	
Engineer: Black and Veatch	Project Manager: Kevin Nelson

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UERWA Capital Project Budget Narratives

Project Name: ADWF Domestic Lift Station Rehabilitation		Account Code: 20.1.2.00.00.044
Project Description: The ADWF is served by a domestic lift station conveying its domestic wastewater to the Avon WWTF for treatment. The lift station is unreliable and needs to be rehabilitated.		
Statement of Need: Work was originally a part of the ADWF Administration Expansion project but due to deferring that work, a separate account was created to rehabilitate the domestic lift station as it is a more urgent need.		
2024 Budget Request: 85,000		
Total Project Budget: 163,032		
Basis of Estimate: Vendor quotes and contractor quotes for installation		
Engineer: N/A		Project Manager: Mark Mantua

Project Name: Water Treatment Master Plan		Account Code: 20.1.2.00.00.133
Project Description: UERWA portion of a comprehensive master 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.		
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.		
2024 Budget Request: N/A – carry forward from 2023		
Total Project Budget: 333,333		
Basis of Estimate: Carollo Engineering contract		
Engineer: formerly Carollo Engineers		Project Manager: Jenna Beairsto

Project Name: Water System Emergency Power		Account Code: 20.1.2.00.00.135
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.		
2024 Budget Request: N/A – rollover from 2023		
Total Project Budget: 275,000		
Basis of Estimate: N/A – ongoing multi-year implementation		
Engineer: N/A		Project Manager: Daniel Caffrey

Appendix B:

UERWA Capital Project Budget Narratives

Project Name: UERWA Analyzer Replacement Allowance		Account Code: 20.1.2.00.00.260
Project Description: Annual account for replacement of various analyzers throughout the water treatment process, critical to regulatory compliance, process control and water production and data collection. This account is a consolidation of various small CRP line items over the years.		
Statement of Need: Analyzers are a critical appurtenance to water treatment facilities, controlling chemical dosing, pump rates, etc. They often require replacement or spare purchasing.		
2024 Budget Request: 100,000		
Total Project Budget: Annual		
Basis of Estimate: Annual account based on consolidation of several smaller accounts and vendor quotes		
Engineer: N/A		Project Manager: Wade McCaulley

Project Name: ADWF Plant Repairs		Account Code: 20.1.2.00.00.375
Project Description: Annual account for various small projects and large purchases required at the ADWF that do not fit in expense budgets but do not elevate to a large capital project.		
Statement of Need: Project was created by consolidating numerous smaller projects and gives operators more flexibility in responding to needs as they arise.		
2024 Budget Request: 100,000		
Total Project Budget: Annual		
Basis of Estimate: Annual account based on consolidation of several smaller accounts and vendor quotes		
Engineer: N/A		Project Manager: Wade McCaulley

Project Name: EDWF Plant Repairs		Account Code: 20.1.2.00.00.376
Project Description: Annual account for various small projects and large purchases required at the EDWF that do not fit in expense budgets but do not elevate to a large capital project.		
Statement of Need: Project was created by consolidating numerous smaller projects and gives operators more flexibility in responding to needs as they arise.		
2024 Budget Request: 200,000		
Total Project Budget: Annual		
Basis of Estimate: Annual account based on consolidation of several smaller accounts and vendor quotes		
Engineer: N/A		Project Manager: Wade McCaulley

Project Name: Wells/Misc. Repairs		Account Code: 20.1.2.00.00.377
Project Description: Annual account for various small projects and large purchases required at down valley wells in Edwards and Cordillera that do not fit in expense budgets but do not elevate to a large capital project.		
Statement of Need: Project was created by consolidating numerous smaller projects and gives operators more flexibility in responding to needs as they arise.		
2024 Budget Request: 125,000		
Total Project Budget: Annual		
Basis of Estimate: Annual account based on consolidation of several smaller accounts and vendor quotes		
Engineer: N/A		Project Manager: Kailey Rosema

Appendix B:

UERWA Capital Project Budget Narratives

Project Name: Eagle-Vail WSTs 1 and 2 Replacement		Account Code: 20.1.2.00.00.350	
Project Description: Strategic replacement of aging water storage tanks at the top of Whiskey Hill in Eagle-Vail. There are currently two aging storage tanks, 0.3 MG and 1.0 MG. With Traer Creek WST online, there is need for a large storage capacity at this site.			
Statement of Need: The Eagle Vail WST roof has long been a concern for structural condition as well as not meeting current design standards. Plus the total capacity of 1.3 MG of storage is no longer needed with the 2.0 MG Traer Creek WST online. The project was identified in 2009 and 2020 Distribution System Master Planning and geotechnical engineering work was started in 2015.			
2024 Budget Request: N/A – scheduled to begin in 2027			
Total Project Budget: 6,312,905			
Basis of Estimate: Conceptual estimate based on per volume concrete tank costs			
Engineer: TBD		Project Manager: TBD	

Project Name: ADWF High Zone Production Improvements		Account Code: 20.1.2.00.00.462	
Project Description: This project originally appeared in the budget a decade ago as an output of the 2009 Water Master Plan, but has shifted in favor of other treatment and control-related improvements over the years. These improvements are largely to replace aging electrical equipment that power and control the high service pumps. The current budget and timing reflect a ‘placeholder’ for a future capital expenditure once the scope is determined via completion of the current master planning effort.			
Statement of Need: Avon DWF is the most critical production facility in the combined system, having both the largest capacity and ability to serve multiple pressure zones. Capital investment on the pumping and delivery side is a near certainty based on ongoing planning efforts and reliability and safety of aging electrical equipment.			
2024 Budget Request: N/A – scheduled to begin in 2025			
Total Project Budget: 5,201,344			
Basis of Estimate: Conceptual placeholder based on similar scopes of work in other facilities			
Engineer: TBD		Project Manager: TBD	

Project Name: ADWF Membrane Roof Replacement		Account Code: 20.1.2.00.00.140	
Project Description: The Membrane Roof at the ADWF is at the end of its useful life and needs to be replaced. Numerous areas inside the building exhibit signs of leaking roof. A small portion was replaced in 2022 above the new server room but an entire roof replacement is required.			
Statement of Need: Roof replacement was initially planned to occur in conjunction with the ADWF Administration Expansion project, but the expansion project was put on hold in favor of other projects while the roof continues to deteriorate. The roof leaks in numerous areas and is at the end of its useful life.			
2024 Budget Request: N/A – to be completed in 2023			
Total Project Budget: 700,000 (pending budget transfer)			
Basis of Estimate: Guaranteed Maximum Price proposal from Hensel Phelps			
Engineer: N/A		Project Manager: Jenna Bearsto	

Appendix C: Line Item Detail

Account Type/Department	2023 Budget	2023 Projection	2024 Budget
Bond Project	9,443,171	3,629,438	6,368,415
Engineering	715,737	464,479	875,000
20-1-2-00-00-028 Traer Creek Tank Replacement	20,000	30,554	-
20-1-2-00-00-136 Bolts Lake Reservoir	695,737	433,925	875,000
Field Ops	5,144,186	971,379	4,043,415
20-1-2-00-00-014 CRP- Wildridge BPS and PRV Improvements	2,748,548	791,963	543,415
20-1-2-00-00-138 CRP-Arrowhead Transmission Main Rehab	2,023,738	19,154	2,500,000
20-1-2-00-00-499 Edwards Transmission Line Phase 2	10,000	20,899	-
20-1-2-00-20-101 Beaver Creek BPS 1,2, & 3 Rehabilitation	361,900	139,363	1,000,000
Ops Tech	2,211,659	2,062,248	-
20-1-2-00-00-019 CRP-Upgrade PLC 6 @ ADWF-Master PLC	2,061,659	2,061,659	-
20-1-2-00-00-469 RTU System Upgrade	150,000	589	-
Water	1,371,589	131,332	1,450,000
20-1-2-00-00-039 CRP-Fenno Well House/Raw Water Conveyance	1,295,389	84,664	-
20-1-2-00-30-301 Cordillera West Tank 1 Rehabilitation	76,200	46,668	685,800
20-1-2-00-30-301 Cordillera West Tank 1 Rehabilitation (DI)			614,200
ADWF Electric Service Improvements (DI)			150,000
Capital	1,412,309	1,253,880	623,150
Field Ops	-	2,380	-
20-1-2-00-00-398 Fire Flow Improvements (Share of AWWTF fire flow)	-	2,380	-
Finance	566,500	566,500	623,150
20-1-2-00-00-900 CRP-Capitalized Construction Management	566,500	566,500	623,150

Appendix C: Line Item Detail

Account Type/Department	2023 Budget	2023 Projection	2024 Budget
Water	845,809	685,000	-
20-1-2-00-00-133 Water Treatment Master Plan	190,364	-	-
20-1-2-00-00-135 Water System Emergency Power	197,587	-	-
20-1-2-00-00-140 ADWF Membrane Roof Replacement	400,000	685,000	-
20-1-2-00-30-300 Cordillera East1 (Teacup) Tank Expansion	57,858	-	-
CRP	1,118,032	938,198	1,287,500
Field Ops	375,000	375,000	300,000
20-1-2-00-00-244 CRP-Pump Station Industrial Painting	75,000	50,000	65,000
20-1-2-00-00-999 CRP-Distribution System Capital Replacement Prog.	300,000	325,000	235,000
Human Resources	10,000	-	7,500
20-1-2-00-00-325 CRP-Safety/Security	10,000	-	7,500
IT	25,000	-	20,000
20-1-2-00-00-024 CRP-OT Network Upgrade/Improvements	25,000	-	20,000
Utility Services	50,000	12,574	100,000
20-1-2-00-00-045 CRP-ADWF Bathroom/Kitchen Remodel (DI)	50,000	12,574	100,000
Water	658,032	550,624	860,000
20-1-2-00-00-043 CRP-Water Storage Tank Improvements	180,000	180,000	250,000
20-1-2-00-00-044 CRP-ADWF Domestic Lift Station Rehabilitation	78,032	62,425	85,000
20-1-2-00-00-260 CRP-UERWA Analyzer Replacement Allowance	100,000	104,000	100,000
20-1-2-00-00-375 CRP-ADWF Plant Repairs	100,000	80,165	100,000
20-1-2-00-00-376 CRP-EDWF Plant Repairs	100,000	93,000	200,000
20-1-2-00-00-377 CRP-Wells/Misc. Repairs	100,000	31,034	125,000
CRP-Inventory	10,000	-	10,000

Appendix C: Line Item Detail

Account Type/Department	2023 Budget	2023 Projection	2024 Budget
Ops Tech	10,000	-	10,000
20-1-2-00-47-100 OTS Equipment Inventory	10,000	-	10,000
Debt Service	2,646,362	2,538,426	2,871,560
Finance	2,646,362	2,538,426	2,871,560
20-1-5-00-00-067 C/P 2013A Water Bonds	165,000	165,000	180,000
20-1-5-00-00-068 C/P 2013C Water Bonds	105,000	-	-
20-1-5-00-00-069 C/P 2020 Revenue Bonds	150,000	150,000	250,000
20-1-5-00-00-087 C/P Eagle Park Loan	110,312	110,312	116,324
20-1-5-00-00-125 Interest Payable Eagle Park Loan	500	-	-
20-1-9-00-25-230 Bond Interest Expense	2,114,050	2,111,614	2,094,236
20-1-9-00-25-240 Paying Agent Fees	1,500	1,500	1,500
20-1-9-00-25-245 Issue cost Bond Expense	-	-	229,500
Operating	11,124,457	11,133,017	12,132,567
Administration	122,800	57,159	95,100
20-1-9-00-25-016 General Operations	1,000	238	2,500
20-1-9-00-25-080 Board Meetings/Travel Expenses	2,000	2,318	2,000
20-1-9-00-25-090 Directors Fees	14,800	3,700	15,600
20-1-9-00-25-190 General Legal	-	17,885	60,000
20-1-9-00-25-191 General Legislative Affairs	105,000	33,018	15,000
Community Relations	19,000	13,796	20,000
20-1-9-00-15-460 Consumer Confidence Report	7,000	3,500	4,000
20-1-9-00-25-060 Communications	12,000	10,296	16,000
Engineering	612,806	573,703	606,242

Appendix C: Line Item Detail

Account Type/Department	2023 Budget	2023 Projection	2024 Budget
20-1-9-00-15-270 Gauging Station Maintenance	66,837	-	-
20-1-9-00-15-275 USGS Stream Gage Contracts	71,379	43,760	45,947
20-1-9-00-15-290 Green Mtn Augmentation - USDA D of I	11,788	10,280	10,280
20-1-9-00-15-296 RR Right of Way & Permits	2,000	600	600
20-1-9-00-15-320 Wolford Mt. Augmentation Water - CRWCD	213,412	249,766	262,254
20-1-9-00-15-330 Eagle Park Augmentation Water - CRWCD	28,390	28,390	28,161
20-1-9-00-25-018 Engineering-Planning Dept.	10,000	-	10,000
20-1-9-00-25-030 Water Rights Protection	200,000	234,450	240,000
20-1-9-00-25-297 Sustainability Committee	8,000	5,458	8,000
20-1-9-00-35-202 Easements and Recording Fees	1,000	1,000	1,000
Field Ops	730,000	649,243	750,368
20-1-9-00-15-515 FH Snow Removal	10,000	-	10,000
20-1-9-00-18-500 BPS/PRV Repairs - Equipment	110,000	65,204	110,000
20-1-9-00-18-510 BPS/PRV Building & Grounds	10,000	6,912	10,000
20-1-9-00-25-019 Engineering - FO	10,000	-	10,000
20-1-9-00-35-200 Electricity - lines, heat tape, PRV	10,000	16,508	17,168
20-1-9-00-35-201 UERWA System Electricity	330,000	330,000	343,200
20-1-9-00-35-500 Repair- Distribution System	250,000	230,619	250,000
Finance	7,324,777	7,812,694	8,360,257
20-1-9-00-15-160 Eagle Park Reservoir Operating Assessments	262,527	231,263	280,156
20-1-9-00-25-020 Miscellaneous	13,000	9,895	12,000
20-1-9-00-25-110 Insurance Liability	145,000	169,603	169,603
20-1-9-00-25-160 Audit	25,750	24,000	25,000

Appendix C: Line Item Detail

Account Type/Department	2023 Budget	2023 Projection	2024 Budget
20-1-9-00-25-180 Financial Consulting	20,000	19,435	15,000
20-1-9-00-25-300 ERWSD Admin. & Acct - Ops Agreement	6,858,500	7,358,498	7,519,881
20-1-9-00-25-301 ERWSD Life Cycle - Ops Agreement	-	-	338,617
Lab	50,000	50,000	50,000
20-1-9-00-25-185 Eagle River Watershed Support	25,000	25,000	25,000
20-1-9-00-25-420 Eagle River Watershed Study USGS	25,000	25,000	25,000
Ops Tech	85,000	69,937	100,000
20-1-9-00-15-400 OTS Hardware & Equipment	45,000	38,221	45,000
20-1-9-00-15-408 MCC Maintenance & Cleaning	30,000	23,716	45,000
20-1-9-00-15-409 OTS Support Services	10,000	8,000	10,000
Utility Services	550,000	408,402	520,000
20-1-9-00-35-320 Meter Replacement/Equip Parts	445,000	364,250	500,000
20-1-9-00-35-321 Contracted Services	105,000	44,153	20,000
Water	1,438,074	1,285,597	1,490,600
20-1-9-00-15-120 ADWF Chemicals - Treatment	306,075	289,720	306,100
20-1-9-00-15-200 UERWA Electricity	550,000	463,560	485,800
20-1-9-00-15-350 Natural Gas	37,173	60,554	62,400
20-1-9-00-15-411 UERWA Outside Lab Services	31,250	16,265	32,500
20-1-9-00-15-500 ADWF Repairs - Equipment	50,000	41,947	55,000
20-1-9-00-15-510 ADWF Repairs - Building/Grounds	35,000	32,319	75,000
20-1-9-00-15-570 ADWF Sewer	41,000	50,923	52,300
20-1-9-00-15-575 UERWA TOC Supplies	36,750	23,124	36,800
20-1-9-00-15-580 Licensing & State Fees	6,300	3,320	8,500

Appendix C: Line Item Detail

Account Type/Department	2023 Budget	2023 Projection	2024 Budget
20-1-9-00-15-600 ADWF Chemicals-Lab Reagents	23,100	23,100	33,100
20-1-9-00-15-780 Water Tank Cleaning	25,000	9,137	25,000
20-1-9-00-15-781 Water Tanks Maintenance & Repairs	50,000	51,061	50,000
20-1-9-00-15-790 Diversion Intake-Cleaning Maintenance	5,000	-	-
20-1-9-00-16-110 EDWF Chemicals - Lab	5,775	8,019	-
20-1-9-00-16-120 EDWF Chemicals - Treatment	51,975	51,975	52,000
20-1-9-00-16-500 EDWF Repairs - Equipment	15,000	27,561	40,000
20-1-9-00-16-510 EDWF Repairs - Building & Grounds	70,565	46,956	70,500
20-1-9-00-16-570 EDWF Sewer	45,000	40,988	45,000
20-1-9-00-17-120 LZ Wells Chemicals - Treatment	14,611	14,611	15,200
20-1-9-00-17-500 LZ Wells Repairs - Equipment	15,000	16,021	20,000
20-1-9-00-17-505 LZ Wells Buildings & Grounds	10,000	6,331	10,000
20-1-9-00-17-570 LZ Wells Sewer	3,500	3,101	5,400
20-1-9-00-25-010 Engineering	10,000	5,002	10,000
Water Conservation	192,000	212,487	140,000
20-1-9-00-85-150 Consulting - Water Conservation	30,000	19,950	20,000
20-1-9-00-85-777 Water Conservation Program Rebates	140,000	140,000	100,000
20-1-9-00-85-778 Water Conservation Program	22,000	52,537	20,000
Grand Total	25,754,331	19,492,959	23,293,193

**OPERATIONS AGREEMENT
EAGLE RIVER WATER & SANITATION DISTRICT AND
UPPER EAGLE REGIONAL WATER AUTHORITY**

This Agreement is entered into as of the 26th day of October 2023, to be effective January 1, 2024, by and between UPPER EAGLE REGIONAL WATER AUTHORITY, a political subdivision and a public corporation of the State of Colorado ("Authority"), and EAGLE RIVER WATER & SANITATION DISTRICT, a quasi-municipal corporation of the State of Colorado ("District").

WHEREAS, among its other functions Authority owns and operates a water supply, treatment, and distribution system substantially within the boundaries of District; and

WHEREAS, Authority does not have the personnel or equipment to operate and maintain its water supply, treatment, and distribution system; and

WHEREAS, District has sufficient experience, personnel, and equipment to perform the operations and maintenance services desired by Authority; and

WHEREAS, Authority has constructed and owns facilities requiring operation and maintenance services of District; and

WHEREAS, Authority and District desire that all previous Operations Agreements be superseded by this Agreement.

NOW, THEREFORE, in consideration of the premises, the mutual advantages accruing to the parties hereto and the mutual undertakings herein contained, the parties hereto agree as follows:

**ARTICLE 1
GENERAL CONDITIONS**

- 1.1 District shall provide in a good and workmanlike manner the services described in this Agreement upon the terms and conditions herein stated. District shall furnish services of its various employees and staff in the management, administration, annual capital plan management, and operation and maintenance of:
 - 1.1.1 all equipment and facilities under the control and/or ownership of Authority including, but not limited to diversion structures, water treatment plants, wells, the interconnection with District water system, raw water pumps and transport lines, treated water distribution lines, hydrants and valves, pumps and storage tanks, water meters, and;
 - 1.1.2 any other water facilities now owned or hereafter acquired, controlled, or operated by Authority.
 - 1.1.3 All water facilities and systems now owned or hereafter acquired, controlled, or operated by Authority, together with all additions, improvements or replacements shall be collectively referred to as "Authority's Facilities."
- 1.2 District shall comply with all applicable local, State and Federal laws, rules, and regulations in its operation of Authority's Facilities.
- 1.3 District shall provide the services described herein, in accordance with the rules and regulations of District and Authority.

- 1.4 District shall be an independent contractor, and nothing herein contained shall be construed to create the relationship of principal and agent or employer and employee between Authority and District. Any person or party hired by District shall be the employee, agent, servant, or contractor of District.

ARTICLE 2 SCOPE OF SERVICES

- 2.1 For Authority's Facilities, District shall provide all management, annual capital plan management, engineering and consultant management, operations and preventive, predictive and corrective maintenance, meter reading and billing, accounting and financial requirements, internal and external laboratory activities, and quality assurance necessary to manage and operate Authority's Facilities in compliance with legal and regulatory requirements and at levels which meet or exceed those generally accepted standards customary to the industry. District agrees to employ and provide to Authority the services of sufficient highly-trained, qualified and experienced personnel, including management, system operators, maintenance, finance, accounting, customer service and billing personnel; and, technical, laboratory and administrative staff who meet applicable State of Colorado certification and/or licensing requirements and who are so certified and/or licensed, to manage, operate, maintain and otherwise administer Authority's Facilities to supply, treat and distribute water to the customers of the Authority. Such employees shall be and remain the employees of the District and shall not be considered to be employees of the Authority for any purposes.
- 2.2 Specifically District shall:
- 2.2.1 Provide all personnel and associated wages, salaries, and benefits; fuel and vehicle expense necessary to manage, administer and operate Authority's Facilities in accordance with all United States Environmental Protection Agency and State of Colorado applicable laws, regulations, statutes and guidelines. At a minimum, District shall provide:
- a. management, including administration and support of Board activities;
 - b. computer-based management, finance and budgeting systems;
 - c. Computerized Maintenance Management Systems (CMMS);
 - d. quality control and assurance systems;
 - e. laboratory quality assurance and quality control (QA/QC) consistent with US Environmental Protection Agency guidelines and protocol and with state requirements for certification for bacteriological testing;
 - f. routine maintenance and repair of buildings and grounds up-keep and maintenance, and reasonable provisions to keep buildings and equipment secure from vandalism and other loss.
- 2.2.2 Assume all responsibility for, and liabilities and payment of, any fines resulting from District's negligent operation, or operation not in conformance with applicable laws or regulations.
- 2.3 District shall provide all personnel and associated wages, salaries, and benefits; fuel and vehicle expense necessary to operate and maintain Authority's Facilities including structures (e.g., buildings, water treatment plants, water storage tanks, pumping stations, distribution systems, meters) and equipment (e.g., mechanical, electrical, HVAC, instrumentation, communications, CMMS and Supervisory Control and Data Acquisition (SCADA) systems) to assure efficient long

- term reliability, and preservation of the capital investment therein. Maintenance shall be accomplished in accordance with manufacturers' recommendations, applicable O&M manuals, and customary industry standards. District shall employ a comprehensive preventive and predictive maintenance program. District shall also assure that all existing warranties and maintenance agreements shall remain in full force and effect and shall maintain all warranties on equipment placed in service after the effective date of this Agreement. The foregoing notwithstanding, Authority shall pay for any computer hardware or software required to operate an Authority plant or system as well as any licensing fees for such processes. These items shall become the property of Authority.
- 2.4 District shall provide all personnel and associated wages, salaries, and benefits; materials, and other services necessary to administer and manage the Capital Construction, Capital Replacement Programs including, but not limited to engineering contract administration; review of engineering studies and designs; value engineering; construction contract administration; inspection services; progress payment processing; budget tracking and accounting; and dispute resolution. The Capital Construction and Capital Replacement Programs for this contract period is attached hereto as **Exhibit A**.
- 2.5 District shall provide all personnel and associated wages, salaries, and benefits; vehicle and fuel expense; materials and postage; and other services necessary to manage and operate the billing and customer service functions including, but not limited to management; meter reading; billing software and bill production; payment collection, processing and accounting; maintenance of customer account database; effective customer service and relations; support and quality assurance systems.
- 2.6 District shall provide all personnel and associated wages, salaries, and benefits; vehicle and fuel expense; materials and other services necessary to manage and operate the budgeting, accounting and financial systems in compliance with State law and regulation, and consistent with generally accepted accounting principles, including, but not limited to management; annual budget preparation; accounts receivable and accounts payable; complete financial accounting and budgeting; and periodic reporting to Authority Board of Directors and applicable State agencies.
- 2.7 District shall compile and maintain comprehensive daily and monthly records for facilities and systems operations, regulatory matters, laboratory analyses, maintenance plans and activities, financial matters, permit and compliance results, equipment status, and other relevant information in accordance with applicable laws, regulations, permits and guidelines. Reports will be provided to Authority Board of Directors, as appropriate, to assure compliance with the above.
- 2.8 To ensure effective communications, District staff shall:
- 2.8.1 Meet up to twelve times (12) times per year with Authority's Board and such additional meetings as necessary with Authority's designated representative(s) to review operations, reports, ongoing cost information, and upcoming projects and/or operations which may impact service delivery or the public;
- 2.8.2 Conduct a tri-annual comprehensive plant and system inspection with Colorado Department of Public Health and Environment (CDPHE) representative(s) to evaluate and document, regulatory compliance;
- 2.8.3 Conduct annual safety inspections of all Authority facilities; and
- 2.8.4 Conduct storage tank condition assessments every 5 years.
- 2.9 District shall perform routine inspections and evaluations of all facilities, following industry best management practices, and utilize the CMMS system to manage corrective, preventive or

Appendix D: Operating Agreement with the District

- predictive maintenance. Any significant concerns shall be communicated to the Authority at the earliest possible opportunity. District shall notify Authority of specific capital expenditure needs for remedial maintenance, replacement, upgrading of structures, systems, equipment, etc. The evaluation shall include a cost-effectiveness analysis and/or other documentation in support of any repair/replacement/upgrade recommendations made by District. District shall prepare an Annual Capital and Capital Replacement Plan, and submittal shall be timed to coincide with Authority's annual budget preparation.
- 2.10 District shall comply with State public bid requirements when contracting on behalf of Authority for projects valued in excess of \$120,000 (HB 23-1023).
- 2.11 District shall revise as necessary the comprehensive Emergency Preparedness Plan for interaction and coordination with agencies of Eagle County, town of Vail, town of Avon, town of Minturn and other special districts. District shall plan for and deal with any and all reasonably foreseeable emergencies or abnormal conditions that may arise and use best efforts to maintain or restore delivery of water services to Authority's customers.
- 2.12 District shall maintain responsible and responsive working relationships with Authority's customers, the public, and representatives of Authority, regulatory agencies, and other entities with which Authority has dealings.
- 2.13 District shall staff Authority's Facilities as necessary to carry out all functions of such Facilities in accordance with this Agreement.
- 2.14 District shall manage and direct the activities of the Authority's General Counsel in the provision of legal services for the Authority, including, but not limited to, contracts, collections, litigation, and property interests, and shall report on such activities to the Authority Board.
- 2.15 With regard to Authority water rights District shall:
- 2.15.1 Maintain a listing of and manage all water rights leased to or owned by Authority.
- 2.15.2 Prepare monthly accounting of daily diversions attributable to each Authority member, Cordillera Metropolitan District, Bachelor Gulch Metropolitan District and Traer Creek Metropolitan District, for review by the Authority's Water Engineer and submit to the State of Colorado.
- 2.15.3 Assign each Authority customer's water consumption to the appropriate water right, track consumption of each, compile monthly reports, and submit to Authority's Water Engineer for approval and submission to the State of Colorado.
- 2.15.4 Review each request for service to determine if there is currently availability to serve it.
- 2.15.5 Determine whether water rights are available for new development and expansions of current development.
- 2.15.6 Prepare an annual plan for the allocation and use of water resources, particularly during anticipated low flows in the Eagle River.
- 2.15.7 Advise the Authority Board of opportunities to purchase additional water rights for the Authority.
- 2.16 District shall not convey, waive or relinquish any interest in real property, including water rights, without prior approval of the Authority Board.

ARTICLE 3 OPERATIONS

- 3.1 District shall have full responsibility for the operations of Authority's Facilities. Further, District shall be responsible to:
- 3.1.1 Operate diversion structures, wells, water treatment plants and water pump stations storage tanks and water distribution system in accordance with State laws and requirements of the Safe Drinking Water Act. Any amendments may require services subject to Article 11.2.5.
 - 3.1.2 Cooperate fully with State and County authorities to perform regular tests for water quality in accordance with appropriate government standards.
 - 3.1.3 Operate and maintain the pressure reducing stations which shall include the pressure reducing valves (PRV), pressure relief valves, gate/butterfly valves, strainers, and all other items necessary to keep the pressure reducing stations in operation. Each PRV shall be inspected, tested, and exercised in accordance with the District's regular maintenance schedule.
 - 3.1.4 Check and exercise fire hydrant valves annually. Provide flow test observations as requested.
 - 3.1.5 Identify buildings and uses within Authority's Service Area that require backflow prevention devices. Administer inspection and testing of all backflow devices annually.
 - 3.1.6 Locate, on the ground, water mains and valves, as required.
 - 3.1.7 Provide water shut offs for Authority customers.
 - 3.1.8 Inspect the connection of water service lines to the distribution system and maintain as built location drawings of the service lines, as record drawings.
 - 3.1.9 Provide coordination with other utility companies to ensure minimum interference between Authority's water facilities and District's facilities.
 - 3.1.10 Acquire and administer easements, encroachment agreements, special use permits and any other real property interests necessary and appropriate in connection with operation or construction of Authority facilities. District shall not convey, waive, or relinquish any interest in real property, including water rights, without the prior approval of Authority Board.
 - 3.1.11 Maintain a Geographical Information System (GIS) based mapping system of the water system infrastructure.
 - 3.1.12 Respond to main breaks and meter/service leaks within one hour.
 - 3.1.13 Witness pressure testing and perform periodic open ditch observation of water main and service line construction.
 - 3.1.14 Perform bacteriological testing of newly constructed or repaired water mains.
 - 3.1.15 Provide assistance in the design and operation of Authority's Facilities to ensure continuous economical and safe operation of the system.

- 3.1.16 Actively pursue improvements in effectiveness and efficiency, and reductions in the cost of operations and maintenance.
- 3.1.17 Perform ongoing water auditing and loss control programs to quantify water consumption and losses that occur in the distribution system and the non-revenue water accounting processes of Authority.

ARTICLE 4 GENERAL MAINTENANCE

- 4.1 During the term of this Agreement, District shall have full responsibility for the maintenance of Authority's Facilities, except as otherwise provided herein. District shall be responsible for performing routine, corrective, preventive and predictive maintenance procedures of the facilities and systems, all in a manner that assures the readiness and availability of equipment and systems on a consistent basis, and which ensures efficiency, long-term reliability and conservation of capital investment. District shall provide prudent maintenance in accordance with industry standards, equipment manufacturers' instructions and existing O&M manuals so that upon any termination of this Agreement facilities and systems will be returned to Authority in the same or better condition than at the effective date of this Agreement, normal wear and tear excepted. Such maintenance shall not include costs associated with flood, fire or other abnormal or extraordinary occurrences not within the control of District. Work performed by District or subcontractors shall be of the highest quality normally associated with work of the kind in which District's employees are engaged.
- 4.2 District shall maintain written Standard Operating Procedures (SOPs) as necessary to clarify, refine or supplement procedures provided in O&M manuals or manufacturers' maintenance manuals, or to describe maintenance practices which do not conform with these manuals.
- 4.3 District shall exercise all valves in the distribution system in accordance with industry standards and best management practices. District shall straighten and repair misaligned or broken valve boxes and perform necessary repairs on a time and material basis. In addition to the Services listed herein, District shall provide other services such as water line repairs and valve replacements, on a time and material basis, in accordance with the Fee Schedule for District Equipment and Personnel, attached hereto as **Exhibit B**.
- 4.4 All equipment or facilities added during the term of this Agreement will become the property of Authority. District shall maintain an inventory of Authority Facilities.
- 4.5 District shall be responsible for ensuring snow removal from fire hydrants within the Authority's service area.

ARTICLE 5 MAINTENANCE PLAN

- 5.1 District shall follow a maintenance, repair and replacement plan and maintenance response schedule customary to best industry practices for Authority's Facilities and equipment.
- 5.2 Decisions as to whether to make unanticipated replacement or repair of parts, equipment, or other facilities in excess of budgeted funds will be made by Authority following recommendation from District. Authority's concurrence shall be evidenced by Authority's President and District's concurrence shall be evidenced by District's General Manager.
- 5.3 While performing any maintenance, replacement or repair of Authority's Facilities required by this Agreement, District shall comply with District's "Standard Specifications for Water Lines," a copy of which is attached as **Exhibit C** and incorporated by this reference.

- 5.4 District shall perform all preventive and corrective maintenance in a timely manner. If, in the opinion of, and upon a majority vote of, Authority Board of Directors, preventive or corrective maintenance has been unreasonably delayed, Authority shall so inform District. District shall respond within six (6) working days outlining the reason for delay. If Authority determines that the delay is within the control of District, District shall be so notified, and District shall complete the necessary work, if such work is material to the operation, within six (6) working days or by a date certain beyond six (6) days of notification with approval of Authority. If District fails to complete the work, Authority may terminate this Agreement or take steps to have the specific items of work which have not been performed completed by a third party. The cost of completing this work shall be deducted from any monies owing District by Authority.
- 5.5 District will utilize a CMMS system which provides: a record of repair and repair history for each piece of equipment or line section; control of preventive maintenance; monitoring of routine distribution line operations; monitoring of corrective maintenance programs; issuing of work orders; issuing of exception, equipment status, and repair reports.
- 5.6 For Authority properties containing Authority's Facilities, District shall water, mow, fertilize, prune, remove weeds, maintain and repair permanent sprinkler systems and controls, and otherwise maintain landscaping at Authority's Facilities so that it is at all times reasonably acceptable to Authority.
- 5.7 District shall maintain the appearance and cleanliness of all Authority buildings and structures in accordance with the generally accepted standards customary to the industry at all times, and shall provide those services normally associated with maintenance of water treatment facilities including snow removal.

ARTICLE 6 EMERGENCY MAINTENANCE EXPENDITURES

District shall not obligate Authority to incur any expense for the acquisition of unplanned materials and equipment and third-party services in excess of \$120,000 per occurrence, except in case of emergencies, without prior approval, which may be given orally, by the President or Secretary of Authority, or other designated representative. Verbal requests by District and corresponding directives and approvals shall be followed up in writing at the earliest possible date after the expense is incurred. Authority agrees to include in its operating budget amounts for unscheduled repairs for each major cost center (i.e., water treatment and water distribution).

ARTICLE 7 ADMINISTRATION AND CAPITAL IMPROVEMENTS

District shall provide qualified administrative and technical personnel who shall perform the following duties:

- 7.1 Assist Authority by providing information and recommendations on short and long-term facility needs for Authority's financial planning.
- 7.2 As appropriate prepare Requests for Qualifications (RFQ) and/or Requests for Proposals (RFP) for studies, plans and designs for new facilities, expansion, upgrades, rehabilitation, or repair.
- 7.3 Select qualified and cost-effective consultants for planning and design services.
- 7.4 Act as Authority's representative and agent for design and construction of facilities. Such services shall be included in the Basic Compensation provided for in Article 11.
- 7.5 Administer, as necessary, all Authority's present and future contracts.

- 7.6 Provide plan, record drawings and easement review and approval for new construction and modifications to the existing water distribution system. Review and respond appropriately to requests for encroachments into Authority easements.
- 7.7 Maintain records and plans, including as-built drawings, for all the Authority's Facilities, including both electronic copies and hard copies of such materials, when practicable.
- 7.8 Maintain a current and accurate set of 1/4 Section drawings of Authority's water system, using a GIS-based water mains mapping system.
- 7.9 Provide Authority with monthly operations and status reports at least 5 days prior to, and attend meetings for, Authority's Board of Directors, as needed. Reporting shall cover operations, capital and special projects, finances, and other matters as directed by Authority. Authority and District shall develop mutually acceptable reporting forms and presentation formats.
- 7.10 Provide for emergency preparedness consisting of a centralized telephone number maintained to provide 24-hour response to emergencies such as interruption of water service because of system failures, line break, freeze-up or other mechanical problems. A copy of the Emergency and Mobilization Procedure is attached hereto as **Exhibit D** and incorporated herein by this reference.

ARTICLE 8 ACCOUNTING AND FINANCIAL

District shall provide qualified accounting personnel at District Office in Vail, Colorado, who shall perform the following duties:

- 8.1 Maintain a general ledger and subsidiary journals for all transactions, which will be accounted for in accordance with Authority's policy and procedures, and which will be in accordance with and governed by generally accepted accounting principles for governmental entities.
- 8.2 Provide quarterly reports to the Board, including, but not limited to:
 - 8.2.1 Water Sales Summary;
 - 8.2.2 Budget Comparison of Revenue and Expenditures.
 - 8.2.3 Status of Annual Capital and Life Cycle Program.
- 8.3 Prepare an Annual Budget and review with Budget Committee prior to the November budget hearing.
- 8.4 Maintain Authority bank accounts and invest excess cash in accordance with Authority's Investment Policy.
- 8.5 Prepare all annual financial statements and audit work papers. Coordinate completion of the audit and filing with the State Auditor by July 30 of each year.
- 8.6 Assist Authority in preparing and maintaining the operations budget, a report of budget variances and a summary of the maintenance costs and records.
- 8.7 In instances of cost sharing with third parties, collect the shared amounts from the other parties in a timely manner.

- 8.8 Recommend rate adjustments, as necessary and appropriate, to the Authority Board of the rates charged for water use and those related to new construction or remodeling of buildings in the Authority's Service Area, for consideration and approval of the Authority Board.
- 8.9 Manage outstanding debt program, ensure bond payments are made timely; coordinate issuance of new debt/bonds.

ARTICLE 9 BILLING AND CUSTOMER SERVICES

District shall provide qualified personnel who shall perform services for monthly water service meter reading and billings subject to the following:

- 9.1 Water service billings shall be issued at the same time and in the same manner as sewer service billings.
- 9.2 The Authority Board shall adopt by resolution, Rules and Regulations in substantially the same form as the District has adopted and as such Rules and Regulations may be amended from time to time. All bills, which remain unpaid 25 days from the date of mailing of such bills, shall have a Late Charge of one percent (5%) per month of any Balance Forward added thereto, which Late Charge, when paid, shall be retained by District. Authority authorizes District to pursue all collection procedures outlined in Authority's Rules and Regulations, to include certification of eligible unpaid and past due amounts to the Eagle County Treasurer for collection as property taxes on Authority's behalf.
- 9.3 As shall be authorized in the Authority's Rules and Regulations, the Authority acting through District personnel, may discontinue water service to customers whose account is past due following notice of disconnection to such customers as provided in the Authority's Rules and Regulations.
- 9.4 In the event a customer's service is unable to be discontinued, District will contract the work to correct any system deficiencies so that the customer's water service is able to be discontinued. The cost of such work may be added to the customer's billing as an adjustment.
- 9.5 Approximately one month after the end of each billing period, District shall remit to Authority, an amount equal to the total water services billed, less all amounts due from customers, which have any amounts in Balance Forward on their bills, which have remained unpaid for more than one hundred twenty (120) days.
- 9.6 District shall provide meter read verifications and respond to requests for service turn-on/shut-off within two days.

ARTICLE 10 PERFORMANCE REVIEW

At the request of the Authority Board, Authority may conduct formal written performance reviews of District. Two (2) performance reviews may be performed, one at the end of six (6) months, and the second in the eleventh (11) month of the Agreement. Authority will provide a copy of the performance reviews to District and schedule a meeting to review the findings with District. If at any time, however, Authority determines that performance has not been in compliance with the provisions of this Agreement, Authority will establish remedial steps for District to gain compliance with the Agreement. If District fails to initiate necessary remedial actions within five (5) working days; Authority shall have sufficient grounds to terminate the Agreement as specified herein.

ARTICLE 11 COMPENSATION

11.1 Authority agrees to pay District the actual cost of providing services. For the services included in the Scope of Services above, an estimated fee of \$8,481,648 shall be paid in monthly payments of \$706,804 as an estimate of Basic Compensation as the phrase is used herein. The determination of the amount of actual Basic Compensation due to District shall be accomplished through an end-of-year audit of District by its independent auditor. The difference of actual versus estimated Basic Compensation shall be paid to the other party within 30 days of acceptance of the District audit by District Board.

11.2 Basic Compensation, for 2024, shall be calculated as follows and is set forth in **Exhibit E**:

11.2.1 Personnel Costs shall include wages and benefits and shall be determined as follows:

- a. For customer service, utility services, human resources, information technology, finance, administration, and engineering excluding CIP, Authority's portion of direct personnel costs shall be that portion costs for the District employees performing those functions multiplied by the percentage determined by dividing the number of Authority accounts serviced by the District by the total number of Authority accounts and water and sanitation accounts serviced by the District.
- b. For all other departments, personnel costs shall be determined by an analysis of time sheets for the twelve (12) month period ending the previous December 31 adjusted for non-routine services provided to Authority on a time-and-material basis.

11.2.2 Vehicle Costs shall include but not be limited to the cost for annual fuel, repair and maintenance, vehicle replacement (by use of annual depreciation expense), and insurance. The total vehicle cost shall be allocated between District and Authority on the basis of 70% to the District and 30% to the Authority. This allocation represents the cost and mileage driven within the parties' service areas.

11.2.3 Overhead Costs applicable to Authority shall be allocated between District and Authority on the basis of direct personnel costs for each, over the previous twelve (12) month period.

11.2.4 Life Cycle, Replacement and Upgrade Costs represent the cost sharing of improvements to IT equipment, by District, which are not associated with Authority treatment, distribution facilities or SCADA systems. This allocation of costs will be reported with specificity as to fairness and reviewed and approved by Authority Audit Committee.

11.2.5 Other Services provided by District shall be billed at rates listed in **Exhibit B** or for amounts agreed to by District and Authority. Tests performed by District Laboratory shall be billed in accordance with the price per sample listed in Exhibit F.

ARTICLE 12 INSPECTION AND AUDIT

Authority reserves the right to enter on any of the facilities covered by this Agreement at any time to observe, inspect or audit any of District's operations, activities, or financial and operating records. Authority agrees to comply with District's operating and safety procedures when entered on any of the facilities covered by this Agreement.

ARTICLE 13 SPECIAL CONDITIONS

- 13.1 Insurance Requirements. At all times during the term of this Agreement, District shall carry and maintain in full force, at District's expense, the following insurance coverage. Such policies shall include a provision requiring a minimum of thirty (30) days' notice to Authority of substantial change or cancellation of coverage or insurance policies.
- 13.1.1 General Comprehensive Liability insurance in an amount of \$350,000 per person and \$990,000 per occurrence, including the following coverage: property damage; underground explosion and collapse hazard; and personal injury.
- 13.1.2 Comprehensive Automobile Liability insurance on all owned vehicles used in connection with the services in an amount of \$350,000 per person and \$990,000 per occurrence combined single limits for bodily injury and property damage.
- 13.1.3 Workers' Compensation insurance in accordance with the provisions of the Workers' Compensation Act of the State of Colorado for all employees to be engaged in the Services.
- 13.2 Certificates of Insurance. Prior to commencement of Services, District shall provide Authority with Certificate(s) of Insurance evidencing the insurance required by this Article and naming Authority as an additional named insured as its interest may appear for all Comprehensive General Liability insurance.
- 13.3 Indemnity. To the extent of the limits of any insurance coverage maintained by District, District further agrees to indemnify and hold Authority harmless from, and defend all actions against, all claims, damages, losses and expenses, including, but not limited to, attorneys' fees arising from any negligent act or omission on the part of District, its agents, or employees, provided, however, that any claim for negligent acts or omissions must be brought in accordance with and subject to the limitations of the Colorado Governmental Immunity Act, C.R.S. 24-10-101, et. seq., as amended, as the same may now or hereafter exist, and nothing herein shall be deemed or construed to be a waiver of the rights granted thereunder. Authority shall provide District with notice of the commencement of any action, subject to this paragraph, not more than five (5) days following receipt by Authority of notice of commencement of such action.
- 13.4 Renegotiation. Duties or services to be performed by District may be added or deleted and charges for services may be renegotiated by either party upon thirty (30) days' written notice to the other party.
- 13.5 Assignment. No assignment of rights and/or obligations shall be made by either party without the express written consent of both parties.
- 13.6 Term of Agreement. The effective date of this Agreement shall be January 1, 2024, and it shall extend for a period of twelve (12) months, ending December 31, 2024. This Agreement shall be automatically extended for additional successive one (1) year periods with no notice required to either party unless either party provides written notice of its intent not to extend the Agreement at the end of the current term and to terminate the Agreement at the end of the current term not later than three (3) months prior to the end of the current term of the Agreement. Annually, **Exhibits A, B, E and F** shall be updated for the extended term by District Staff and copies of such updated Exhibits shall be provided to the Authority Board for approval as part of the Authority's Budget process for the next calendar year.

ARTICLE 14 TERMINATION

- 14.1 This Agreement may be terminated without cause by either party upon giving to the other party three (3) months written notice in advance of the date upon which the termination becomes effective.
- 14.2 In the event of any emergency condition involving the water facilities and systems which is found by Authority to endanger the public health, whether caused by District or otherwise, and District is either unable or unwilling to correct such condition, Authority may terminate without notice this Agreement during the emergency condition, provided that at the conclusion of any such condition, the Agreement may be reinstated subject to paragraph 14.1 above.
- 14.3 If this Agreement is terminated by Authority or District, District shall furnish the services necessary to continue normal operations for a period of sixty (60) days after the termination date. This period will commence only at Authority's request, for the purpose of training and assisting new employees of Authority or its new contractor in the management and operation of Authority's Facilities. In such event, Authority shall pay to District currently existing compensation for said sixty (60) days.

ARTICLE 15 AMENDMENT

This Agreement may be amended by the adoption of written Appendices which are mutually agreed to by the parties.

ARTICLE 16 MISCELLANEOUS

- 16.1. Entire Agreement. This Agreement constitutes the entire Agreement between the parties hereto relating to the services, and sets forth the rights, duties, and obligations of each to the other as of this date. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force and effect. This Agreement may not be modified except by a writing executed by both parties.
- 16.2. Binding Agreement. This Agreement shall inure to and be binding upon the parties, their successors, and assigns.
- 16.3. No Waiver. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other of the provisions of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default hereunder be deemed a waiver of any subsequent default hereunder.
- 16.4. Controlling Law. This Agreement shall be governed by and construed in accordance with the law of the State of Colorado.
- 16.5. Subject to Annual Appropriation and Budget. Under no circumstances shall this Agreement constitute, or be considered as, a multiple-fiscal year obligation of either the District or the Authority. The Authority's and the District's obligations under this Agreement exist subject to annual budgeting and appropriations and shall remain subject to the same for the entire term of this Agreement.
- 16.6. Governmental Immunity. Nothing in this Agreement shall be construed to constitute a waiver, in whole or in part, of any of either of the parties' rights and protections under the Colorado Governmental Immunity Act, § 24-10- 101, et seq., C.R.S., as amended from time to time.

Appendix D: Operating Agreement with the District

- 16.7. No Third-Party Beneficiaries. It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the parties and nothing contained in this Agreement shall give or allow any such claim or right of action by any other third party on such Agreement. It is the express intention of the parties that any person other than parties receiving services or benefits under this Agreement shall be deemed to be an incidental beneficiary only.
- 16.8. Counterpart Execution. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals as of the day and year first above written.

EAGLE RIVER WATER & SANITATION DISTRICT

By: _____
President

ATTEST:

By: _____
Secretary

UPPER EAGLE REGIONAL WATER AUTHORITY

By: _____
President

ATTEST:

By: _____
Secretary

EXHIBIT A
2024 UERWA CAPITAL BUDGET

Capital & CRP Budget by Department

Department	2023 Budget	2023 Projection	2024 Budget	YOY Budget Var
Engineering	715,737	464,479	875,000	159,263
Field Ops	5,519,186	1,348,759	4,343,415	(1,175,771)
Finance	566,500	566,500	623,150	56,650
Human Resources	10,000	0	7,500	(2,500)
IT	25,000	0	20,000	(5,000)
Ops Tech	2,221,659	2,062,248	10,000	(2,211,659)
Utility Services	50,000	12,574	100,000	50,000
Water	2,875,430	1,366,956	2,310,000	(565,430)
Total	11,983,512	5,821,516	8,289,065	(3,694,447)

Carryforwards by Project

Fund Type	Project Name	Estimated Carryforward
Bond Project	Wildridge BPS and PRV Improvements	3,956,585
Bond Project	Fenno Well House/Raw Water Conveyance	1,210,725
Bond Project	Bolts Lake Reservoir	261,812
Bond Project	Beaver Creek BPS 1,2, & 3 Rehabilitation	222,537
Capital	Water Treatment Master Plan	190,364
Capital	ADWF Bathroom/Kitchen Remodel	37,426
Bond Project	Cordillera West Tank 1 Rehabilitation	29,532
Capital	ADWF Domestic Lift Station Rehabilitation	15,607
Bond Project	Arrowhead Transmission Main Rehab	4,584

Major Capital Projects

Fund Type	Project Name	2024 Budget	Total Project Budget
Bond Project	Arrowhead Transmission Main Rehab	2,500,000	3,350,000
Bond Project	Beaver Creek BPS 1,2, & 3 Rehabilitation	1,000,000	11,851,400
Bond Project	Bolts Lake Reservoir	875,000	68,949,223
Bond Project	Cordillera West Tank 1 Rehabilitation	685,800	762,000
Bond Project	Wildridge BPS and PRV Improvements	543,415	6,793,415

Appendix D: Operating Agreement with the District

EXHIBIT B: 2024 FEE SCHEDULE FOR DISTRICT EQUIPMENT AND PERSONNEL

Equipment	2024 In District Hourly Rates	2024 Out of District Hourly Rates
1 Ton Utility, Duramax	56.00	67.00
3" Pump	31.00	38.00
6" Power Prime Pump Trailer	62.00	74.00
Air Compressor (180 cfs)	25.00	30.00
Asphalt Cutter	38.00	45.00
Backhoe, John Deere #710 (1-1/2 cy, 3/8 cy Hoe)	93.00	112.00
Camera Locator	62.00	74.00
Camera Water or Sewer	223.00	268.00
Chain Saw	31.00	38.00
Composting Auger	38.00	45.00
Correlator-DigiCorr	99.00	119.00
Correlator-Zcorr	49.00	59.00
Demo Saw	31.00	38.00
End Dump Trailer	81.00	97.00
Forklift	49.00	59.00
Generator	62.00	74.00
Generator-Portable	43.00	53.00
Hoe/Pack Compactor	93.00	112.00
Jack Hammer and Hydraulic unit # 105 (1 ton)	56.00	67.00
Large Jetting Truck	136.00	163.00
Light Plant (mobile)	62.00	74.00
Loader	93.00	112.00
Lowboy Tractor	81.00	97.00
Lowboy Trailer	74.00	89.00
Mac-Trailer	31.00	38.00
Message Boards	31.00	38.00
Meter Test Bench	49.00	59.00
Mikasa Jumping Jack	56.00	67.00
Mini Excavator	93.00	112.00
Pickup with Plow	56.00	67.00
Pickup with Plow & Liftgate	56.00	67.00
Pump Truck	149.00	178.00
Rock Breaker/Hammer	186.00	223.00
Skid Steer	74.00	89.00
Skid Steer w/ Blower or Brush	99.00	119.00
Small Dump Truck	43.00	53.00
Small Jetting Truck	125.00	149.00

Appendix D: Operating Agreement with the District

Equipment	2024 In District Hourly Rates	2024 Out of District Hourly Rates
Small Portable Welder	25.00	30.00
Snowblower-Manual	18.00	23.00
Steamer	25.00	30.00
Tandem Dump Truck	62.00	74.00
TV Van	125.00	149.00
Utility Trailer	38.00	45.00
Valve Box Cleaner	25.00	30.00
Valve Box Operator/Cleaner	43.00	53.00
Valve Maintenance Trailer	81.00	97.00
Vehicle & Tools	43.00	53.00

Labor	2024 In District Hourly Rates	2024 Out of District Hourly Rates
Construction Managers, Planning Supervisors, Project Engineers	95.00	115.00
General Manager	210.00	250.00
Executive Manager	165.00	195.00
Field Operations Personnel	65.00	80.00
Managers	115.00	140.00
Office Administration & Accounting Staff	75.00	90.00
Operational Interns/Temps	27.50	27.50
Operations Supervisors and Field Operations Leads & Planners	110.00	125.00
Water & Wastewater Operations Personnel	65.00	75.00

Appendix D: Operating Agreement with the District

EXHIBIT C

The current form of **STANDARD SPECIFICATIONS FOR WATER LINES** for District are incorporated into this Agreement by this reference.

EXHIBIT D EMERGENCY AND MOBILIZATION PROCEDURE

1. In case of an emergency during normal working hours, Monday through Friday, 8:00 a.m. – 5:00 p.m., call (970) 476-7480, and personnel will be radio dispatched.
2. In case of an emergency during off duty hours, weekends and holidays, call (970) 4767480 and an answering service operator will contact the appropriate on-call personnel by telephone or pager.
3. District will have personnel on-call during off duty hours, weekends and holidays who will respond to the emergency.
4. When the on-call personnel arrive at the location of the emergency, they will determine the following:
 - a. Is the emergency an Authority or customer responsibility?
 - 1) If the emergency is a customer responsibility, they will inform the customer that it is the customer's responsibility and offer recommended solutions, as appropriate.
 - 2) If the emergency is an Authority responsibility, they will determine which of the following steps to take:
 - a) Notify Supervisor of the problem and proceed to correct the problem that caused the emergency.
 - b) Call out additional personnel to assist as necessary.
 - c) Call for equipment, if needed.
 - d) Call other utility companies for emergency line locations, Fire Department, residences if needed.
 - b. Time and material to determine the cause of the emergency shall be included in the Basic Compensation provided for in Article 11. If the emergency is determined to be an Authority responsibility, time and material will be charged to Authority in accordance with paragraph 11.2.5. If the emergency is determined to be a customer responsibility, time and material will be charged to the individual customer for any services provided after this determination is made.

Appendix D: Operating Agreement with the District

EXHIBIT E 2024 BASIC COMPENSATION

Total Cost for the Treatment, Distribution, CIP, Admin & Accounting services and Life Cycle Replacements:	2023	2024 Proposed
	<u>Budget</u>	<u>Budget</u>
Salaries and Benefits	5,242,810	5,976,803
Overhead cost allocation	1,200,190	1,243,444
Vehicles	135,000	135,000
IT Tech upgrades allocation	280,500	480,591
Total	6,858,500	7,835,838
CIP Management cost to be capitalized	566,500	645,810
Total ops agreement cost estimate	7,425,000	8,481,648
Billed Monthly	618,750	706,804
Compensation will be adjustment to final audited Amount.		

Appendix D: Operating Agreement with the District

EXHIBIT F 2024 LABORATORY PRICE LIST FOR UERWA (IN-DISTRICT)

Test	Method	Matrix	2024 Cost
Alkalinity, Total	SM 2320B	Wastewater and Drinking Water	18.50
Biochemical Oxygen Demand	SM 5210B	Wastewater	68.00
Chlorine (DPD Residual)	SM 4500-Cl G	Wastewater and Drinking Water	18.50
Chemical Oxygen Demand	SM 5220D	Wastewater	41.00
Conductivity	SM 2510A	Wastewater and Drinking Water	12.50
E. coli MPN	SM 9223	Wastewater and Drinking Water	38.00
Total Coliform and E. coli MPN	SM 9223	Wastewater and Drinking Water	50.00
Hardness	SM 2340C	Wastewater and Drinking Water	27.50
Heterotrophic Plate Count	SM 9215B	Drinking Water	27.50
Nitrogen, Ammonia	SM 4500-NH3E	Wastewater	25.00
Nitrogen, Nitrate + Nitrite	SM 4500-NO3F	Wastewater	18.50
Nitrogen, Total	Lachat Method 10-107-04-4-A	Wastewater	37.00
pH	SM 4500-H+B	Wastewater and Drinking Water	25.00
Simplified, TKN	Hach TNT 880	Wastewater	38.00
Solids, Total Dissolved	SM 2540C	Wastewater and Drinking Water	31.00
Solids, Total Suspended	SM 2540D	Wastewater and Drinking Water	25.00
Solids, Total	SM 2540B	Wastewater	25.00
Solids, Total Suspended + Volatile Suspended	SM 2540D and SM 2540G	Wastewater and Drinking Water	38.00
Sulfate	EPA 375.4	Wastewater and Drinking Water	25.00
Total Coliforms - presence/absence (BacT Sample)	SM 9223B	Drinking Water	31.00
Phosphorus, Reactive (Ortho)	SM4500-P E (Hach 843, 844, 845)	Wastewater	18.50
Phosphorus, Reactive (Ortho)	Lachat Method 10-115-01-1-M	Wastewater	31.00
Phosphorus, Total	SM4500-P E (Hach 843, 844, 845)	Wastewater	18.50
Phosphorus, Total	Lachat Method 10-115-01-1-F	Wastewater	38.00

Appendix D: Operating Agreement with the District

Late fees (This additional cost applies to samples not received during the time period requested)	Accepted sample drop off times/days	Matrix	2024 Cost
Total Coliforms – presence/absence (BacT Sample)	7:00 am to 3:00 pm (Monday-Thursday)	Drinking Water	9.00
Solids, Total Dissolved	First two weeks of the month (Monday or Tuesday ONLY)	Wastewater and Drinking Water	30.00
E. coli MPN and Total Coliform plus E. coli MPN	Before 9:00 am (Monday, Tuesday, or Thursday)	Wastewater and Drinking Water	22.50

NOTE: Prices are subject to change and do not include shipping
 Samples that are sent to contract laboratories will be charged the contracted laboratory prices.



MEMORANDUM

TO: Boards of Directors
FROM: Siri Roman, General Manager
DATE: Sept. 20, 2023
RE: General Manager Report

Special District Association (SDA) of Colorado

ERWSD received the Safest District of the Year Award at the annual SDA conference. This was an exciting accomplishment for staff as each employee contributes to our strong safety culture. The SDA prepared a video highlighting our work which we plan to show at the board meetings. This award is especially meaningful to our staff because maintaining a robust safety culture is the most important thing we do and involves every employee.

David and District Board Chair Dick Cleveland presented at the SDA Annual Conference on our housing program during the "Workforce Housing Crunch: Challenges and Solutions for Special Districts" breakout session. Participants were interested in all aspects of our program and had many specific follow up questions.

Also at SDA, I hosted a 'Water Horizons' Forum with Keith McLaughlin, the Executive Director of the Colorado Water Resources and Power Development Authority. The forum was well attended, and we covered a wide range of topics – PFAS, PFAS funding, growth paying for growth, west slope/east slope water supply, water conservation, regulations, construction costs, turf replacement, and Colorado River issues.

Rocky Mountain Water Environment Association (RMWEA) Annual Conference

The RMWEA Conference was held in Loveland Sept. 12-14. Becky Luna (from Carollo) and I presented "On the road again: A District-wide Approach to Achieve Regulation 31 limits," where we discussed the 2017 Nutrient Memorandum of Understanding, the Avon wastewater project and resulting water quality, preliminary plans for Edwards wastewater treatment upgrades, changing factors since 2017, and next steps. A lot of inputs/assumptions that led to the 2017 Nutrient MOU have changed significantly in the last six years, specifically lower streamflows, (which impact stream standards, and in turn permit limits) and construction costs. We are currently working through next steps for nutrient management among the three facilities.

Bolts Lake Legislative Tour

On Aug. 31, we hosted a field visit of the Bolts Ditch diversion point and Reservoir site for Matt Kireker from Senator Bennet's office, and Julie Sutor from Congressman Neguse's office. The intent of the field visit was to provide an overview of the project, share its community benefits,

discuss the proposed Bolts Ditch federal legislation, and discuss potential future funding opportunities. Brian, Jane, and Jason prepared a project summary handout and Diane organized the tour and compiled photos from the visit (see attached).

Water Conservation and Rate Restructure Outreach

David and I have started water conservation and rate restructure outreach with local managers (property management associations, metro districts, irrigation account managers, etc.). The intent is for the managers to better understand the *why* and to be informed as they prepare their budgets and communicate with their communities. So far, we have received consistent supportive feedback of the proposed changes, especially as managers better understand the current use of the Single Family Equivalent (SFE) multiplier and its implications to rates (i.e., the bigger the home, the cheaper the water).

Brian is scheduling presentations to UERWA member entities, municipalities, Eagle County, and other local governments. Please contact him directly if you would like us to present to any other local groups or associations.

Attachments:

- Bolts Lake Reservoir Project Summary
- Bolts Ditch and Reservoir Field Visit

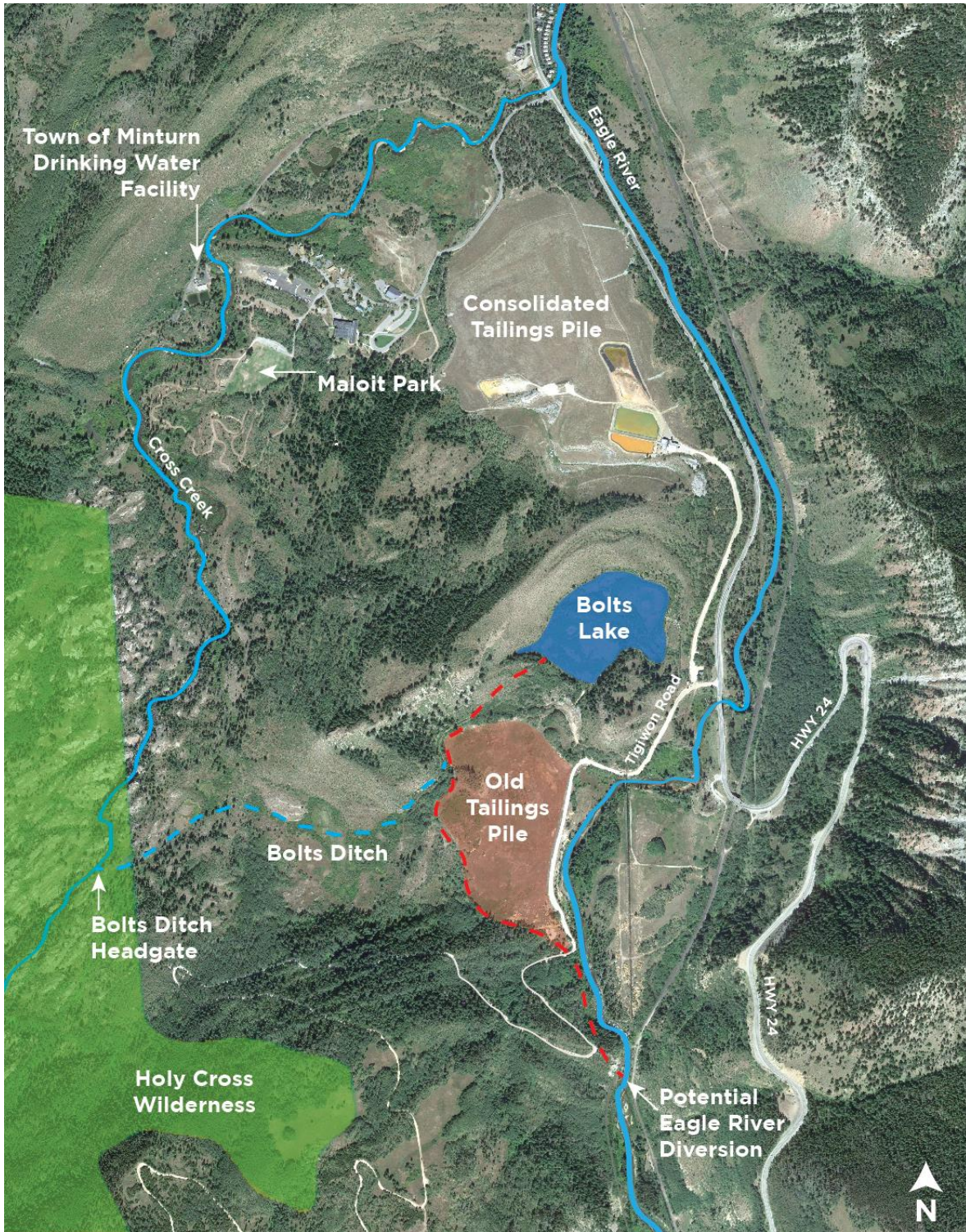


Bolts Lake Reservoir Project Summary

Eagle River Water & Sanitation District (ERWSD) and Upper Eagle Regional Water Authority (UERWA) are planning to redevelop Bolts Lake in Minturn with a 1,200 acre-foot reservoir. The reservoir was originally developed as a recreational reservoir by Ben Bolt in 1890, when he diverted water from Cross Creek into a natural basin. The reservoir has been inactive since 1996, when the dam was breached by order of Colorado’s State Engineer. ERWSD and UERWA are collectively the second largest municipal water supplier on the western slope, serving 55,000 customers during peak seasons, and require additional in-basin storage supplies to service their customers while maintaining healthy river flows. The Bolts Lake site was selected because of its proximity to Cross Creek and the Eagle River, its location on private property, and its previous use as a reservoir.

<p>Project Benefits:</p> <ul style="list-style-type: none"> • New source of in-basin water supply • Contributes to creation of strategic reserve to mitigate against the impacts of a warming climate • Provides additional water supply to serve workforce housing projects and other community land use priorities • Environmental benefits to streamflow during drought and critical low flow periods • Off-channel reservoir – no damming of rivers • Recreational uses allowed • Remediation of Eagle Mine Superfund site 	<p>Financial Impacts:</p> <ul style="list-style-type: none"> • Current estimated project cost: \$100 million • Estimated rate payer impact: \$20/month per single-family equivalent (18.5% increase over current rates) <p>Potential Grant Funding Opportunities:</p> <ul style="list-style-type: none"> • Colorado Water Conservation Board State Water Plan Grants • Colorado River Water Conservation District Community Funding Partnership • USBR Small Storage Program Grant • USBR Drought Resiliency Grant
<p>Estimated Timeline:</p> <ul style="list-style-type: none"> • <u>Spring 2024</u>: Complete Preliminary Design • <u>2024 – 2025</u>: NEPA Permitting and Design Development • <u>2026</u>: Final Design, State and Local Permitting, and Construction Financing • <u>2027 – 2029</u>: Construction (3 years) • <u>2030</u>: Reservoir Operational 	<p>Potential Diversion Sources:</p> <p>Two diversion sources are being evaluated:</p> <ul style="list-style-type: none"> • Eagle River Diversion: Will require pumping to achieve desired reservoir yield of 1,200 AF. • Cross Creek Diversion: Gravity-fed from the existing diversion on Cross Creek in the Holy Cross Wilderness.
<p>Bolts Ditch Federal Legislation:</p> <ul style="list-style-type: none"> • The Dingell Act must be amended to allow ERWSD & UERWA to use, maintain, and repair Bolts Ditch and its associated headgate within Holy Cross Wilderness. H.R. 4297 has been introduced in the U.S. House of Representatives and S. 2156 has been introduced in the U.S. Senate. 	<p>Next Steps:</p> <ul style="list-style-type: none"> • Complete preliminary design • Begin NEPA Permitting process with USFS, BLM, and ACOE. • Pursue grant funding opportunities to minimize financial burden on ratepayers.

Bolts Lake Project Vicinity Map





Below: About 50 feet inside the wilderness boundary is a bridge across the Bolts Ditch. L to R: George Gregory (*Upper Eagle Regional Water Authority board chair*), Jason Cowles (*ERWSD Engineering & Water Resources*), Julie Sutor (*Congressman Joe Neguse*), Siri Roman (*ERWSD General Manager*), Matt Kireker (*Senator Michael Bennet*), Kristin Moseley (*water counsel for ERWSD & UERWA*), Dick Cleveland (*Eagle River Water & Sanitation District board chair*)



Below: About 300 feet inside the wilderness boundary is the existing wooden diversion structure on Cross Creek (which can also be seen in the top right photo on the first page).





MEMORANDUM

TO: Boards of Directors
FROM: Siri Roman, General Manager
DATE: Sept. 20, 2023
RE: Minturn and Battle Mountain Developers Settlement Agreement

On Sept. 6, the town of Minturn entered into a Settlement Agreement with the Battle Mountain developers aimed at resolving litigation. According to Town of Minturn Settlement Agreement FAQs, both parties have now entered into a six-month diligence period where either party can withdraw from the agreement. Minturn is "(hiring) professionals to evaluate land that Minturn would receive in the settlement, including appraisals and an environmental analysis."

During Minturn's public work sessions, there were several questions that directly or indirectly involved ERWSD and the UERWA. These questions pertained to the use of the future Bolts Lake reservoir and adjacent land, access to the reservoir, recreational use, water and wastewater service to new development, etc. The attached letter was provided to the Town of Minturn to provide clarity to the questions that have been raised.

Attachment:

- Sept. 20, 2023, Letter to town of Minturn re: Settlement Agreement



September 20, 2023

VIA EMAIL

Michelle Metteer
Town Manager
Town of Minturn
manager@minturn.org

Re: Settlement Agreement between Town of Minturn, Battle One Developer, LLLP, Battle Two Developer, LLLP, Battle South, LLC, and Battle One A Developer, LLC

Dear Michelle:

I am writing on behalf of the Eagle River Water and Sanitation District (District) and the Upper Eagle Regional Water Authority (Authority) in regards to the Settlement Agreement between Minturn and various developer entities that own the Battle Mountain area properties.

In many of the informational documents and public meetings about the Settlement Agreement, there appear to be some questions about the Reservoir and the relationships among Minturn, the District and Authority, and the owner of the Battle properties. I hope to be able to fill in some of those gaps with the information below.

Reservoir Agreement. In February 2022, the District and Authority purchased the 45-acre Bolts Lake Reservoir property from Battle North, LLC, with the intent to develop an augmentation reservoir up to 1,200 acre-feet in volume. The Reservoir will provide critical in-basin water storage to the District and Authority's portfolio of water resources. Once constructed, the Reservoir will improve the resiliency of our community's water supply as we adapt to the impacts of a changing climate, and it will provide a water supply for important community initiatives such as workforce housing. In addition to serving all existing District and Authority customers, water stored in the Reservoir will also be used to augment diversions of the Town of Minturn and Battle North's planned future development on the land surrounding the Reservoir site. Water released from the Reservoir has an added benefit of improving downstream water quality, with enhanced Eagle River flows through Minturn. We appreciated Minturn's support in this purchase and recognition of the value to the community.

Minturn Agreement. In February 2022, Minturn and the District and Authority entered into an Agreement that secured augmentation rights for Minturn in exchange for a simplified future reservoir permitting process and release of an old easement. Minturn received 20 acre-feet in augmentation water at no charge, and the right to use up to 55 acre-feet of additional augmentation water to augment Minturn's depletions at discounted in-district rates. We greatly appreciate Minturn's hard work and efforts on that agreement and believe it reflects our shared communities' values of cooperation and water security.

Clean Water. Quality Life.™

846 Forest Road Vail, Colorado 81657 Tel (970) 476-7480 Fax (970) 476-4089 erwsd.org

Water Service. Minturn is the sole water provider for all development within the Town. The District provides sewer service to the Town, which is within the District's service boundaries. As part of the Reservoir purchase, the District agreed to become a contractual water provider to the Battle North properties "only if Minturn is unable or unwilling to supply potable water" to the development, and subject to Minturn's land use approvals for density. If Minturn is unable or unwilling to provide water to the Battle Mountain area properties, the District will fulfill its contractual obligation to provide water service.

We believe there are mutual financial and infrastructure benefits to both Minturn and the Battle Mountain area properties if Minturn were to become the regional water provider for both systems. Specifically, the significant funds that would otherwise be used to construct a new District-managed water treatment facility to serve the properties could be alternatively applied toward upgrading Minturn's current water treatment system. Minturn's residents would benefit by having lower water rates. Furthermore, Minturn could diversify its water supply by adding a new surface water intake on the Eagle River using water rights brought by the Battle area properties. The secondary supply intake on the Eagle River would provide redundancy to Minturn's primary Cross Creek source. Regardless of growth, with climate change, and increased risks due wildfire, drought, mudslides etc., resiliency is an important part of every water provider's portfolio and risk management strategy.

We understand that the terms of the Settlement Agreement require Minturn to revise its Municipal Code to exclude the Battle properties from receiving Town water service. We also appreciate that settlement negotiations are tricky and delicate. We remain available and open for discussion and consult should Minturn and the developer conclude at any point that Minturn is the more appropriate water service provider.

Easements. The District and Authority have both permanent and temporary easements on portions of the Battle property, including the properties that Minturn has rights to obtain through the Settlement. These easements are critical to the construction and continued operation of the Reservoir. The permanent location of some of these easements will be determined closer to the Reservoir design and construction. To ensure there are no impediments to easement locations, the District and Authority also obtained the contractual right to approve any assignments of the Battle North property.

Reservoir Design Update. The Reservoir is only in the initial design phase. The design, including the locations of the dams, spillway, diversions, and water conveyance facilities will not be completed until 2025. The preliminary design anticipates that there will be a saddle dam at the southern end of the reservoir which will be subject to review and approval by the State Engineer in accordance with Colorado dam safety standards. We will coordinate with Minturn on potential recreational access as the design progresses through the State permitting process.

Recreational Uses. An additional community benefit negotiated through the February 2022 Agreement among Minturn, the District and Authority, is that the Authority and District agreed to allow passive recreation on the reservoir, including non-motorized boating and fishing, so long as it does not interfere with the Reservoir's main purpose of water supply. Minturn also has the option to construct a dock for better access for kayakers and paddlers.

The February 2022 Agreement was intentionally silent on swimming as a recreational use. Natural swimming areas are permitted though the Colorado Department of Public Health and Environment (CDPHE) and require a memorandum of agreement with an owner/operator and frequent water quality monitoring. In addition, it is anticipated that the reservoir will be up to 55

feet deep so safety is a concern. The District does not intend to be the owner/operator of a natural swimming area and does not plan on taking on the responsibility of maintaining a safe swimming area. The Reservoir's primary purpose is for augmentation supply meaning that water levels will see large fluctuations throughout the year as are legally and operationally necessary to meet augmentation obligations to the District, Authority, Town of Minturn, and Battle North. It is important that the community understand that the recreational use of Bolts Lake is very different from other local swimming areas such as Nottingham Lake in the town of Avon.

I hope that the above information is helpful. Please feel free to share this information with your Council Members. The District and Authority value the cooperative spirit among our organizations and community. We look forward to continuing that partnership going forward. We will continue to keep Minturn updated on the progress with Bolts Lake. If valuable to Minturn, we would be happy to present on the status at an upcoming Council meeting. We remain committed and open to ongoing conversations with both Minturn and the Battle properties owner.

Sincerely,

Siri Roman
General Manager

ec: ERWSD and UERWA Boards of Directors



MEMORANDUM

TO: Boards of Directors

FROM: Allison Ebbets, Water Conservation Supervisor

DATE: September 20, 2023

RE: Water Conservation Program Update

Water Conservation staff are actively supporting overall water conservation goals and developing tools to progress on key programmatic work; a summary is below.

Rebates to reduce outdoor water use

Public interest in the outdoor rebate program continues to increase. The tables below summarize rebates issued in 2023 compared to earlier years. For 2024, ERWSD has budgeted \$10,000 for rebates and UERWA has budgeted \$100,000. These budgets are based on past patterns and known interest from customers. Additionally, the Colorado Water Conservation Board (CWCB) has awarded \$40,000 to each entity and both are in the application process for the next iteration of funding, all of which must be spent by June 30, 2025.

2023: Rebates issued to date (ERWSD & UERWA)

Rebate Type	# rebates issued	\$ rebated	Sq. ft. replaced
Landscape transformation*	10	\$66,072.00	33,036
Smart irrigation controller	5	\$355.92	N/A
Irrigation audit	0	N/A	N/A
Irrigation efficiency bundle	2	\$1,875.00	N/A
Total	17	\$68,302.92	33,036

*For 2023, Landscape transformation rebates are \$2/sf with approved grant funding

2020 – 2022 Rebates issued to date (ERWSD & UERWA)

Rebate Type	# rebates issued	\$ rebated	Sq. ft. replaced
Landscape transformation*	7	\$11,386.00	9,386
Smart irrigation controller	9	\$900.00	N/A
Irrigation audit	0	N/A	N/A
Irrigation efficiency bundle	5	\$6,181.05	N/A
Total	21	\$18,467.05	9,386

*Landscape transformation rebates were \$1/sf

Rates and billing structures

At the July and August board meetings, the boards directed staff to move forward proposed billing structure changes for *individually metered residential* and *irrigation only* accounts. These changes are incorporated into the proposed 2024 budgets. The proposed billing structure changes address two out of the total six customer account types. The WC team will analyze rate structures for the remaining account types and present completed analyses to the boards in 2024. Upon board approval, the new rate structure for the remaining four types would be implemented in the 2025 budgets.

Account structure type	Year to implement updated structure	# of accounts
Individually Metered Residential	2024	8267
Irrigation Only	2024	383
Commercial	2025	367
Multi-Family	2025	799
Municipal	2025	65
Mixed Use	2025	105

Online bill forecasting tool

To help customers understand the effect of the rate changes on their specific account(s), the WC team created a live bill forecasting tool that will be hosted on the district website. Using a customer's account number, this tool shows what a customer paid in 2023 and assumes they will use the same volume of water each month in 2024 to calculate predicted 2024 bills incorporating the new structure. There is also an option to adjust water use and evaluate the impact that will have on a single month's bill. Staff will provide a live demonstration of the tool during the September board meetings.

Data management and tracking

The WC and IT teams are collaborating to improve internal data management, tracking, and analysis capabilities. Already this team has created improved tools for internal use such as a streamlined One Time Credit calculator, an online live bill change calculator (described above) and are creating individualized letters with specific rate change information that will be mailed to every customer. This team is making important adjustments to our data management that allow for more nimble data analyses and improved data processes (fewer errors and quicker response times) moving forward.

Customer Outreach

Water Conservation and Communications staff are working together on an outreach campaign informing customers about water conservation goals, rate and billing structure changes, and rebate programs. Outreach includes direct conversations with community members, public presentations, direct mail/email/phone calls to customers, and various media channels, as outlined below.

Type	Timing
One-on-one meetings with community / HOA / property managers	Continual
Radio interviews	Continual
News stories, columns	Monthly
Postcard to every 81620, 81632, 81657, and 81658 address	Sept. 29
Print, digital, and radio advertising	Oct. 1
Individualized letter showing rate change difference between 2023 and 2024	Mid-October
Bill calculator tool	Mid-October
Local government meetings	October-December
HOA and other community groups	October-December
Billing insert to every customer account	November statements
Email / phone communication to highest affected groups	November-December
Individualized letter showing rate change difference to highest affected groups	February-March 2024

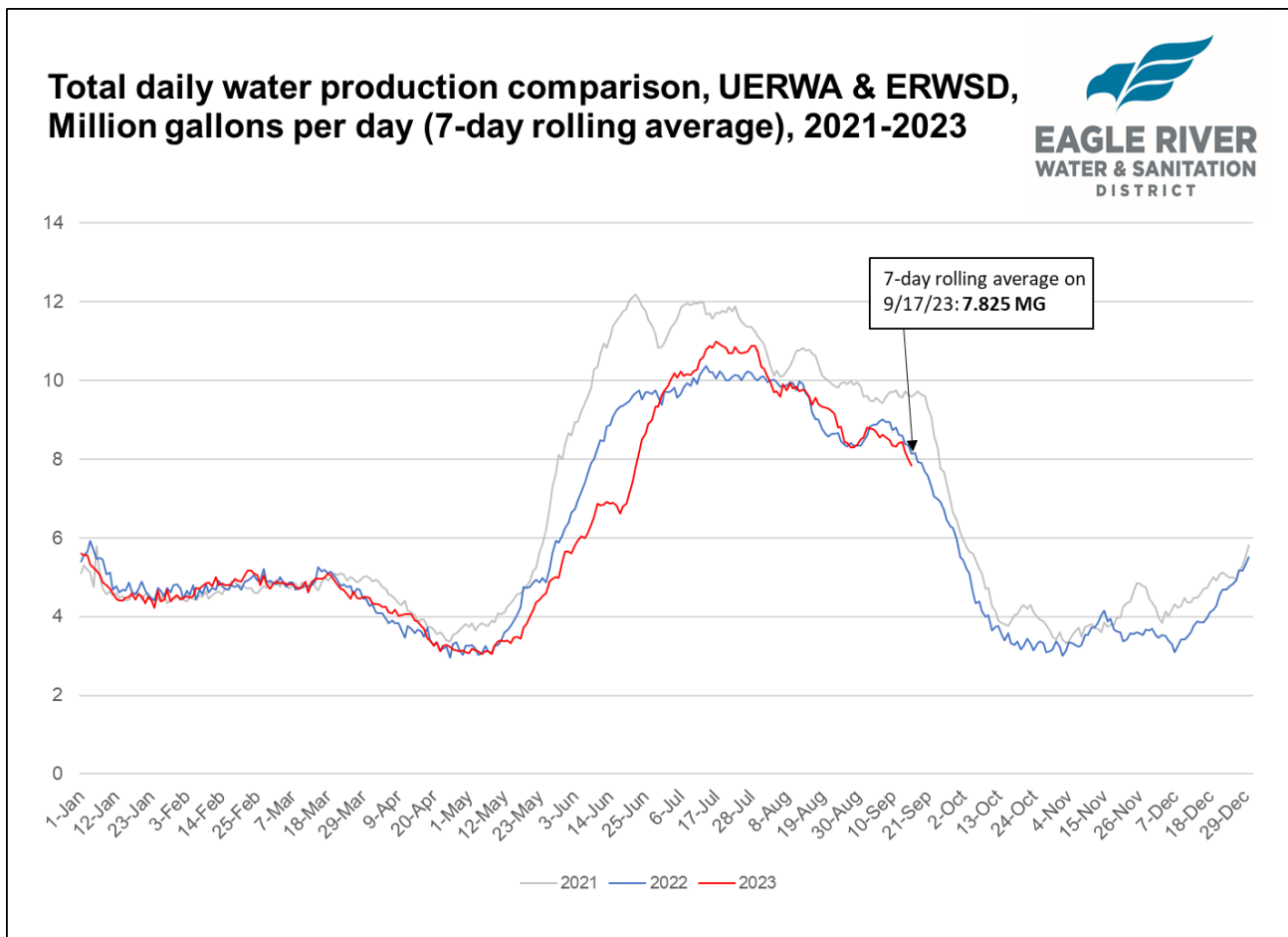


OPERATIONS MONTHLY REPORT SEPTEMBER 2023

WATER

Kailey Rosema

The system-wide water production comparison was updated through Sep. 17. System production is normal for this time of year.



The Water Department is wrapping up the busy irrigation season and is shifting its focus to various maintenance and capital projects that will occur this fall. The Avon Drinking Water Facility (ADWF) will be shutdown Oct. 9 – Nov. 9 to complete the programmable logic controller (PLC) replacement project, which has been in the design and planning phase for over two years.

The Colorado Division of Water Resources performed the annual dam safety inspection at Black Lakes Nos. 1 and 2 on Sep. 6. No major deficiencies were noted.

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State dam safety engineer inspection of Black Lake No. 2

WASTEWATER

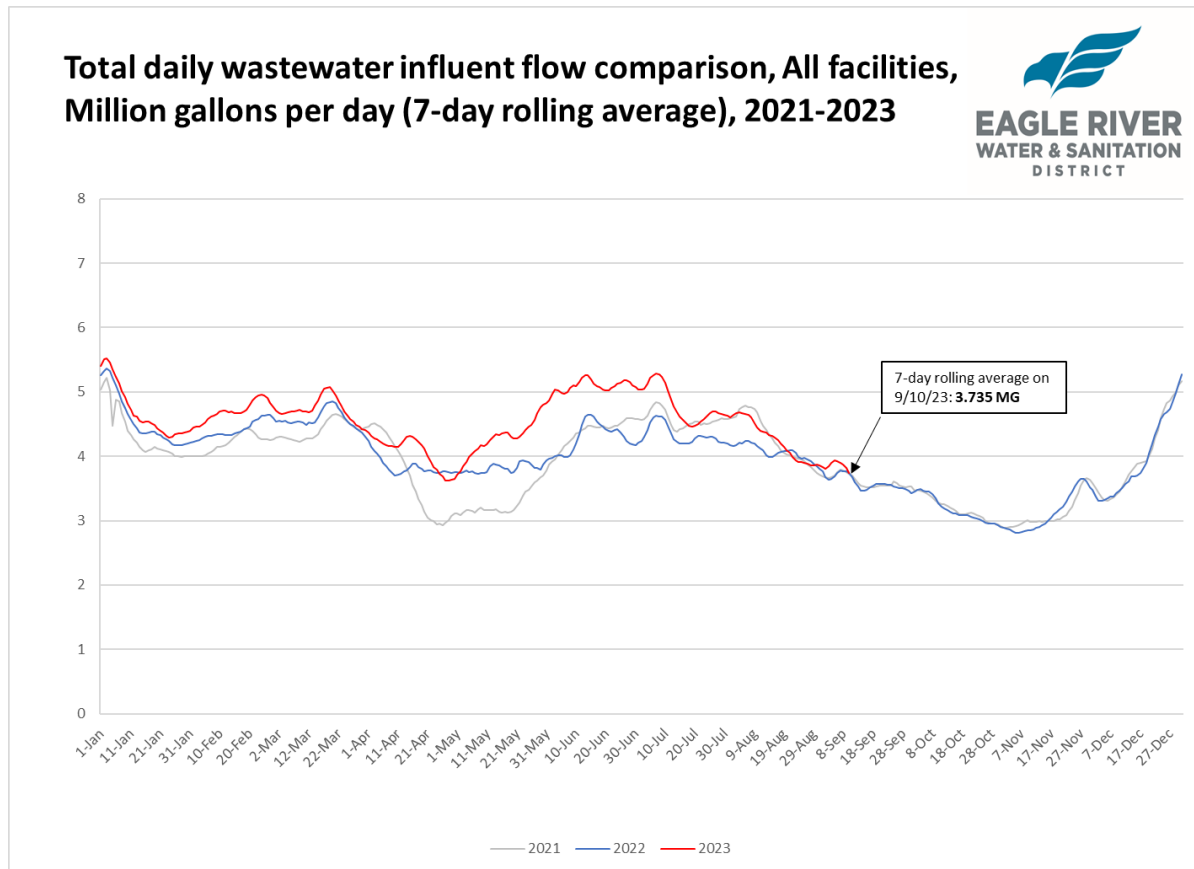
Chris Giesting

On Tuesday, Sep. 12, Avon Wastewater Treatment Facility (AWW) supervisor Tim Drescher accepted the Rocky Mountain Water Environment Association (RMWEA) Plant Performance Award on behalf of the AWW team, the Wastewater Department, and the District. This award is given annually to a wastewater treatment facility that exhibits outstanding results in plant operation, maintenance, and public relations.



Tim Drescher accepting 2023 RMWEA Plant Performance Award

Cumulative influent wastewater flow and organic loading is normal for this time of year.



LABORATORY & WATER QUALITY

Leah Cribari

The annual September Water Quality sampling event occurred Sept. 5 – 6. This event was a collaborative effort between many departments and involved staff members from the Lab, Water, Utility Services, Customer Service, Engineering, Operational Technology, Communications and Public Affairs, Field Operations, and Safety. The overarching goals of the monitoring program are summarized below.

- Characterize reference (natural) vs. impacted conditions in the District's source waters,
- Assess potential point and non-point pollutant sources,
- Develop an understanding of relationships between macroinvertebrates and nutrients,
- Develop an understanding of conditions unique to Gore Creek and the Eagle River,
- Determine impacts of proposed nutrient criteria on the District's wastewater treatment facilities,
- Support the development of potential management strategies for nutrients and other pollutants,
- Support the CDPHE Water Quality Control Division's data collection and nutrient criteria evaluation processes.

This was the 16th year of the sampling program. The program was originally started in 2008 and the sampling plan is reviewed and updated annually.

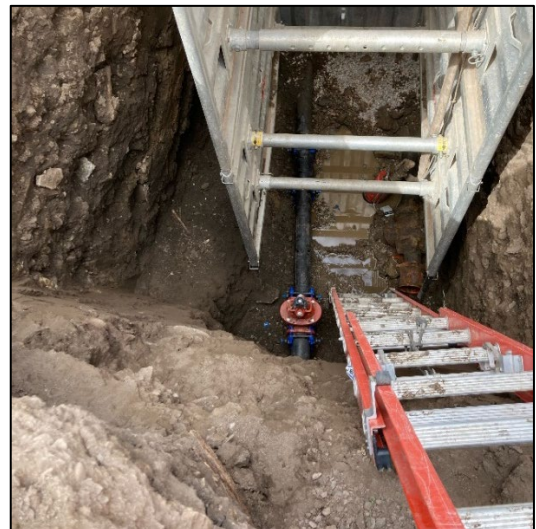


Flow measurement and water sampling during the September Water Quality Event

FIELD OPERATIONS

Niko Nemcanin

A distribution system isolation valve located near Geneva Drive in Vail was damaged during an emergency water main repair last winter. The Field Operations team returned to the site on Aug. 30 to replace the valve.



Distribution system isolation valve replacement

Field Operations staff raised and recoated two sewer collection manholes located near the Edwards Wastewater Treatment Facility. The manholes are adjacent to the Eagle River and were raised to minimize the impacts of inflow and infiltration (I&I) during spring runoff. The work was completed entirely by in-house Field Operations staff.



Sewer manhole raising project (near the Edwards Wastewater Treatment Facility)

The Field Operations team removed a large dead tree that was at risk of falling on an aerial sewer collection main that crosses Gore Creek in Vail.



Tree removal to prevent damage to sewer collection main (before and after)

UTILITY SERVICES

Shane Swartwout

Meter Services

The Meter Services team has continued AMI conversion in the Authority service area. A progress report is provided below.

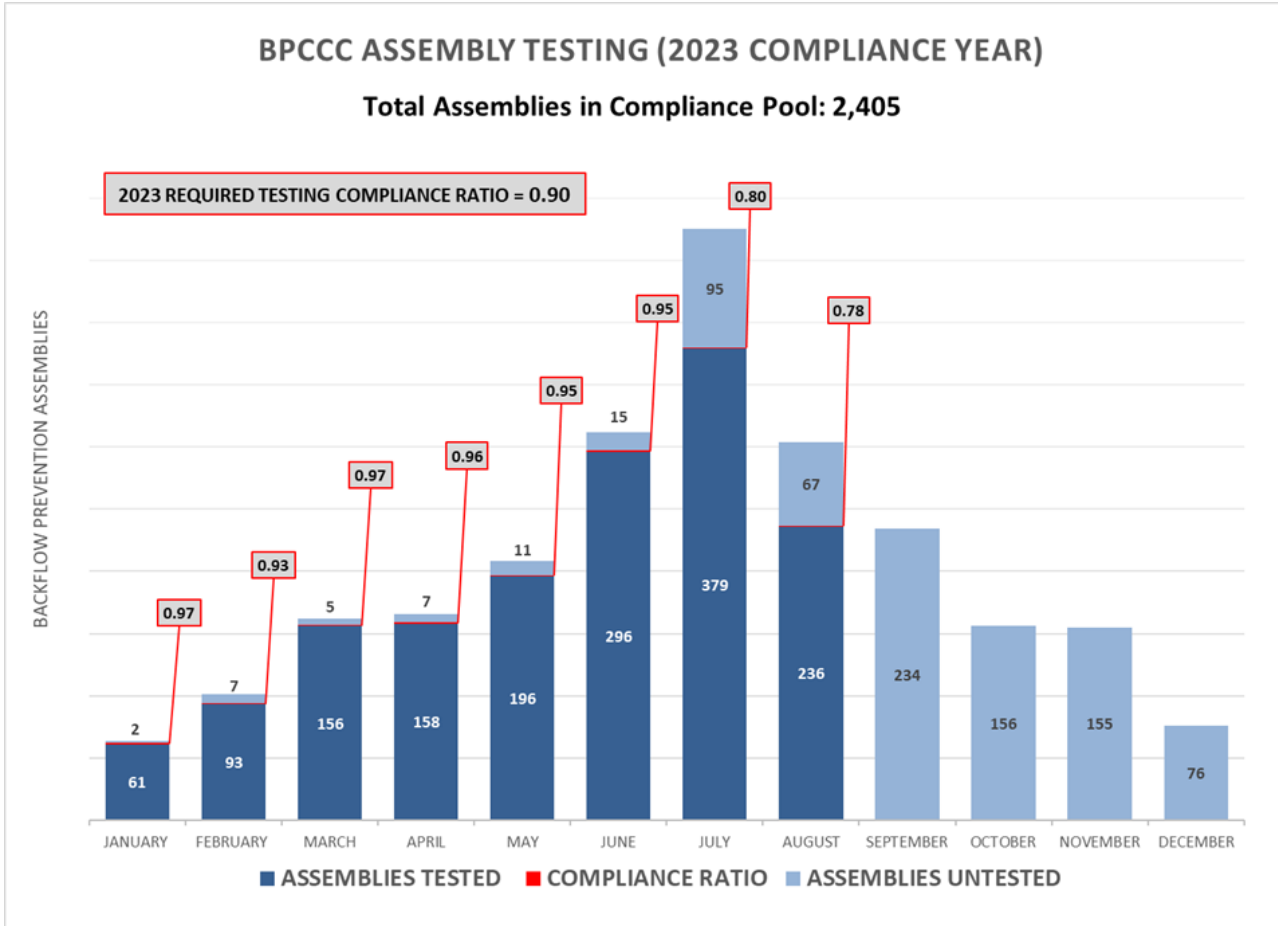
Report Date:	9/18/2023
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AMI SYSTEM STATUS	ERWSD	UERWA	TOTAL
(1) Total No. of Meters	3207	6850	10057
(2) No. of AMI Meters	3207	6165	9372
(3) System Percentage of AMI Meters	100%	90%	95%
Meters Remaining to Reach 100% AMI	0	685	685

Meter Services – Advanced Metering Infrastructure (AMI) Status (Updated 9-18-2023)

BPCCC Program

The BPCCC team continues to focus on testing irrigation backflow prevention assemblies. There are currently 205 irrigation assemblies that need to be tested (out of 770 total). Staff mailed 173 letters to customers with irrigation accounts as a reminder to have their assemblies tested prior to winterization.



Lead Service Line Inventory Update

The EPA published the Lead and Copper Rule Revisions (LCRR) in December 2021. The LCRR includes a new requirement for water systems to complete a comprehensive materials inventory of its service line connections, referred to as a Lead Service Line Inventory (LSSI).

District staff began proactively taking steps to develop the LSSI soon after the LCRR was finalized. Specifically, staff and contractors began work to locate, survey, and map all service line curb stop valves. District staff also carefully monitored the evolving regulatory policy development and began actively participating in CDPHE’s stakeholder processes.

On Sep. 7, CDPHE adopted the “Initial Service Line Inventory Development Policy (Policy DW018)”, which was developed through the stakeholder process. Per the general screening

criteria defined in the new policy, all District services are classified as “non-lead.” This classification will greatly reduce the effort needed to complete the District’s LSSI because material evaluations will not be required for every individual service. The District is on track to have the LSSI completed by the Oct. 16, 2024 deadline.

ENGINEERING

Jeff Schneider

WATER PROJECTS

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: Information Technology (IT) staff members have started commissioning the new servers. All remaining electrical equipment, including the new PLC’s and filter consoles, were delivered to the site on Sep. 20. Final factory acceptance testing (FAT) of the PLC programming will be completed by Sep. 29. Installation of the first filter console PLC replacement is scheduled to begin on Sep. 25. A full facility shutdown is scheduled from Oct. 9 – Nov. 9 to complete the project.



Server Commissioning at ADWF

Fenno Wellhouse and Raw Water Conveyance

Carter Keller

General Project Scope: The project includes a complete replacement of a treatment facility in Cordillera that treats water from seven groundwater wells. The previous facility did not meet electrical code, had safety concerns, and was generally at the end of its useful life. The new treatment facility was completed in 2022. The current focus of this project is to assess and rehabilitate the aging wells and raw water conveyance piping that serve the new facility.

Project Update: The pump and motor were removed from Fenno Well F2 and the project team is currently inspecting the equipment and well casing. Fenno Well F4 will be evaluated next. The team is continuing to work through an easement access issue with Fenno Well F7.

Water Production and Treatment Masterplan

Jenna Beirsto

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

Project Update: The District's internal project team met in August to begin developing a strategy to complete the masterplan using in-house staff. The major work will begin at the end of 2023, after the end of the busy construction and operation seasons.

North Frontage Road Watermain Improvements

Kevin Nelson

General Project Scope: This project involves construction of approximately 700 linear feet of 10-inch diameter water main from the Residences at Main Gore (near the main Vail roundabout) to the culvert crossing at Middle Creek.

Project Update: Approximately 650 linear feet of 10-inch water main pipe has been installed to date, including the entire run within the North Frontage Road. Two new fire hydrants have been installed and about 90% of the pavement that was removed has been restored. The project team encountered an unexpected complication with the final tie-in location. Specifically, the existing water main is much deeper than expected (~20 feet). The project team is currently evaluating alternative tie-in options.

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 1.

Project Update: Construction work started the week of Sep. 18. The contractor is currently working to locate underground utilities and is coordinating right-of-way permitting with the Town of Avon. The project team has started to develop Method of Procedures (MOPs) for upcoming water main work, including the installation of the pump-around connections that will be used when the existing booster pump stations are taken offline for the rehabilitation work.

Avon Drinking Water Facility (ADWF) Roof Replacement

General Project Scope: This project includes replacement of the ballasted and fully adhered sections of the roof at ADWF. The roof is over twenty years old and has developed several major leaks.

Project Update: A preconstruction meeting was held on Sep. 1. Crews mobilized to the site on Sep. 18 and roof demolition and replacement began on Sep 19. A crane was used to lift the first delivery of roofing materials onto the roof and a second round of material delivery is scheduled on Sep. 21. The work is scheduled to be complete by mid to late October.



Roof material delivery



Roofers working on north side of ADWF roof

WASTEWATER PROJECTS

Avon Wastewater Treatment Facility (AWW) Nutrient Upgrades Jeff Schneider/Jenna Bearsto

General Project Scope: The AWW requires upgrades to meet Regulation 85, which requires a reduction of the concentrations of nitrogen and phosphorus in the effluent. The scope of this project includes: addition of 0.6 million gallons of aeration basin capacity, installation of a new secondary clarifier, structural modifications to the existing aeration basins to remove the existing double-tees and replace with a building structure, installation of a new odor control study and system, and other improvements throughout the facility. This project also includes improvements identified in a 2017 condition assessment in process areas throughout the facility.

Project Update: The electricians and mechanical contractors completed work to install the new exhaust fans, air handling units, and ducts. Final testing and balancing of the HVAC system is scheduled for Sep. 19. The contractor has reached substantial completion on the project and final punch list walks were completed the week of Sep. 4. The general and electrical contractors have continued demobilization activities, including cleanup of the warehouse that was used for storage during construction. Completion of final punch list items is underway in preparation for the Sep. 30 final completion date.



Site work on southwest side of the facility



HVAC work on aeration basin roof



Demobilization of materials from the site

Dowd Junction Collection System Improvements

Jenna Beairsto

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

Project Update: Mechanical process work, HVAC, and electrical work is ongoing inside the new lift station. Exterior siding and roofing work is also ongoing. Work to install the generator pad, utilities, and storm drains on the exterior of the building will begin the week of Sep 18. Xcel installed the new gas servic. Trail construction over the force mains trench is underway. Paving along the length of the force main is scheduled for Oct. 9.



Process piping installation in the new lift station



Concrete placement for Eagle County's new bike trail

Avon Lab Improvements

Carter Keller

General Project Scope: The overall objective of this project is to install a new inductively coupled plasma mass spectrometer (ICP-MS) in the lab at the Avon Wastewater Facility. The new instrument will enable District staff to perform metals analyses in-house. Lab and architectural modifications will be completed, including installation of a new gas cabinet, duct chase, and fume hood. Additionally, the makeup air unit (MAU) that serves the lab and the HVAC system for the lab and lab offices will be replaced.

Project Update: The ICP-MS instrument was installed by the manufacturer's technician Aug. 29 – 31. Lab staff has begun instrument training and analytical method development. The project team is working on punchlist items. Final completion is scheduled for Sept. 30.



ICP-MS Installation

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: Startup and testing of Aeration Basin #3 is complete. Demolition of Aeration Basin #5 is expected to begin the week of Sep. 25. During installation of the diffusers in Aeration Basin #3, the project team inspected the mixed liquor transfer pipe (that runs along the bottom of the basin) and found it to be badly corroded. Additional investigative work, including video inspection and nondestructive pipe testing, confirmed that the pipe will need to be replaced. The engineer is currently working on a replacement design. Installation of the new flow control vault was completed. The new actuator and interior components of the flow control vault will be installed in early October. Demolition and replacement of the office entry front plaza has started. Installation of the new concrete is expected to begin in late September. Installation of the electrical ductbank is underway in the lower parking lot. The ductbank connects the new generator and new automatic transfer switch. New electrical gear concrete pads will be poured in late September.



New bypass sewer line



Front plaza demolition

Wastewater Master Plan

Madeleine Harris

General Project Scope: This Master Plan update will inform the scope and scale of the design for the upcoming Edwards Wastewater Treatment Facility (EWW) Nutrient Upgrades Project, which will be required to meet upcoming Regulation 85 nitrogen and phosphorous nutrient limits, as well as provide additional volume to meet existing rated capacity.

Project Update: The project team is nearly completed with the master plan scope of work and is shifting focus to preliminary design of EWW Regulation 85 improvements. The improvements at EWW are expected to include increased aeration basin capacity, new chemical feed capabilities, and general condition assessment work.

Gore Valley Trail Repair

Mark Mantua

General Project Scope: The Town of Vail operates and maintains the Gore Valley Trail (GVT) from Dowd Junction to East Vail. The District owns and maintains an 18-inch sanitary sewer interceptor main that is located beneath the GVT near Dowd Junction. In many areas, the GVT is supported by a vertical retaining wall with steep embankment slopes down to Gore Creek. In 2010, Gore Creek experienced high streamflow, which resulted in embankment erosion that exposed the District's sanitary sewer main. Temporary repairs have previously been attempted, including rebuilding and grouting the retaining wall. However, in 2019 high stream flow in Gore Creek once again caused subsidence in the gravel shoulder of the GVT. This project involves streambank improvements to permanently restabilize the embankments.

Project Update: The contractor has mobilized to the site and is working to transport and stage boulders. As a precautionary measure, an emergency sewer bypass pumping system was temporarily installed. It will be operated only if the existing collection pipe is inadvertently damaged during construction.



MEMORANDUM

TO: District and Authority Boards of Directors
FROM: Jason Cowles, P.E. and Justin Hildreth, P.E.
DATE: September 20, 2023
RE: Engineering & Water Resources Report

Development Report

At Avon's request, we've added a column to the Authority development report indicating the source of water rights for each project. The Authority has both water rights allocated to specific Authority contracting parties and water rights that are unallocated, which can be sources of water for new development projects. Allocated water is available for developments that fall within the existing water service commitments of the respective contracting parties of the Authority. Unallocated water rights are listed as the source for new developments within the service area of an Authority contracting party that has no remaining surplus of allocated water. Our goal is for the development report to be a useful tool for the Board to track projects and water availability. The report does not grant any specific rights to water for projects. If there are other additions to the report that would be helpful for the Board's purposes, please let us know and we will work to incorporate them.

Augmentation Water for Eagle County Airport Construction

In April, we discussed a request from Eagle County to the Authority to provide augmentation water from Eagle Park Reservoir for diversions needed for construction and rehabilitation of two taxiways at the Eagle County Airport. The Authority Board approved the request subject to payment of direct costs incurred by the Authority for operations and a limitation on the amount of augmentation water provided. The County was unable to secure Federal Aviation Administration funding in time for construction this year and the project was postponed. Construction will be divided into two phases that will occur in 2024 and 2025. The County anticipates that they will submit a new request next spring when their construction plans take shape.

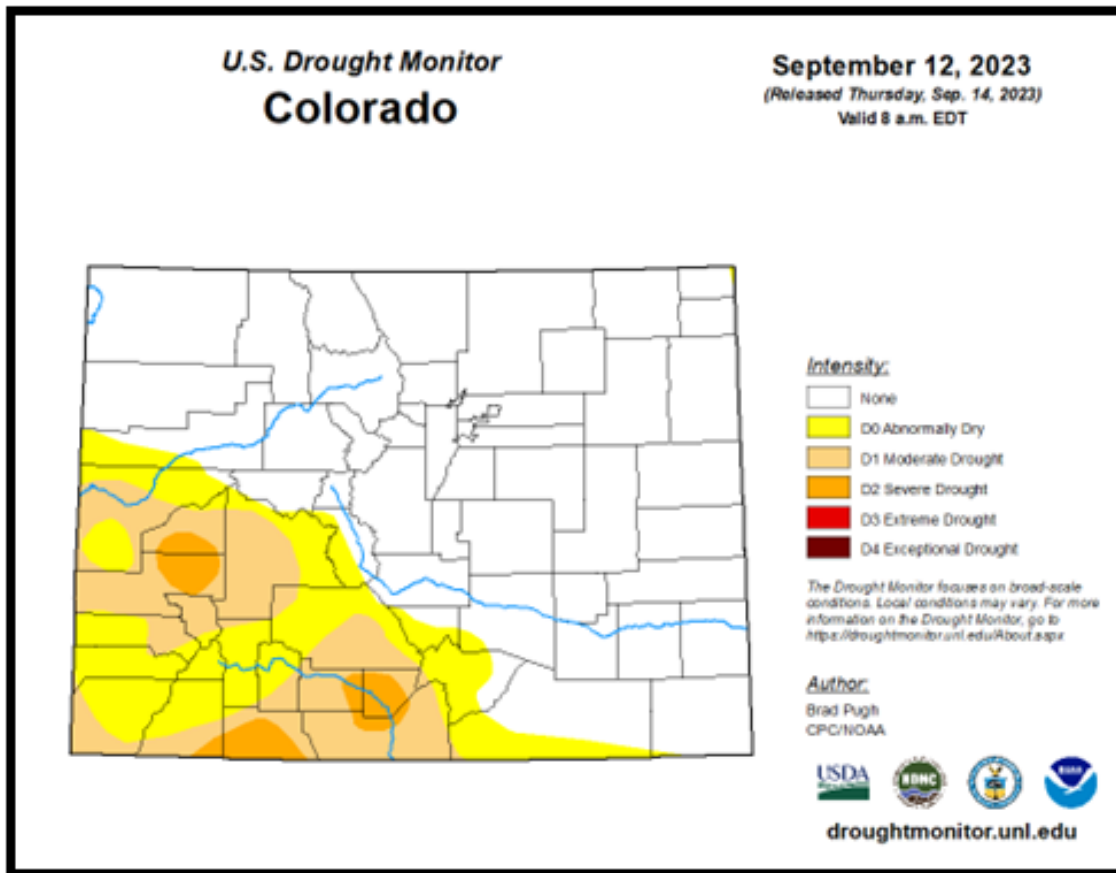
Water Resources Report

Justin Hildreth

Drought Conditions

September 12, 2023, U.S. Drought Monitor continues to categorize Eagle County along with north and east Colorado as not in a drought condition. The drought intensity for the southwest portion of the state increased to moderate and severe because of a lack of summer monsoon storms tracking in that region.

Figure 1. U.S. Drought Monitor – Colorado. September 12, 2023 (National Drought Mitigation Center)



Temperature and Precipitation Forecasts

Figures 2 and 3 show the current 8-to-14-day temperature and precipitation outlooks. The near-term modeling indicates that in the next 2 weeks, the temperatures will be leaning above normal. The 2-week precipitation outlook indicates below-average to average precipitation. The seasonal 3-month temperature and precipitation outlooks, which are less accurate, indicate that temperature will likely be above average, and precipitation has equal chances of being below or above average.

Figure 2: 8-14 Day Temperature Outlook - September 17, 2023 (NOAA Climate Prediction Center)

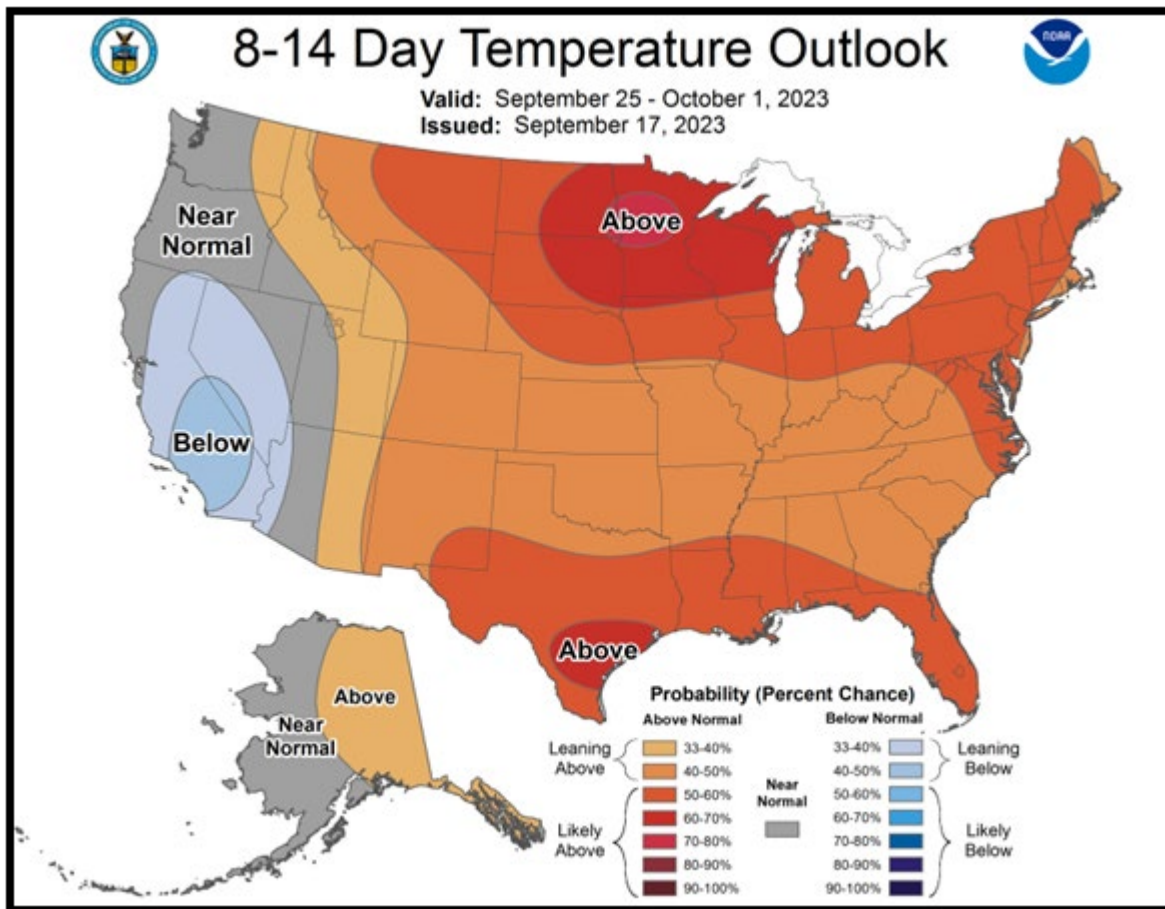
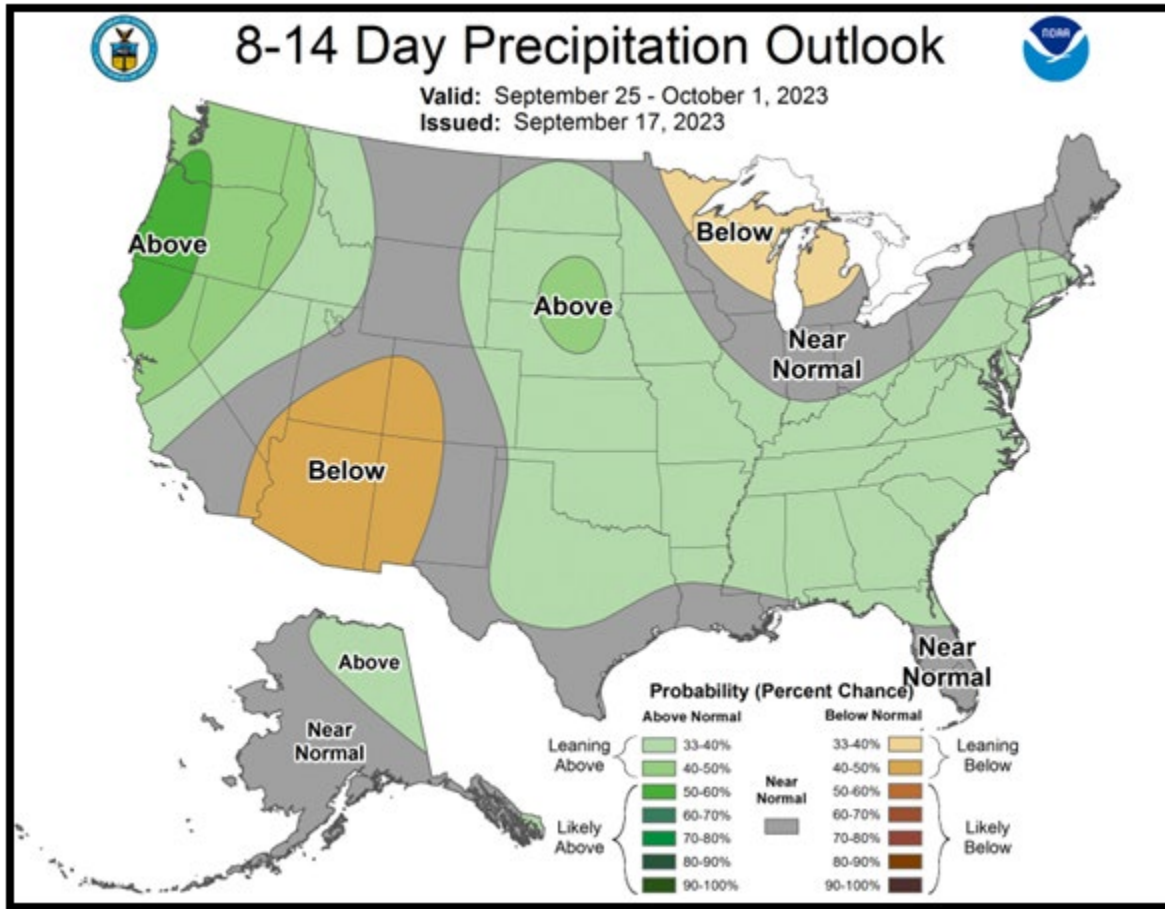


Figure 3: 8-14 Day Precipitation Outlook - September 17, 2023 (NOAA Climate Prediction Center)



Precipitation Conditions

Figures 4 and 5 show the cumulative water year-to-date precipitation at Vail Mountain and Fremont Pass respectively. As of September 18, 2023, Vail Mountain has 29.6” of accumulated precipitation for the water year, 4.0” below the median. Fremont Pass has 26.4” of accumulated precipitation for the water year, 1.9” below the median. The precipitation deficit is because the summer monsoon season has been abnormally dry and arrived late in the summer.

Figure 4: Accumulated Precipitation at Vail Mountain SNOTEL station, September 18, 2023 (USDA)

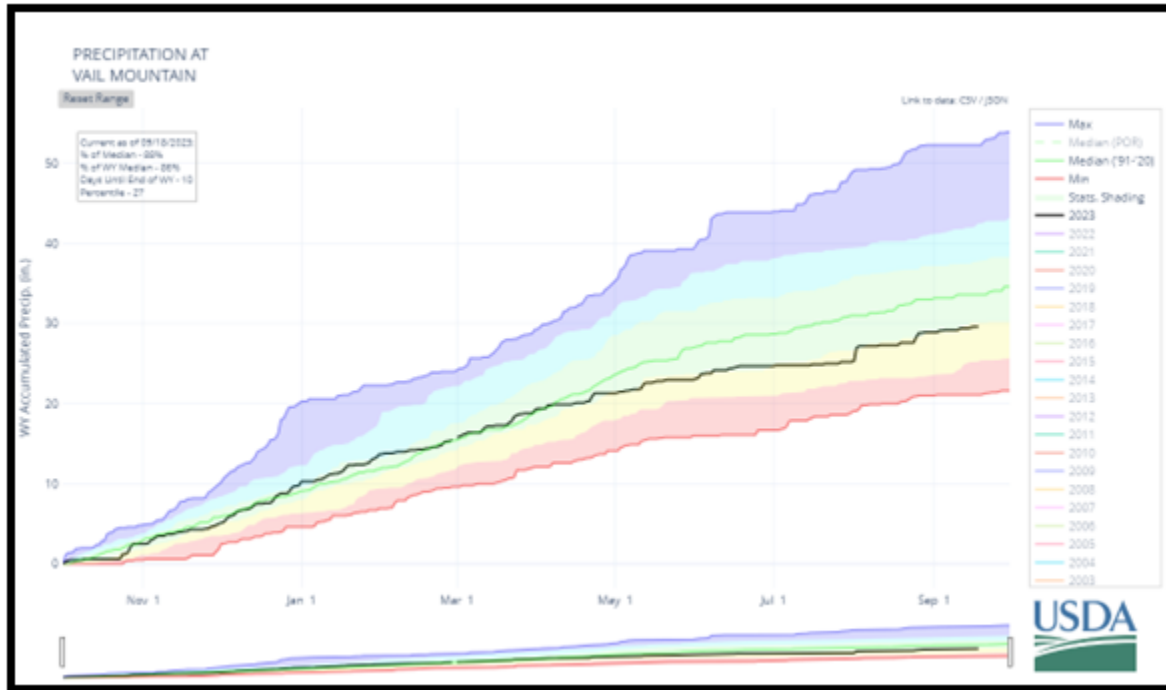
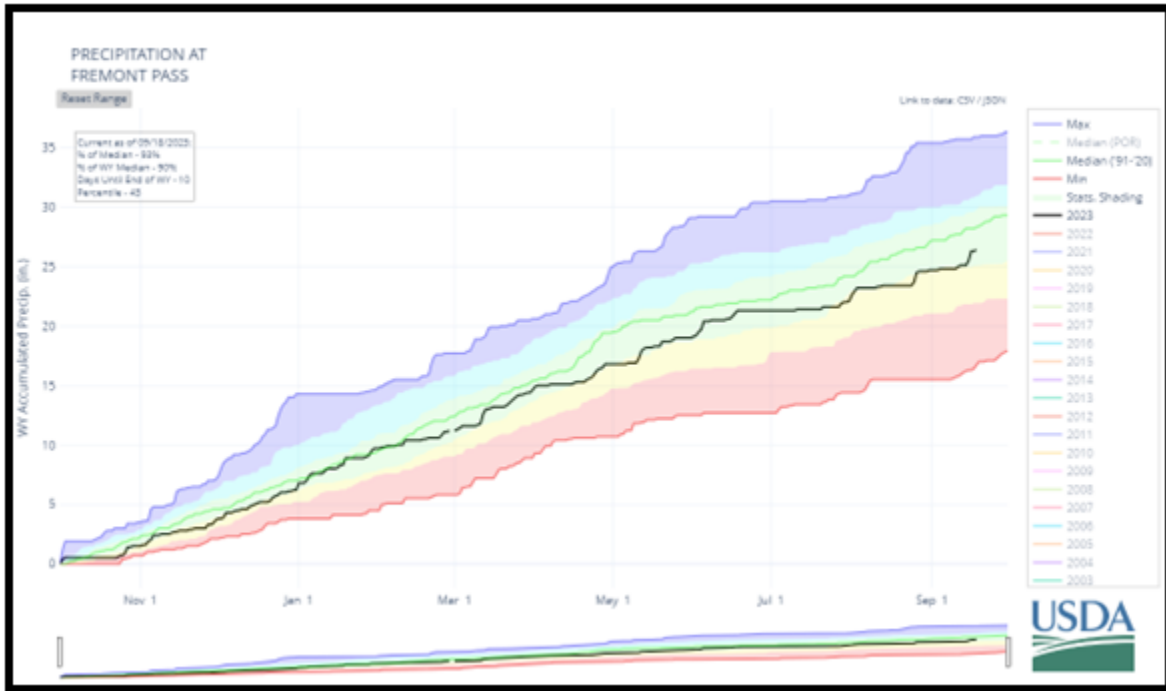


Figure 5: Accumulated Precipitation at Fremont Pass SNOTEL station, September 18, 2023 (USDA)



Streamflow

Figures 6, 7, and 8 depict hydrographs from the National Weather Service's Colorado Basin River Forecast Center. These hydrographs represent Gore Creek above Red Sandstone Creek, Eagle River at Avon, and Colorado River below Dotsero, respectively. As is typical for this time of year, the streamflows are gradually decreasing. Currently, Gore Creek above Red Sandstone is flowing at 27 cfs, comfortably exceeding the Colorado Water Conservation Board (CWCB) minimum instream flow water right of 16 cfs. Meanwhile, the flow at the Eagle River Avon station stands at 86 cfs, just slightly above the CWCB minimum in-stream flow water right of 85 cfs. We anticipate that Eagle River flows will continue to diminish through the end of the month, potentially necessitating water releases due to the instream flow. It's worth noting that last winter's peak snow water equivalent on Vail Mountain and Fremont Pass were at 101% and 83%, respectively. With an average to slightly below-average snow year and below-average monsoon season, Eagle River flows will likely dip below the minimum instream flow levels, prompting the need for in-basin augmentation releases. The instream flow on the Eagle River drops to 35 cfs on Oct. 1, and on Gore Creek it drops to 6 cfs on Nov. 1.

Figure 6: September 18, 2023, Gore Creek above Red Sandstone Creek Forecast Hydrograph, National Weather Service.

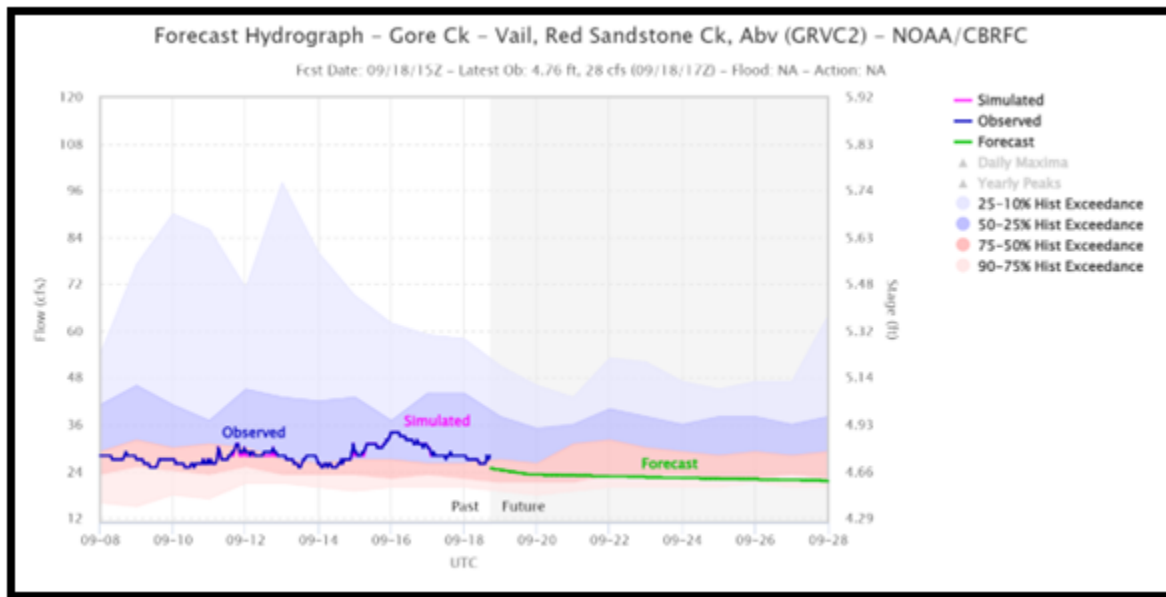


Figure 7: September 18, 2023, Eagle River at Avon Forecast Hydrograph, National Weather Service.

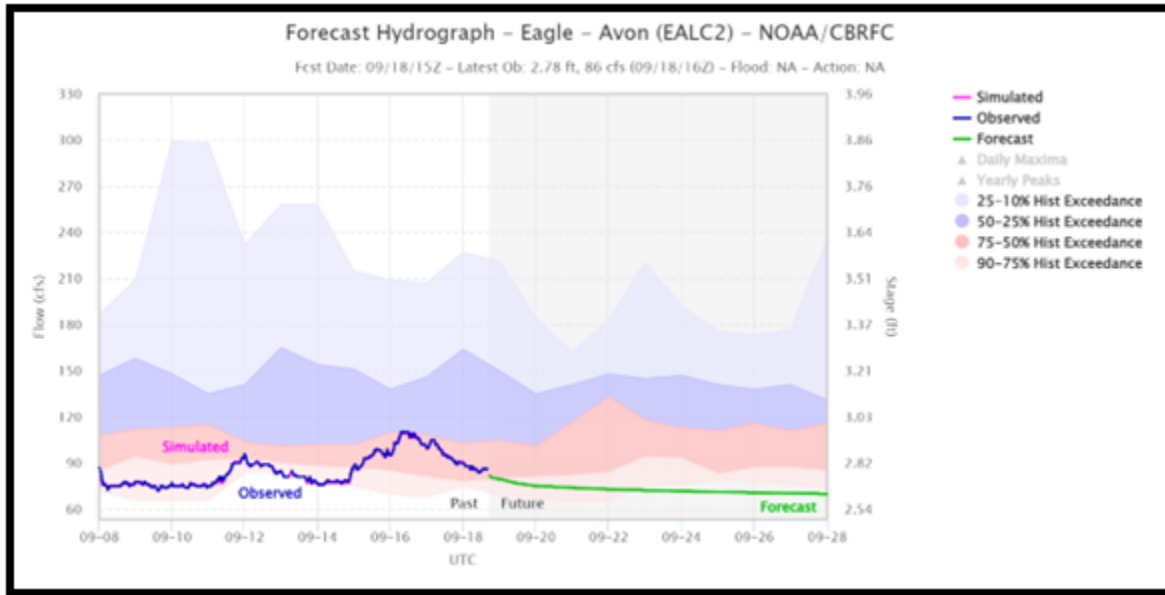
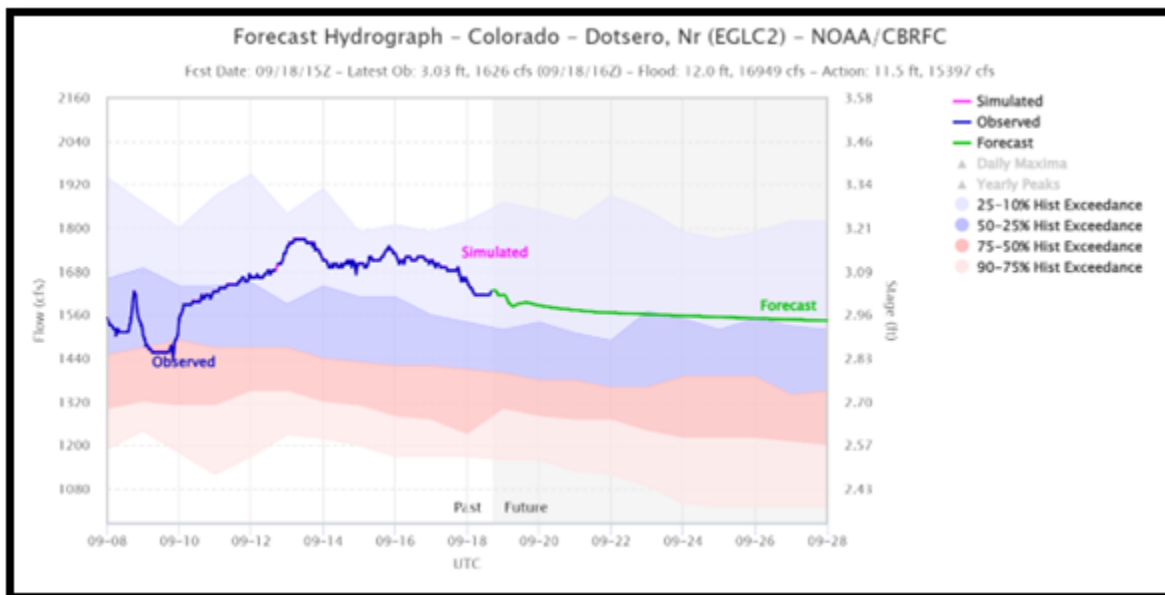


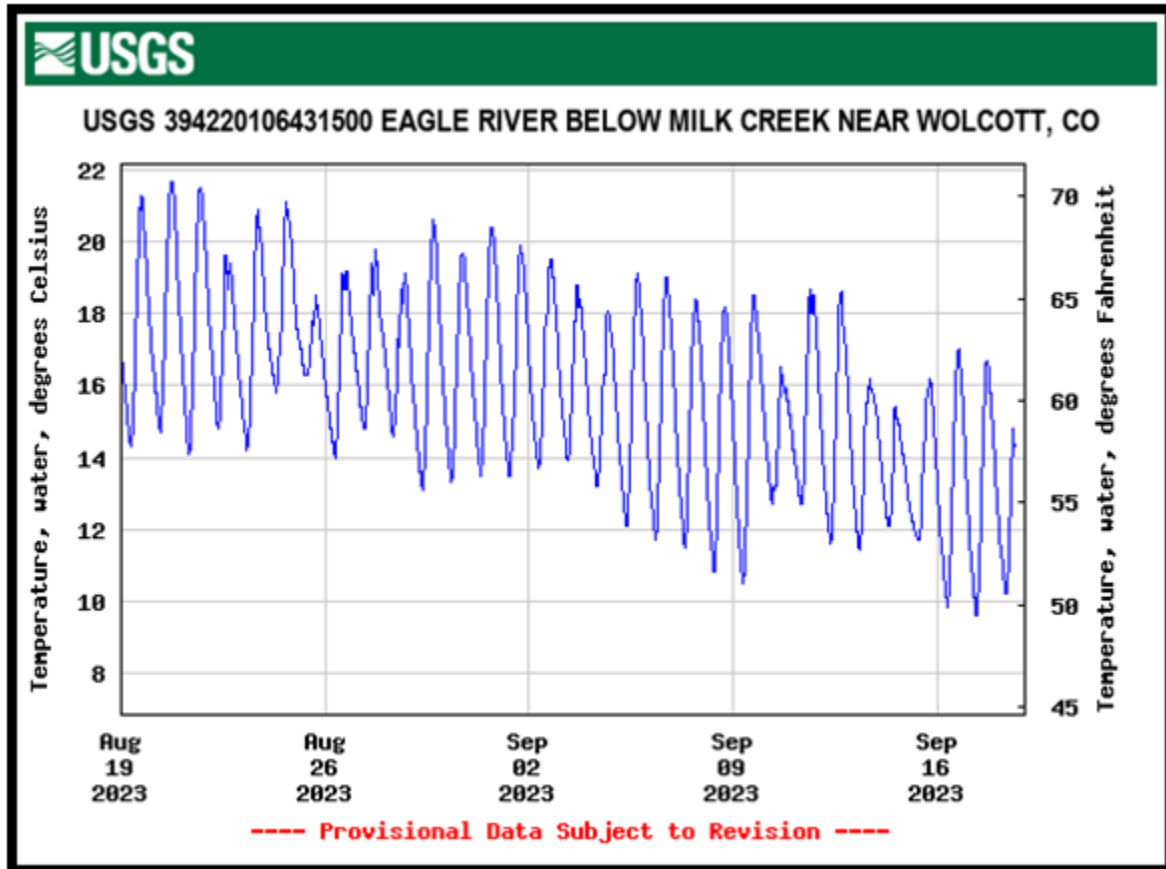
Figure 8: September 18, 2023, Colorado River at Dotsero Forecast Hydrograph, National Weather Service.



River Temperatures

Figure 9 shows the daytime high-water temperatures on the Eagle River below Milk Creek were in the high 60s in August and declined to the low 60s, reflecting the shorter days and lower temperatures in September. The temperatures are typical for the Eagle River and there were no fishing closures in 2023.

Figure 9: Eagle River below Milk Creek near Wolcott Water Temperatures (USGS)



Reservoir Volumes

Table 1 summarizes the reservoir storage accounts and demonstrates that the reservoir storage accounts are nearly full and expected to meet the District's and Authority's needs for 2023-2024.

Table 1: District and Authority storage accounts as of September 1, 2023 (Helton and Williamsen).

September 1, 2023 Volumes in Storage (acre-feet) and Percentages of Full:

Reservoir	ERWSD		UERWA		Total	
Green Mountain	934	100%	548	100%	1482	100%
Black Lakes	425	100%	300	100%	425	100%
Eagle Park	432.81	100%	680.69	100%	1113.50	100%
Homestake Res	250	100%	256.50	100%	506.50	100%
Wolford Mtn	500	100%	710.80	100%	1210.80	100%

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



MEMORANDUM

TO: Boards of Directors
FROM: Diane Johnson, Communications & Public Affairs Manager
DATE: September 28, 2023
RE: Communications and Public Affairs Report

2024 rates and conservation outreach

Given the expected increase in 2024 wastewater rates and the updated approach to two of the six account types for water rates, we are mailing a postcard to every address in the Vail, Avon, and Edwards zip codes. This will reach many individuals who do not directly pay a bill and many people who are not ERWSD or UERWA customers (but have an address within our service area); our preference was to reach a broader audience than just the addresses that receive billing statements.

It was important to focus not just on the changes to water use rates as most customers look at their *total bill* and all customers will see an increase in January due to wastewater rates. We have never sent such a mailer and are eager to measure results. The information on the card is intended to minimize unnecessary calls to customer service but we are prepared for an increase. Images of both sides of the postcard are below. Look for one in your mailbox after Sept. 29!



Water
supply in
the Colorado
River Basin is
diminishing.

It's time
to **use it**
differently.



Clean Water. Quality Life.™

Monthly water and wastewater bills will increase in 2024

Base rates will increase for all water and wastewater customers to meet ongoing regulatory mandates, upgrade aging infrastructure, and improve system resiliency.


Water use rate structures will change for some customers.

We're **updating water use rates** to be more **equitable** in 2 of our 6 account types:

- 1 Individually metered residential:**
 - **3,000 sq. ft. or less** home: not affected by new usage rate structure.
 - **More than 3,000 sq. ft.** home: will no longer receive more water in each usage tier.
- 2 Irrigation only**
 - All accounts will be billed based on their irrigated area.

New rate structures will be implemented in the future for Commercial, Multi-Family, Municipal, and Mixed-Use account types.


Reducing our use helps us plan for a secure water future.



EAGLE RIVER WATER & SANITATION DISTRICT
846 Forest Rd.
Vail, CO 81657

We want to help you succeed in using water differently.

For more info, contact 970.477.5451
waterconservation@erwsd.org.



erwsd.org

Colorado River Basin

Becky Mitchell, Colorado's [Commissioner](#) to the [Upper Colorado River Commission](#) (UCRC) has agreed to speak locally on Oct. 20. We are still finalizing plans and will provide an oral update at the board meetings. Please hold the date on your calendars.

Colorado River Drought Task Force

The Colorado River Drought Task Force is scheduled to meet at least seven more times in 2023; a sub-task force has also been meeting. Meeting agendas and videos are on the [task force website](#), though substantive minutes or details are lacking.

District in the news:

1. Sept. 15, Vail Daily: [Gore Creek and Eagle River receive annual checkups, ensuring water health](#)
2. Sept. 5, Covered Bridge: [Rivers Need Water: Reduce Your Use](#)
3. Aug. 24, Vail Daily: [1 Eagle County stream is getting healthier quickly, but Gore Creek still needs work](#)
4. Aug. 22, Vail Daily: [EPA removes portion of Eagle Mine Superfund site from priorities list.](#)

Attachments (and/or hyperlinks):

1. Sept. 5, LA Times: [As Colorado River shrinks, California farmers urge 'one-dam solution'](#)
2. Sept. 5, Colorado Sun: [Colorado faces a water-stressed future. Here's how the state uses its existing supply.](#)



Local waters get their annual checkup

[Home](#)

September 14, 2023



September is here, and while the turning of aspen leaves will soon have everyone looking up, there is something equally as predictable that happens at ground level. As the leaves begin to drop, Gore Creek and Eagle River get their annual checkup.

This checkup is conducted by the Eagle River Water & Sanitation District; it's also known as the annual water quality sampling event. It's a two-day event that took place Sept. 5 and 6 this year, with district employees donning waders and nitrile gloves to collect data at 27 sites. Gore Creek, Eagle River, and their aquifers are the sources for most drinking water provided between East

Vail and Edwards and they both serve as the receiving waters for wastewater effluent, or cleaned water. Since these waterways do so much for us, the district keeps a close eye on their health.

Data was collected to calculate flow rate and as many as ten different water quality parameters were either collected in the field or later analyzed with laboratory equipment. Field measurements included pH, temperature, conductivity, and dissolved oxygen; and water samples are sent off for laboratory analyses of nutrients (nitrogen and phosphorous), metals, and more. Data and analyses from this annual sampling event are combined with additional water quality data and macroinvertebrate data from across the watersheds and evaluated in an annual study. This study started in 2008, and just like your annual wellness visit, it helps identify any potential health issues before they become a bigger problem. It can also lead to action, like the [Restore the Gore](#) campaign. More than a decade ago, this study helped identify urban runoff as the main cause of pollution in Gore Creek and led to initiatives, like restoring riparian buffers and native vegetation to help filter pollutants, that directly address the problem.

The district conducts annual water quality sampling in September because that is typically when streamflow is low and predictable, and data and samples can be collected safely. There is about 85 CFS (cubic feet per second) of water flowing in the Eagle River through Avon right now, which is about 25 times less than peak flow in June. The district monitors streamflow levels using data from United States Geological Survey (USGS) gauges (you can see their streamflow graphs [here](#)). Although a decrease in flow through summer and into fall is typical, low streamflow means it's a good time to let your lawn go brown along with the falling leaves.

Water Quality