



MEMORANDUM

TO: Board of Directors
FROM: Brian Thompson, Government Affairs Administrator
DATE: November 10, 2022
RE: November 17, 2022, Board Meeting

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

**Thursday, November 17, 2022
12:00 p.m.**

This meeting will be held at:

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

The meeting can also be accessed on Microsoft Teams. Login information can be requested by sending an email at least 24 hours in advance to info@erwsd.org. In-person attendance is subject to COVID-19 protocols.

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



BOARD OF DIRECTORS SPECIAL MEETING

November 17, 2022

12:00 p.m.

Walter Kirch Conference Room

AGENDA

	<u>Attachment Link</u>
1. Introductions	
2. Public Comment	
3. Public Hearing Concerning Certification of Delinquent Accounts – Beth Hensel	
3.1. Resolution Certifying Delinquent Accounts for Collection	Action Item
4. Public Hearing Concerning FY 2023 Budget – Jim Cannava & David Norris	
4.1. Resolution to Adopt 2023 Budget	Action Item
4.2. Resolution to Appropriate Sums of Money	Action Item
4.3. Resolution to Set Mill Levies	Action Item
5. Public Hearing Concerning FY 2023 Proposed Rates – Jim Cannava & David Norris	
5.1. Resolution to Adopt 2023 Proposed Rates	Action Item
6. Action Items	
6.1. Consideration of Amended and Restated Golden Peak Snowmaking Agreement with Ski and Snowboard Club of Vail – Kristin Moseley	Action Item
6.2. Resolution Authorizing Wastewater Revenue Bonds – Jim Cannava	Action Item
6.3. Approval of minutes from October 27, 2022, Special Meeting	Action Item
6.4. Approval of contract log	Action Item
6.5. Consideration of 2023 Operations Agreement with UERWA – Jim Cannava	Action Item
6.6. Consideration of 2023 Billing Service Agreement with Minturn – Jim Cannava	Action Item
6.7. Consideration of amended water dedication policy – Kristin Moseley	Action Item
Consideration of pension policy alignment – David Norris	Action Item
7. Information Reports	
7.1. Development report	Informational
7.2. Board committees	Informational
7.3. October Authority meeting summary – draft	Informational
8. Strategy Items	
8.1. Board member input	

9. General Manager Report – Linn Brooks

9.1. GM information items

9.2. Business Administration report – David Norris

9.3. Operations report – Siri Roman

Informational

9.3.1. Radio Telemetry Units (RTU) System Upgrades

9.4. Engineering and Water Resources report – Jason Cowles

Informational

9.5. Communications and Public Affairs report – Diane Johnson

Informational

10. Water Counsel Report – Kristin Moseley

11. General Counsel Report – Kathryn Winn

Confidential

12. Executive Session

12.1. Motion to move into Executive Session pursuant to §24-6-402(4)(b) and (e), C.R.S, to receive legal advice and discuss matters in negotiation related to:

12.1.1. Bulk water service

Confidential

12.1.2. Amended and Restated Golden Peak Snowmaking Agreement with Ski and Snowboard Club of Vail

13. Any Action as a Result of Executive Session

14. Adjournment



BOARD ACTION REQUEST

TO: Board of Directors

FROM: David Norris, Director of Business Administration

DATE: November 17, 2022

RE: Resolution Certifying Delinquent Accounts for Collection by the County Treasurer

Summary: The Eagle River Water and Sanitation District (District) is the billing agent for water and wastewater and is pursuing collection of accounts delinquent for at least six (6) months and in excess of \$150 per account. One account out of over 10,400 active accounts is currently on our Certifications to Tax. The District is authorized by Section 32-1-1101(1) (e), C.R.S., and Section 31-20-105 C.R.S, which "Similarly authorizes certification of a wide range of delinquent fees and charges, including fees for trash collection services." The District's Rules and Regulations allow the District to collect delinquent fees and charges by certification to the County Treasurer as part of the property taxes. Proper notice of this public meeting, during which this Resolution is being adopted, has been given to the property owners.

Discussion and Background: The District bills customers monthly for water and wastewater services. If unpaid for 28 days, a finance penalty of 1% (up to 12% per year) is added to the open balance. If still unpaid after 38 days, a disconnect notice is mailed to the billing address. Ten days later (48 days from billing), a notice of impending disconnection notice is sent via FedEx to the home with a service disconnect date, which is scheduled at the District's earliest convenience. Under some circumstances, the water service is not turned off. The unpaid balance represents a perpetual lien against the property under the Colorado Special District law. Each of the collection steps involve added fees for covering the District's cost of added collection procedures for the affected property. Each year prior to Dec. 1, the District can pursue the additional collection procedure to certify unpaid amounts that are over six months delinquent and over \$150 to the County Treasurer for collection as property taxes.

Recommendation: The District certifies to the Eagle County Treasurer that the delinquent accounts, as of November 30, 2022, are fees, rates, penalties, charges, or assessments levied solely for utility services. The District requests that the Eagle County Treasurer collect the delinquent account at the earliest possible date in the same manner as property taxes, pursuant to Section 32-1-1101(1)(e), C.R.S. and 31-20-105 C.R.S, and add to such amount an additional penalty to be paid by such property owner or affected party, in order to defray the costs of collection. Any delinquent account balances paid and received before November 30, at 12:00pm, 2022 will not need certification for collection by the Treasurer.

Budget Impacts: Current uncollected revenue owed to the district is \$523.15, subject to change up to November 30, 2022.

Legal Issues: N/A

Board Actions Requested:

1. Open the public budget hearing
2. Consideration of the Resolution and Motion
 - a. **Motion that the District hereby certify to the Eagle County Treasurer the delinquent accounts listed on Exhibit A that such costs include fees, rates, tolls, penalties, charges, or assessments levied solely for utility services, including availability of such service, if applicable, and that such account has been delinquent for at least six (6) months and is in excess of \$150 per account.**
3. Close the public meeting

Attachments:

Resolution Certifying Delinquent Accounts for Collection by the County Treasurer

EAGLE RIVER WATER AND SANITATION DISTRICT

**A RESOLUTION CERTIFYING DELINQUENT ACCOUNTS FOR COLLECTION BY THE COUNTY
TREASURER**

WHEREAS, the Eagle River Water and Sanitation District (“District”) operates pursuant to the Special District Act, § 32-1-101, C.R.S., et. seq. within a part of Eagle County, Colorado; and

WHEREAS, the District has adopted rates, fees, tolls, penalties, assessments and charges for water and sanitary sewer services furnished, or to be furnished by the District, including but not limited to charges for availability of such service; and

WHEREAS, the District is authorized to collect fees and charges on behalf of the Upper Eagle Regional Water Authority, and the Town of Minturn for water and sanitary sewer services and trash collection (collectively “utility services”); and

WHEREAS, Sections 32-1-1101(1)(e) and 31-20-105, C.R.S. and the District's Rules and Regulations authorize collection of delinquent fees and charges for utility services by certification to the County Treasurer; and

WHEREAS, proper notice of the public meeting at which this Resolution is being adopted has been given to the property owner or owners and all affected parties; and

WHEREAS, the adoption of this Resolution will serve a public purpose and promote the health, safety and general welfare of the inhabitants of the District and the people of the State of Colorado.

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

1. The District hereby certifies to the Eagle County Treasurer that the delinquent accounts, as of November 30, 2022, are fees, rates, tolls, penalties, charges, or assessments levied solely for utility services, including availability of such service, if applicable, and that each account has been delinquent for at least six (6) months and is in excess of \$150 per account.
2. That the District hereby requests that the Eagle County Treasurer collect the delinquent accounts at the earliest possible date in the same manner as property taxes pursuant to Sections 32-1-1101(1)(e) or 31-20-105, C.R.S., as applicable, and add to such amount an additional penalty to be paid by such property owner or affected party to defray the costs of collection.

RESOLVED this 17th day of November 2022.

EAGLE RIVER WATER AND SANITATION DISTRICT

By: _____
Dick Cleveland, Chairman

ATTEST:

By: _____
George Gregory, Secretary



BOARD ACTION REQUEST

TO: Board of Directors

FROM: David Norris, Director of Business Administration

DATE: November 17, 2022

RE: Resolution to Adopt 2023 Budget, Appropriate Sums of Money, Set Mill Levies and Certify the Budget.

Summary of Subject: Staff is recommending that the Board adopt the proposed 2023 budget, appropriate sums of money, and set mill levies.

Discussion and Background: The District legally noticed the November 17th board meeting for the public hearing to consider the 2023 proposed budget. The District's staff has met with the District Budget Subcommittee, including members Dick Cleveland and Steve Coyer, to discuss the budget proposal. A copy of the proposed 2023 budget was delivered to the full Board on Oct.14 and a revised budget is included in the October Board packets.

Attached are the full resolutions to:

- Adopt the 2023 budget
- Appropriate sums of money
- Set Mill Levies
- Certification of the 2023 Budget

Legal Issues: The Board is legally required to deliver a full budget to the State no later than January 31 of 2023.

Budget Implication: This will provide the full budget for the District's operations and capital spending in fiscal year 2023.

Recommendation: Staff recommends the Board approve the attached resolutions for the proposed 2023 budget.

Board Actions Requested:

1. Open the public budget hearing
2. Consideration of the Resolution and Motion
 - a. **Motion to adopt the attached resolutions for the purpose of adopting the proposed 2023 budget as presented and appropriate necessary sums of money, set mill levies, and certify the budget.**
3. Close the public meeting

Attachments: Resolutions to Adopt 2023 budget, Appropriate sums of money, and Set Mill Levies; Certification of budget; Proposed FY 2023 Budget

EAGLE RIVER WATER AND SANITATION DISTRICT

RESOLUTION TO ADOPT 2023 BUDGET

WHEREAS, the Board of Directors (“Board”) of Eagle River Water and Sanitation District (“District”) has appointed a budget committee to prepare and submit a proposed 2023 budget to the Board at the proper time; and

WHEREAS, such budget committee has submitted the proposed budget to the Board for its consideration; and

WHEREAS, upon due and proper notice, published in accordance with law, the budget was open for inspection by the public at a designated place, and a public hearing was held on November 17, 2022, and interested electors were given the opportunity to file or register any objections to the budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, enterprise, reserve transfer and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“TABOR”) and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever decreases may have been made in the revenues, like decreases were made to the expenditures so that the budget remains in balance, as required by law.

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

1. That estimated expenditures for each fund are as follows:

Wastewater Fund:	\$53,243,117
Bighorn Terrace Sanitation Sub-District:	\$ 0
Vail Water Sub-District:	\$11,766,683
Total Expenditures:	<u>\$65,009,800</u>

2. That estimated revenues for each fund are as follows:

From unappropriated surpluses:	\$2,624,867
From Bond Proceeds:	\$19,118,916
From sources other than general property tax:	\$30,283,751
From general property tax:	\$2,043,021
Total Wastewater Fund:	<u>\$54,070,555</u>

From unappropriated surpluses:	\$300,889
From Bond Proceeds:	\$1,161,225
From sources other than general property tax:	\$9,011,892
From general property tax:	\$1,568,947
Total Vail Water Sub-District:	<u>\$12,042,953</u>
Total Revenues:	<u>\$66,113,508</u>

3. That the budget, as submitted, amended and herein summarized by fund, be, and the same hereby is, approved and adopted as the budget of Eagle River Water and Sanitation District for the 2023 fiscal year.
4. That the budget, as hereby approved and adopted, shall be certified by the Treasurer and/or President of the District to all appropriate agencies and is made a part of the public records of the District.

EAGLE RIVER WATER AND SANITATION
DISTRICT

By: _____
Dick Cleveland, Chairman

EAGLE RIVER WATER AND SANITATION DISTRICT

RESOLUTION TO SET MILL LEVIES

WHEREAS, the amount of money from property taxes necessary to balance the budget for general operating expenses for the District (WW) is \$592,223; and

WHEREAS, the amount of money from property taxes necessary to balance the budget for debt service expenses for the District (WW) is \$1,369,036; and

WHEREAS, the amount of money from property taxes necessary to balance the budget for general operating expenses for the Eagle River Water and Sanitation District Water Subdistrict (“Water Subdistrict”) is \$616,313; and

WHEREAS, the amount of money from property taxes necessary to balance the budget for debt service expenses for the Water Subdistrict is \$742,861; and

WHEREAS, the 2022 valuation for assessment of the District (WW), as certified by the Eagle County Assessor, is \$2,563,737,250 and

WHEREAS, the 2022 valuation for assessment of the Water Subdistrict, as certified by the Eagle County Assessor, is \$1,211,845,220

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

1. That for the purpose of meeting all general operating expenses of the District during the 2023 budget year, there is hereby levied a property tax of .231 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$592,223.
2. That for the purpose of meeting all debt service expenses of the District during the 2023 budget year, there is hereby levied a property tax of .534 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$1,369,036.
3. That for the purpose of meeting general operating expenses of the Water Subdistrict during the 2023 budget year, there is hereby levied a property tax of .509 mills upon each dollar of the total valuation for assessment of all taxable property within the Water Subdistrict to raise \$616,313.
4. That for the purpose of meeting debt service expenses of the Water Subdistrict during the 2023 budget year, there is hereby levied a property tax of .613 mills upon each dollar of the total valuation for assessment of all taxable property within the Water Subdistrict to raise \$742,861.
5. That the Treasurer and/or President of the District is hereby authorized and directed to immediately certify to the County Commissioners of Eagle County,

Colorado, the mill levies for the District and Water Subdistrict as hereinabove determined and set, or as adjusted, if necessary, upon receipt of the final (December) certification of valuation from the county assessor in order to comply with any applicable revenue and other budgetary limits.

EAGLE RIVER WATER AND SANITATION
DISTRICT

By: _____
Dick Cleveland, Chairman

EAGLE RIVER WATER AND SANITATION DISTRICT

RESOLUTION TO APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the District has made provision in the budget for revenues in an amount equal to the total proposed expenditures as set forth therein; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, so as not to impair the operations of District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Eagle River Water and Sanitation District that the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated in the budget:

Eagle River Water and Sanitation District-WW:	\$53,243,117
Eagle River Water and Sanitation District-Water Subdistrict:	\$11,766,683
Total Appropriation:	\$65,009,800

Adopted this 17th day of November 2022.

EAGLE RIVER WATER AND SANITATION
DISTRICT

By: _____
Dick Cleveland, Chairman

EAGLE RIVER WATER AND SANITATION DISTRICT

CERTIFICATION OF BUDGET

TO: THE DIVISION OF LOCAL GOVERNMENTS

This is to Certify that the budget, attached hereto, is a true and accurate copy of the budget of Eagle River Water and Sanitation District, for the budget year ending December 31, 2023, as adopted on November 17, 2022.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of Eagle River Water and Sanitation District in

EAGLE RIVER WATER AND SANITATION
DISTRICT

By: _____
Dick Cleveland, Chairman



MEMORANDUM

TO: Board Budget Subcommittee
FROM: David Norris, Director of Business Administration
DATE: October 18, 2022
RE: Proposed 2023 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 2023 District and Authority budgets, the attached draft budget packet includes the staff recommended budgets for 2023.

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)

Below is a summary of the proposed 2023 budget. Each topic was discussed in more detail at the first budget subcommittee meeting.

Proposed 2023 Budget Summary

Total Budget Comparison	Amount	\$ Change	% Change
2022 Budget	72,833,471		
2022 Projection	68,008,651	(4,026,755)	(6.6%)
2023 Proposed Budget	53,142,726	(12,442,533)	(20.4%)
2022 Projected Carryforward	11,867,074		
2023 Total Proposed Appropriated Funds	65,009,800	(7,823,671)	(10.7%)

- Operating budget increase of 10.8% over 2022 projection, and 11.9% over 2022 Budget
- Capital & CRP increase 3.7% over 2022 projection, 16.1% decrease from 2022 Budget
- Bond decrease 62% from 2022 projection, 66.5% decrease from 2022 Budget

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2023 Proposed Net Income Summary

The proposed 2023 net income is \$1,103,709, \$827,438 wastewater and \$276,271 water to build the fund balance to reduce the reliance on Bond funding for future projects. The 2023 proposed CRP rates bring CRP expenses in balance. The positive Operating net income offsets the Capital deficit.

Type	Revenue	Expense	Net
Operating	30,037,027	28,182,685	1,854,342
Housing	846,370	538,406	307,964
Debt Service	8,512,895	7,716,103	796,792
CRP	2,800,441	2,281,000	519,441
Capital	710,878	3,085,708	(2,374,830)
Subtotal	42,907,611	41,803,902	1,103,709
Bond Projects		11,338,824	
Total		53,142,726	

Proposed 2023 Water Rate Summary

Water Service Base Charge/SFE/Month				
	2022	2023	\$ Change	% Increase
Base Rate Per SFE	\$20.09	\$22.10	\$2.01	10%
Debt Service 2017 Bonds	\$6.44	\$6.44	\$0.00	
Debt Service 2019 Bonds	\$2.28	\$2.28	\$0.00	
Capital Replacement Program	\$6.23	\$7.48	\$1.25	20%
Base Portion of Bill/SFE/Month	\$35.03	\$38.30	\$3.27	9%

Water Usage Rates (per kgal)				
<i>Note: 6 kgal per tier</i>	2022	2023	\$ Change	% Increase
Tier 1 (0 - 6,000 gallons)	\$3.39	\$3.59	\$0.20	6%
Tier 2 (6,001 - 12,000 gallons)	\$5.93	\$6.52	\$0.59	10%
Tier 3 (12,001 - 18,000 gallons)	\$11.72	\$12.89	\$1.17	10%
Tier 4 (18,001 – 24,000 gallons)	\$22.02	\$26.86	\$4.84	22%
Tier 5 (Greater than 24,000 gallons)	\$33.03	\$40.30	\$7.27	22%

Typical customer pays per SFE:	2022	2023	Increase	% Increase
Base Fees & 5 KGAL Use per Month	\$51.97	\$56.25	\$4.28	8%

Proposed 2023 Wastewater Rate Summary

Wastewater Service Base Charge/SFE/Month (\$6.48 per kgal to \$7.13 per kgal)				
	2022	2023	\$ Change	% Increase
Base Service (min charge 5 kgal)	\$32.40	\$35.64	\$3.24	10%
Debt Service 2017 Bonds	\$2.77	\$2.77	\$0.00	
Debt Service 2020A Bonds	\$5.15	\$5.15	\$0.00	
Debt Service 2020B Bonds	\$2.74	\$2.74	\$0.00	
Capital Replacement Program	\$2.95	\$5.31	\$2.36	80%
Base Portion of Bill/SFE/Month	\$46.01	\$51.61	\$5.6	12%
Typical customer pays:	2022	2023	Increase	% Increase
At 5 KGAL	\$41.66	\$51.61	\$5.60	12%

Proposed 2023 Wastewater & Water Combine Rate Summary

Combined Water and Wastewater				
Typical customer pays per SFE/Month:	2022	2023	\$ Increase	% Increase
Vail Customer	\$97.98	\$107.86	\$9.88	10%

Proposed 2023 Wastewater & Water Impact Fees

2023 Impact Fees								
EAGLE RIVER WATER & SANITATION DISTRICT IMPACT FEES								
CONNECTION FEE	RESIDENTIAL	COMMERCIAL - Based on Meter Size						
	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
ERWSD-Wastewater	\$5.08	\$17,437	\$30,224	\$67,422	\$119,733	\$267,364	\$475,442	\$1,070,616
Vail Water Subdistrict	\$5.85	\$18,794	\$32,577	\$72,670	\$129,052	\$288,174	\$512,448	\$1,153,950
The following Other Impact Fee assessment may also apply:								
ERWSD-Irrigation Water System Impact Fee	\$1.40 per sq. ft. of irrigation	Applies to new multi-family, open areas, new parks and commercial irrigated areas						

2023 Development, Inclusion & Dedication Fees		
Eagle River Water & Sanitation District	Upper Eagle Regional Water Authority	
DEVELOPMENT FEE/ DEDICATION/ DEPOSIT	RESIDENTIAL	COMMERCIAL
Inclusion Fee	\$1,100.00	
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	\$1,650.00	
Water Rights Dedication Cash-in-lieu	\$66,063 per consumptive acre-foot of water*	

*Details to be discussed during work session.

*Fund Balance Summary * carryforward does not include bond funds*

District Funds	WW Fund	Water Fund	Total
Beginning Balance	17,824,663	3,432,021	21,256,684
2022 Projection	888,516	(382,237)	506,279
2023 Projected Beginning Balance	18,713,179	3,049,784	21,762,963
2022 Carry Forward	(2,624,867)	(300,889)	(2,925,757)
2023 Contribution	827,438	276,270	1,103,709
2023 Projected End Balance	16,915,750	3,025,165	19,940,915

Budget Overview

2022 Operational Expense Budget Forecast

The 2022 operating budget was \$32,566,618; the 2022 projected operating expenditures are \$32,906,317, for a negative expense variance (actual spending greater than budget) of \$339,699, or 1% higher than budget. The primary driver for the overage is due to supply chain ordering increases, increases on IT services and security controls, meter ordering in 2022, as well as the results of the compensation study approved in the September Board meeting.

Note: Total expenditures include operations, outsourced services, payroll and benefits, and any expenditures related to debt service or debt issuance as those are typically capitalized and represented in our capital budgets

2023 Operational Expense Budget Summary

The 2023 operating budget decision item narratives describing each request are included as an attachment to this memorandum. The proposed 2023 operating budget is \$36,437,194, an increase of \$3,530,877 or 11.9% from the 2022 budget. As displayed below, the proposed 2023 budget by department, as it relates to 2022 budget, articulates the differences year over year. Decision items are included in the table below.

Department	2022 Budget	2022 Projection	2023 Proposed Budget	YOY Budget Var	% Change
Administration	2,211,501	2,077,741	2,310,376	98,875	4%
Community Relations	92,298	92,050	204,411	112,113	121%
Customer Service	808,612	865,163	1,125,167	316,555	39%
Engineering	2,508,918	2,415,396	3,015,564	506,646	20%
Field Ops	2,803,338	2,873,132	3,122,591	319,253	11%
Finance	1,088,000	1,188,270	1,073,414	(14,586)	-1%
Debt Service	7,712,097	7,712,097	7,716,103	4,006	0%
Housing	395,081	433,511	538,406	143,325	36%
Human Resources	1,681,074	1,736,160	1,869,564	188,490	11%
IT	2,502,482	2,925,294	3,462,346	959,864	38%
Lab	807,383	833,117	883,698	76,315	9%
Ops Tech	1,255,048	1,286,316	1,243,611	(11,437)	-1%
Utility Services	2,757,004	2,491,931	3,390,330	633,326	23%
Wastewater	3,720,380	3,626,727	3,934,739	214,359	6%
Water	2,223,402	2,349,411	2,546,876	323,474	15%
Total	32,566,618	32,906,317	36,437,194	3,870,576	11.9%

Below are notable changes from the original 2022 operating budget to the proposed 2023 Operating Budget, including the decision items and excluding debt. Departments not included in the list below projected minimal increases/decreases.

Utility Services

- Increase meter purchases \$633,326 to include units sold to UERWA. This increase is offset by revenue from sales.

Community Relations

- Increase of \$112,113 or 121% for change to mail in ballot process for 2023 election.

Customer Service

- Increase of \$316,555 or 39% from the addition of four new positions.

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Engineering

- Increase of \$506,646 or 20% from the realignment of salary and benefits

Housing

- Increase of \$143,325 or 36% to include master leases and increase dues

IT

- Increase of \$959,864 or 38% due to anticipated cost increases on software and hardware lines particularly, as well as scheduled maintenance.
- Replace 1/3 of laptops yearly to keep up with three-year replacement schedule
- Security Strengthening
- Decision Items

Water

- Realignment of salary and benefits to reflect actuals as well as supply chain order issues and cost of supply increases

Overall Payroll, and Benefits

The total number of full-time employees for 2023 is proposed to increase by 2, to 133 full time positions. Budget impacts to FTE increases are \$212,487. While 2 additional FTE are being requested this budgets cycle, there were needs equating to 12 overall FTE for the coming year. With a collaborative effort among the departments, the strategy was developed to concentrate on compensations and analysis study alignments and reduce the requests to allow for this opportunity.

- IT – Network Administrator
- Field Ops – Field Operator
- 2% Merit Increase
- 1% Cost of Living Adjustment

Request	FTE	Operating	Capital	Total
IT – Network Administrator	1.00	\$137,030	\$4,050	\$141,080
Field Ops – Field Operator	1.00	\$67,857	\$3,550	\$71,407
Merit Increase		\$241,835		\$241,835
Cost of Living Adjustment		\$119,720		\$119,720
Total	2.00	\$566,442	\$7,600	\$574,042

The proposed budget includes a 2% merit and 1% a cost-of-living adjustment (COLA) as approved at the September Board meeting. The combined increase is equal to \$361,555

Health and other benefit costs are projected to increase by 2.9%. It is proposed that the District shift the respective costs to the employee.

Total personnel costs (salaries and benefits) for 2023 are budgeted at \$17,151,877 an increase of \$1,784,078 from the 2022 projection, or 11.6%. Of this increase, \$566,442 is dedicated to FTE decision items, including new FTE and Merit/COLA packages.

Capital Budget Overview

Summary

The 10-year Capital Budget Spreadsheet for 2023 and decision item narratives describing each request are included as an attachment to this memorandum. The total proposed 2023 capital, CRP, and Bond budget is \$16,705,532, made up of \$14,618,608 in Wastewater projects and \$2,086,924 in Vail Water projects. The totals include the following major capital projects:

Fund Type	Project Name	2023 Budget	Total Project Budget
Bond	Avon WWTF Renewable Energy & Resilience	\$455,000	\$455,000
Bond	Dowd Junction Collection System Improvements	\$2,500,000	\$16,406,405
Bond	Field and Fleet HQ at AWWTF	\$1,700,000	\$5,000,000
Bond	Vail WWTF Master Plan Capital Improvements	\$3,901,650	\$10,553,008
Bond	North Frontage Road Water Main Connection	\$425,000	\$478,125
Bond	Gore Valley Trail @ Dowd Jct Repair	\$516,974	\$582,000
Bond	Bolts Lake Reservoir	\$225,000	\$22,501,208
Bond	Lower Glen Lyon Fire Flow Improvements	\$450,000	\$948,000
Bond	Minturn Siphon Project	\$150,000	\$2,650,000
Bond	Westhaven Sewer Main	\$200,000	\$3,700,000

In addition to 2023 requests for funding, the proposed 2023 capital budget is also comprised of projected carryforwards and returned funds from 2022. While every effort is made to accurately forecast project timing, rollovers and returned funds occur for various reasons. The major components are detailed below in Tables 1 and 2, respectively.

Table 1: 2022 to 2023 Budget Carryforward Summary

Fund Type	Department	Project Name	Estimated Carryforward	Description
Capital	Administration	Buckhorn Valley Lots	\$1,500,000	Budget carried while housing program is developed; under contract with architecture/design/land use approvals
Capital	Administration	Facility Rooftop Solar	\$100,000	Budget used to kick off GHG inventory study and remainder to fund solar master planning effort in 2023
Bond Project	Field Ops	10-3-2-10-01-006 Dowd Junction Collection System Improve.	\$2,961,208	Negotiated contract after no construction bids delayed start of project.
Capital	Field Ops	10-3-2-10-01-009 Collection System Master Plan	\$307,652	Schedule extension to capture runoff conditions and extensive field surveying
Capital	Field Ops	10-1-2-10-05-057 Hillcrest Field Operations Facility	\$74,479	Funding to address changes as a result of roundabout project
CRP	IT	10-1-2-00-45-135 CRP-Imprivata	\$40,000	Project to be completed in 2023
Capital	IT	10-1-2-00-45-309 Cityworks API for GE Proficy	\$30,300	Delayed start to project
Capital	Lab	10-3-2-10-03-701 Lab Equipment	\$468,492	No construction bids, long lead HVAC equipment pushed project until after AWWTF project completion.
Bond Project	Ops Tech	10-3-2-20-09-463 RTU System Upgrade	\$61,225	Small budget held for retrofitting sites experiencing overheating issues.
CRP	Utility Services	10-3-2-00-07-310 CRP-Vehicle & Heavy Equipment	\$145,360	Delays in receiving ordered vehicles
Capital	Utility Services	10-1-2-00-07-100 Wolcott Solar Farm	\$50,000	Funds carry for legal services related to indeterminate federal land acquisition
Bond	Wastewater	10-3-2-10-03-316 VWWTF Master	\$3,861,284	Project timing and expenditures

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Project		Plan Capital Improvements		are slowed due to 50-week lead time for standby generator
Bond Project	Wastewater	10-3-2-10-03-447 AWWTF Nutrient Upgrades	\$2,000,000	Post-completion work includes fencing and retaining wall
Capital	Wastewater	10-3-2-10-03-002 2022 WW Master Plan Update	\$57,600	Slower timing than anticipated; additional scope added for 2023 (decision item)
Capital	Water	10-3-2-20-09-022 West Vail Flow Control Improvements	\$114,869	Project taken in-house; in procurement phase
Capital	Water	10-3-2-20-09-018 Water System Emergency Power	\$68,708	Project held for Emergency Response Plan development
CRP	Water	10-3-2-20-09-016 Water Treatment Master Plan	\$25,897	Slower than anticipated project kickoff phase

The total carryforward is estimated to be \$11,867,074, comprised of \$11,504,959 from Wastewater projects, \$362,115 from Vail Water projects.

Table 2: 2022 Projects Returned Funds Summary

Fund Type	Project Name	Estimated Returned Funds	Description
Bond	10-3-2-10-03-447 AWWTF Nutrient Upgrades	\$3,000,000	Projected to complete \$3M under budget
CRP	10-1-2-00-45-106 CRP-GIS Improvements	\$81,500	Project cancelled; return to fund balance
CRP	10-1-2-00-45-125 CRP-Printers Improvement Upgrade	\$9,600	Prep line in case of needed purchase of new copier
CRP	10-1-2-00-45-140 CRP-AWWTP UCS & Nimble	\$5,163	Project completed
CRP	10-3-2-00-20-102 CRP-Locators & Correlators	\$6,957	Actual locator purchase less than budgeted
Capital	10-3-2-10-01-008 Bighorn Terrace Sewer Main-Sanitation Subdistrict	\$12,000	Project completed, return unspent funds
CRP	10-3-2-10-01-027 CRP-Sewer Capital Replacement Program	\$53,441	Sewer CRP projects completed under budget
Capital	10-3-2-20-09-014 Vail S. Frontage Road Water Main Replacement	\$22,916	Project completed, return unspent funds

CRP	10-3-2-20-09-447 CRP-Vail Water Capital Replacement Program	\$80,000	Numerous small projects completed, totals under budget
CRP	10-3-2-00-35-100 CRP-Lab Equipment Replacement	\$10,000	No small equipment replacement in 2022 with large lab project in progress
CRP	10-3-2-00-20-101 CRP-Asphalt Seal & Stripe	\$14,000	No seal/stripe at Avon WWTF due to ongoing construction
CRP	10-3-2-10-12-126 CRP-AWWTF Plant Repairs	\$28,494	Under budget due to ongoing major capital project
CRP	10-3-2-20-30-112 CRP-Distribution Industrial Painting	\$45,000	Partial work billed to expense account

The total returned funds are estimated to be \$3,369,071 comprised of \$3,000,000 from Wastewater Bond projects, \$189,350 from Wastewater projects, and \$179,721 from Vail Water projects.

Debt Service

As stated in the 2022 budget memo, the District issued a series 2020A Enterprise Wastewater Revenue Bond (\$35M) and a 2020B Enterprise Wastewater Revenue Bond (\$25M). The 2020B Wastewater Bond paid off the 2012 Wastewater Revenue Bond. Based on a projected three-year capital outlay, it is expected that a \$45.2M Wastewater revenue bond will issued and net proceeds will be acquired mid-January 2023, with debt service obligations shifting into 2024. In addition, it is expected that a late 2023 bond may be necessary for the Vail Water fund equating to roughly \$3.5M.

District Bond Funds	WW Bond	Water Bond	Total
Beginning Balance	14,582,968	2,000,741	16,583,709
2022 Projection	27,717,723	2,257,626	29,975,349
2023 Projected Beginning Balance	(13,134,755)	(256,885)	(13,391,640)
2022 Carryforward	(8,880,092)	(61,225)	(8,941,317)
2023 Budget	(9,433,824)	(1,100,000)	(10,533,824)
2024 Budget	(5,100,000)	(150,000)	(5,250,000)
2025 Budget	(6,330,129)	(250,000)	(6,580,129)
2025 End Balance	(42,878,800)	(1,818,110)	(44,696,910)*

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

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

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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 2022, the operations agreement was increased from \$4,700,000 to \$6,750,000. The projected need for 2023 is \$7,425,000. Listed below is an actual costing from 2013 through 2022 (projected). For many years this agreement has been negotiated at certain rates and budgets. 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 \$7,425,000 operations agreement request for 2023. This represents a 10% increase over 2022 to capture increases in personal services and materials.

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, Table 3 below illustrates the actual costs related to the Operations Agreement since 2013.

Year	Total
2013	\$3,408,910
2014	\$3,345,025
2015	\$3,672,879
2016	\$3,614,276
2017	\$4,613,169
2018	\$4,561,104
2019	\$4,706,246
2020	\$5,726,773
2021	\$7,539,684
2022	\$6,750,000
2023	\$7,425,000

*Increases in 2023 are primarily driven by increases in personnel services, information technology (IT) expenses.

Housing Enterprise Fund

The Housing Fund is treated as an enterprise fund. This fund is comprised of rental revenue from our housing program and costs associated to the maintenance, upkeep, and HOA costs of our properties. This information is provided quarterly to the board(s). For 2023 and ongoing, sustainability efforts are budgeted in the program to continue our strategic prioritization of these concepts. The overall projected balances for 2022 for the Housing enterprise fund are below.

	2022	2023	2024	2025
Expenses	433,511	538,406	592,247	651,471
Sustainability Expenses	75,000	75,000	75,000	75,000
Income	605,143	846,370	888,689	933,123
Net Income (Loss)	171,632	307,964	296,442	206,652
Beginning Fund Balance	105,934	277,566	585,530	881,972
Projected End Balance	277,566	585,530	881,972	1,163,624
Target	525,000	551,250	578,813	607,754
Target Over/(Under)	(247,434)	34,280	303,159	555,870

*Primary drivers to expense and revenue increases are due to master leasing increasing in 2023 and stabilizing in 2024 and on.

Consumer Price-Index

The official Consumer Price Index increase for all urban consumers in Denver-Aurora- Lakewood for December 2020 to December 2021 was 3.54%. The CPI increase from June 2021 to June 2022 (again, Denver-Aurora-Lakewood) was 8.2%. Currently, the CPI for all of 2022 is forecast to be 8.2% by the Office of State Planning and Budgeting and 7.9% by the Legislative Council.

2022 Projection and 2023 Proposed Budget Line-Item Detail

Appendix A attached to this document.

Decision Items

Decision Items without Bond Projects

Department	Type	Description/FTE Title	FTE	FTE Amt	Operating	Capital	Total	2024 Amount	2025 Amount
Engineering	Capital	Greenhouse Gas Inventory				203,700	203,700		
Engineering	Operating	Sustainable Commuting Incentive Program			18,298		18,298	36,000	36,000
IT	Operating	Network Administrator II	1	137,030		4,050	141,080	137,030	137,030
IT	Capital	CS and US Conference Room Technology				22,962	22,962		
IT	Capital	Elk Analytics SIEM			83,275	10,000	93,275		
IT	Capital	VMWare Carbon Black			52,984		52,984		
IT	Capital	Backup Security Appliance				169,792	169,792		
IT	Capital	Truck Wi-Fi				40,000	40,000		
IT	Capital	RTU Cameras (for tanks)				192,533	192,533		
IT	Capital	RTU Firewall Replacement				221,795	221,795		
Field Ops	Capital	2 x Self leveling push camera				30,000	30,000		
Field Ops	Operating	Field Operator	1	67,857		3,550	71,407		
Field Ops	Capital	Trailer Truck				85,000	85,000		
Field Ops	Capital	Goose neck trailer				45,000	45,000		
Utility Service	Capital	Vehicle Replacement Program				180,000	180,000		
Wastewater	Capital	WW Master Plan Update Phase 2				378,800	378,800		
Wastewater	CRP	EWV Biofilter Media Replacement				317,000	317,000		
HR	Operating	2% Merit/Pay for Performance			241,835		241,835		
HR	Operating	1% Cost of Living Adjustment (COLA)			119,720		119,720		
Total			2.0	204,887	516,112	1,904,182	2,625,181	173,030	173,030

Bond Decision Items

Department	Type	Description/FTE Title	Bond	Total	2024 Amount	2025 Amount
Engineering	WW Bond P	AWWTF Renewable Energy & Resilience	455,000	455,000		
Field Ops	WW Bond P	Minturn Siphon	150,000	150,000	500,000	2,000,000
Field Ops	WW Bond P	Westhaven Sewer Main	200,000	200,000	3,500,000	
Total			805,000	805,000	4,000,000	2,000,000

Decision Items Details

Name of Request: **Merit & COLA Increases**

Department: Human Resources

Problem or Opportunity:

The opportunity is to continue the District's values and mission to support its employees by requesting merit increases of budgeted amount of 2% and new to this budget year is a cost-of-living adjustment and policy with a budgeted amount of 1%. This policy was approved in the September Board meeting.

Merit pay, also known as pay-for-performance, is defined as a raise in pay based on a set of criteria set by the employer. This usually involves the employer conducting a review meeting with the employee to discuss the employee's work performance during a certain time period. Cost of Living Adjustment is defined as an increase to salaries that often depends on the rising cost of goods and services. The District is proposing to use ECI or Employee Cost Index which is pegged at a projected 4% for local governments and lags inflation or CPI numbers. Due to the approved compensation analysis and requests, staff is suggesting 25% of COLA or 1%.

Consequences of Problem:

Consequences of not doing this, include increased turnover, underappreciated and undervalued employees, as well as a bigger gap between market and our rates.

Proposed Solution:

The solution is a design tweak from prior years where a 2% budgeted merit would be assessed. This effectively states there is an amount in total set aside for merit increases. Pay for performance is a great way to incentivize top performers. With this our system historically has been monthly review scales of 1-5 with the average score around 4. The average score of the total monthly reviews performed is then the weighted score. In addition to this, the adjustment for COLA is added to the strategies to keep up with rising costs and wages over time.

Costs:

Source: Operating

Costs	2023
2% Merit/Pay for Performance	241,835
1% Cost of Living Adjustment (COLA)	119,720
Totals	361,555

Name of Request: **Sustainable Commuting Incentive Program**

Department: Engineering

Problem or Opportunity:

Reduce greenhouse gas (GHG) emissions from employee commuting. Though these emissions are not directly produced by our operations, they are related in that employees need to get to work to perform our critical service. It's a sustainability best practice to track and reduce GHG emissions from employee commutes, especially as that behavior can translate into how our employees utilize our District-operated fleet. Tracking employee commute emissions and implementing an annual survey is also an unmet objective within the Colorado Green Business Program, in which we are certified at the silver (mid) level. We have the opportunity to catch up to other leaders in the community in their encouragement and incentivization of more sustainable commuting patterns. As near-work housing becomes more difficult to procure and our local population continues to grow, there will be more cars on the road and more transportation-based emissions than ever. This presents an opportunity to positively impact both our community and environment.

Consequences of Problem:

Continued and possible increased GHG emissions from employee commutes. Not including a holistic strategy to reduce the District's associated GHG emissions. Lack of employee sustainable commuting benefits, especially compared with other local entities (i.e., Vail Health, Holy Cross Energy). Misalignment with our strategic goal of prioritizing climate change and resilience in decision-making and our value of environmental stewardship.

Proposed Solution:

The program will include a survey issued in fall 2022 to gauge current employee commuting behavior; this survey will then be issued annually for consistent data tracking. With data in hand, the District will then pilot a sustainable commuting program for employees. The program will be structured with a points system based on method of commuting. At the end of the year, points can equate to either a paid bonus or earned vacation time, depending on the employee's preference. The lowest emission method will receive higher points. An example structure that can be adjusted is below.

- Public transportation/carpooling = 1 point
- Zero emissions vehicle (E bike and EVs) = 2 points
- Walking/Biking = 3 points
- Set dollar value earned per point
- Points reflect one round trip

Program launch is anticipated on May 1st, 2023, to provide time to prepare language and craft a solution that reflects the survey results. Tracking of employee commutes will be conducted on SharePoint via an excel sheet with editing access. All employees will be able to view how their coworkers are sustainably commuting, leading to positive social norming. At the end of the calendar year, the program manager (designated as Kira Koppel at this time) will calculate the totals from the spreadsheet, confirm how employees would like to receive the benefit (vacation or bonus), and submit data to HR and finance to deliver the benefit. Benefits will be capped at either a \$600 bonus or 2 additional vacation days. Since the first year of the program is a pilot starting in May 2023 bonuses will be capped at \$400.

*Costs:***Source: Operating**

Costs	2023	2024	2025
Employee Sustainable Commuting Incentive	18,000	36,000	36,000
Free bus pass offering	297.50		
Totals:	18,297.50	36,000	36,000

Estimated utilization of clean commuting program would be about 60 employees, or 45%, based on the following information:

- 60 employees currently participate in Sole Power (tracking only active commuting: biking, walking, e-biking)
- Not all Sole power users log trips to work. Some are only social or errand-based trips.
- This program would expand qualified modes of transportation from the Sole power model to include carpooling, bus ridership, and driving an electric vehicle.

The total cost assumes a \$400 bonus if the employee commutes sustainably to our goal level (1/3 of the time). Future years project a \$600 bonus, considering the pilot program will run 2/3 of the length of the 2024 program (8 months vs. 12).

Employees have an option to earn 2 vacation days in lieu of the \$400, bringing the costs down depending on employee preference. Both options will be included in the program, as some employees are more incentivized by cash earnings, whereas others are more incentivized by additional time off.

Final costs include an assumption that 75% of participants will elect the cash bonus option.

Bus passes are included for those who can utilize them and would like one. A large demand for passes is not anticipated, but it's worthwhile to include (a few employees have already expressed interest). The District can purchase passes for employees at 15% of the regular cost. 10 10-ride bus passes are included in the request at \$29.75 per pass.

Name of Request: **Greenhouse Gas Inventory**

Department: Engineering

Problem or Opportunity:

We have an unknown breakdown of our greenhouse gas (GHG) emissions sources, making it difficult to set reduction goals or to prioritize one sustainability project over another. Climate change mitigation. We can't reduce what we don't measure. The District and Authority are both stakeholders in the Climate Action Collaborative and have committed to our local Climate Action Plan's most recent update (50% reduction from 2005 levels by 2030 and 80% reduction by 2050), which requires direct action. The 6th Assessment on Climate Change Report, released by the IPCC on August 6, presents data that shows immediate action must be taken to avoid the worst impacts of climate change. Warming will increase by over 1.5 degrees C since pre-industrial levels, but we have an opportunity to keep warming below 2 degrees C. This will require as much action as is possible between now and 2030. Establishing an emissions baseline is the foundation needed to inform further action we can take to address our own GHG emissions.

Consequences of Problem:

Lack of confidence in future emissions-reduction projects. Lack of guidance for our sustainability strategy; misalignment with sustainability goals and initiatives. Little to no effort to implement emissions reductions efforts. Going against our value of environmental stewardship and long-range planning and preparation

Proposed Solution:

Hire contractor Carollo to conduct a comprehensive greenhouse gas emissions inventory, including the following tasks:

- Task 1 - Project Management
- Task 2 – Regulatory Review and Summary
- Task 3 – Define System Boundaries
- Task 4 – Develop GHG Inventory Tool
- Task 5 – Perform Baseline GHG Inventory
- Task 6 – Prepare Draft and Final Report
- Task 7 – Inventory Training

Identifying exactly how much greenhouse gas emissions are produced from the treatment process versus purchased energy and transportation (fleet) will help us set realistic reduction goals and corresponding strategies. This inventory will set a baseline year for comparison and allow us to effectively compare emissions over time. This assists with the District's strategic plans in that Environmental Stewardship is a key value. Emissions must be considered to effectively adhere to it. It also aligns with our strategic value of prioritizing climate resiliency and sustainability in decision-making.

Costs:

Source: Capital

Costs	2023
Greenhouse Gas Inventory	203,700
<i>Totals:</i>	203,700

Name of Request: **Avon Wastewater Treatment Facility Renewable Energy & Resilience**

Department: Engineering

Problem or Opportunity:

Climate change mitigation and adaptation. Risk of increasing energy costs. Resilience measures. The 6th Assessment on Climate Change Report, released by the IPCC on August 6, presents data that shows immediate action must be taken to avoid the worst impacts of climate change. Warming will increase by over 1.5 degrees C since pre-industrial levels, but we have an opportunity to keep warming below 2 degrees C. This will require as much action as is possible between now and 2030. While we await Holy Cross Energy's electric supply to become 100% renewable by 2030, we can directly reduce emissions from District facilities by improving energy efficiency of our operations, installing rooftop solar PV, and adding battery storage for resilience measures. This will provide zero-carbon electricity. Additionally, the benefits from Holy Cross will decrease as they acquire additional renewable energy sources, so it's in our best interest to act sooner than later. With an uncertain energy future, being able to utilize onsite solar and potential battery storage to bring down energy costs and increase reliability will be key. The District and Authority are both stakeholders in the Climate Action Collaborative and have committed to our local Climate Action Plan's most recent update (50% reduction from 2005 levels by 2030 and 80% reduction by 2050), which requires direct action.

Opportunity: installing renewable energy will lead to a reduction of energy costs during the lifetime of the equipment (25 years). This is an excellent way to balance costs to ratepayers by reducing our operating costs as we move into the future. In the long term, this will save customers money.

Consequences of Problem:

Rising costs of electricity for operations that will translate into increased rates for customers. Misalignment with sustainability goals and initiatives. Not acting on our commitments to the Climate Action Collaborative and Climate Action Plan. Working against our values of Environmental Stewardship and Long-Range Planning and Preparation. Contributing to the worsening effects of climate change. Uncertainty in future energy costs. Additional delays increase risk of rising material costs. Lack of access to available funding/rebates that are time-limited; funding opportunities are not always annual or consistent. Misalignment with Town of Avon's preference to incorporate solar energy on the rooftop as included in Nutrient Upgrade Project (NUP) approval.

Proposed Solution:

Design and install 200 kW of solar PV on the roof with the capability to connect to future battery storage. This will create on-site renewable energy that can be utilized with zero greenhouse gas emissions. Holy Cross Energy will then pay us for the excess electricity generated, creating a source of revenue and a clear ROI. Adding this infrastructure will give us more certainty in our electric costs for the facility (soon to be a higher energy user than it was before the NUP) over the next several years. Once system is operational, it will reduce costs of energy for the facility almost immediately, reducing existing operational budget by \$10,428/year. Designing attachment to a future battery system is included in the proposal in order to address resilience concerns once batteries are more cost-effective.

The project is a turnkey, design-build project that will include the following:

- Design and installation of a code compliant system will all required equipment and labor

- Full system documentation including permitting, invoices, instructions, and warranty information provided during system installation
- All AC electrical connections, including system interconnection by a Colorado Certified Master Electrician
- All DC electrical work overseen by NABCEP certified staff
- Permit procurement and payment and facilitation of applicable rebate processes
- Remote monitoring system

Total system generation: 245,367 kWh/year, about 12% of the facility's energy needs. Payback over the 25-year warranted lifecycle of the equipment is 57% of the total cost, or \$260,702.

Costs:

Source: Bond

Costs	2023
Full system design & installation	455,000
Totals:	455,000

Cost is for a 200 kW solar PV system at Avon Wastewater Treatment Facility. Project will contain a proposal including future battery storage so improve facility resilience.

Total project cost includes rebates and credits (already deducted):

- Rebates reflected/built into total cost: \$2,000 from Energy Smart Colorado
- Includes the 30% solar investment tax credit direct pay as allowable for tax exempt entities through the recent Inflation Reduction Act

Name of Request: **CCTV equipment upgrade**

Department: Field Operations

Problem or Opportunity:

Improving investigation of distribution and collection system. Help other departments with investigation of assets. Improved technology compared to our push cameras.

Consequences of Problem:

Potential risk of missing damages in the system during investigation.

Proposed Solution:

It aligns with ERWSD safety culture and efficiency improvements.

Costs:

Source: Capital

Costs	2023
2 x Self leveling push camera	30,000
Totals:	30,000

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Name of Request: **Field Operator Position**

Department: Field Operations

Problem or Opportunity:

The FO team has been unable to complete all necessary maintenance metrics over the past few years, especially hydrant flushing and valve turning. This work is best practices and critical to reducing risk. Operations and Engineering continue to rely on FO for inspections, support, small construction projects etc., to continue this support work as well as to perform repairs in-house, an additional position is required.

Consequences of Problem:

Outsourcing repairs, outsourcing support to Ops, not meeting AWWA maintenance goals.

Proposed Solution:

Solution is to add one field operators to the team, build redundancy, a dig crew, meet all maintenance requirements and be able to support ops and engineering with heavy equipment operator needs.

Costs:

Source: Operating

Costs	2023
Salary & Benefits	67,357
Supplies (FO)	500
Hardware & Software (IT)	3,550
Totals:	71,407

Name of Request: **Minturn Siphon**

Department: Field Operations

Problem or Opportunity:

Inflow and infiltration. Risk of pipeline failure with unprotected river crossing.



Inflow and Infiltration Reduction is now a part of our WWTF discharge permits, requiring repairs and improvements annually resulting in quantifiable reduction in flows. Minturn Siphon is a known maintenance

issue, capacity issue (identified in multiple master planning efforts). Siphon was budgeted in 2018 but was not commenced

Consequences of Problem:

Continued inflow and infiltration. Potential failure of pipeline from rocks or debris in river (flood event).

Proposed Solution:

Strategically Manage Infrastructure. Inflow and infiltration reduction helps meet WWTF permit goals and reduces treatment costs. Increases effective capacity. Strategic in that it may also benefit overall WWTF management strategy. Aging infrastructure with risk of failure and known deficiencies – one of 5 projects recommended in Collection MP effort

Costs:

Source: Bond

Costs	2023	2024	2025
Investigation/Preliminary Design/Permitting	150,000		
Final Design/Bidding/Begin Construction		500,000	
Balance of Construction			2,000,000
Totals:	150,000	500,00	2,000,000

Name of Request: **Difficult access truck and trailer**

Department: Field Operations

Problem or Opportunity:

Delivering excavator to the locations with limited access and in more timely manner. Avoiding the need to use lowboy to deliver excavator to the locations with limited access. Truck that is used for pulling small jetting trailer is set to be replaced in 2023, this truck would be used for that and hence avoid 2023 purchase.

Consequences of Problem:

Potential risk of damages to the properties and vehicles with operation of low boy in areas with limited access.

Proposed Solution:

To support operations of OTS, Water, and Wastewater Departments, and also align with ERWSD safety culture and efficiency improvements.

Costs:

Source: Capital

Costs	2023
Goose neck trailer	45,000
Truck (1 Ton capability)	85,000
Totals:	130,000

Name of Request: Westhaven Sewer Main**Department: Field Operations***Problem or Opportunity:*

Risk of pipeline failure with unprotected river crossing. Inflow and Infiltration Reduction is now a part of our WWTF discharge permits, requiring repairs and improvements annually resulting in quantifiable reduction in flows. Inflow and Infiltration cause increased clean water flow into WWTF, therefore increased energy costs for pumping and treatment. Reliability and Redundancy – the pipeline is compromised and in an unprotected location in Gore Creek. High consequence of failure due to location and potential environmental and public health damages if failure occurs. Future bypass and collection system conveyance from Vail WWTF may require upsizing- can add capacity while improving compromised infrastructure. Potential for river enhancement in project scope. Output of 'High Priority Capital Improvements' deliverable produced by Merrick as part of Collection System Master Plan effort.

Consequences of Problem:

Continued inflow and infiltration. Potential failure of pipeline from rocks or debris in river (flood event).



Figure 6: Sewer pipe without concrete casing

Proposed Solution:

Strategically Manage Infrastructure. Inflow and infiltration reduction helps meet WWTF permit goals and reduces treatment costs. Increases effective capacity. Strategic in that it may also benefit overall WWTF management strategy. Aging infrastructure with risk of failure and known deficiencies – one of 5 projects recommended in Collection MP effort

Costs:

Source: Bond

Costs	2023	2024
Preliminary Design/Design/Bidding	200,000	
Construction		3,500,000
Totals:	200,000	3,500,000

Name of Request: Truck Wi-Fi

Department: IT

Problem or Opportunity:

From the inception of the RTU project, it was advertised that leveraging that communication infrastructure could provide the ability to broadcast ERWSD WiFi in select district vehicles for connectivity and WiFi calling in areas with little or no cell reception.

Our field crews rely on Cityworks and GIS during field work and emergency call outs. Cell service in the Vail Valley has many areas where connectivity is limited or non-existent. In an emergency, and throughout day-to-day operations, connectivity to our asset databases and location information is critical.

Consequences of Problem:

When connectivity to our critical databases and GIS systems is unavailable, it hinders our field crew's response in emergency situations. Additionally, communication itself, even to emergency services if impossible in areas with no cell service. This is dangerous and is a life safety issue.

Proposed Solution:

Now that the RTU project is nearing completion in 2022, we have the ability to add additional radios and equipment to the system to provide this critical connectivity. This is also critically important in terms of life safety. The ability to make an emergency phone calls, communicate with key District personnel, and better utilize our asset management systems, in emergency response situations when cell service is not available is critical. This additional equipment will provide this ability in key spots where cell reception is an issue.

Costs:

Source: Capital

Costs	2023
Truck Wi-Fi	40,000
Totals:	40,000

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Name of Request: **Backup Security Appliance**

Department: IT

Problem or Opportunity:

Currently we backup all our servers nightly to AWS government cloud. This works well to keep a backup copy offsite for disaster recovery. These backups are also locked or frozen for 10 days to protect against ransomware. We identified a major risk which is, in the event we needed to recover one or more of our plants for ICS control, this would take days to weeks to pull down the required data in order to completely restore operations.

We identified a major risk relating to our current disaster recover solution which is, in the event we needed to recover one or more of our plants for ICS control, this would take days to weeks to pull down the required data in order to restore operations. A backup appliance which supports protection from ransomware by providing an "Air Gap" solution would protect the backup from possible encryption or deletion, while also allowing us to recover hundreds of critical servers in minutes to hours rather than days or weeks. This is essential to protect servers that support critical District operations.

Consequences of Problem:

In the event we needed to recover one or more of our plants for ICS control or other critical operations, this would take days to weeks to pull down the required data from AWS in order to restore operations. This would be a great hindrance to all departments if the systems they rely on were unavailable for this amount of duration.

Proposed Solution:

Procure a backup appliance from ExaGrid which supports protection from ransomware by providing an onsite "Air Gap" solution which would protect backups from possible encryption or deletion. It would also allow us to recover hundreds of critical servers in minutes to hours rather than days or weeks. This is essential to protect servers that support critical District operations.

Costs:

Source: Capital

Costs	2023
Backup Appliance	169,792
Totals:	169,792

Name of Request: **Customer Service and Utility Services Conference Room Technology**

Department: IT

Problem or Opportunity:

Through the renovation of the Vail Office location a new conference room was created. We had not budgeted for any conference room technology, so this was deferred until 2023.

Consequences of Problem:

Lack of a fully functional conference room to be used with Team meetings and collaboration.

Proposed Solution:

Utilize Solutionz to implement new conference room technology to allow this conference room to be fully functional and interact with other conference rooms. In the event the Walter Kirch room is full additional participants can join from this additional conference room.

Costs:

Source: Capital

Costs	2023
Conference Room Technology	22,962
Totals:	22,962

Name of Request: Elk Analytics SIEM

Department: IT

Problem or Opportunity:

Our current methodology to monitoring, detecting, and responding to critical threats relies upon our staff members to respond to alerts from our A.I. network engine, as well as our existing AV, and Solarwinds monitoring software. While these alerts are helpful, they are only a small fraction of the total amounts of logs and events we should be ingesting around the clock. Most organizations use a SIEM (Security Information and Event Management) platform to collect the millions of logs and provide real time intelligence to proactively detect and investigate threats before they are impactful.

Lack of a SIEM (Security Information and Event Management) to proactively detect and investigate threats before they become impactful to our business.

Consequences of Problem:

Failure to detect real time attacks and threats in a timely fashion could result in millions of dollars of losses should a compromise occur without our knowledge.

Proposed Solution:

Procure ELK Analytics SIEM (Security Information and Event Management platform to collect the millions of logs and provide real time intelligence to proactively detect and investigate threats before they are impactful. These alerts come from firewalls, switches, computers, security cameras, servers, virtual hardware, and ICS devices. Essentially every device with a microchip is constantly producing log and event information which without a management system in place, goes un-noticed due to staff shortages. The ELK Analytics SIEM platform also includes 24/7 security monitoring from experts in the Security Operation Center (SOC) for any events which require further analysis to identify security threats and vulnerabilities.

Costs:

Source: Capital

Costs	2023
SIEM Platform	93,275
Totals:	93,275

Name of Request: **Network Administrator II**

Department: IT

Problem or Opportunity:

Over the past 5 years our water and wastewater communications systems have been upgraded to current communications technologies. This has drastically increased the complexity and scope of the network infrastructure. We once had only 12 networks, today we have over 1200 separate networks which rely on fiber optics, long range wireless radios, and microwave radios. By Q4 2022, we will have over 400 network switches 120 firewalls, 100 long range wireless radios, 10 microwave radios, 2 millimeter radios, as well as AI networking protection. The upkeep on this amount of network infrastructure is extensive. Increasing the staffing in this area is important in order to have the coverage to maintain an infrastructure of this complexity.

This FTE would add a Network Administrator II to the Information Technology Department. Currently the network team is understaffed. With the wide array of technologies which make up the infrastructure for all 1200+ ERWSD networks including all remote tank and BPS communication equipment, coupled with the ever-growing need for a greater focus on network security we simply need more personnel in this area. This position would report to the Network Operations Supervisor to ensure continual availability, reliability, and security of all operational network communications in addition to maintaining the network infrastructure supporting all admin functions and locations.

Consequences of Problem:

Supporting the entire network and communications both on the admin and operations side is no longer sustainable for a team of two people. Because of the myriad systems and network infrastructure required for the District's day to day operations, it is imperative we have the proper staffing to ensure we are not falling behind on upgrades and maintenance of these systems. Failure to maintain the latest code and patches on all our ICS infrastructure could present vulnerabilities which could be exploited by nefarious groups or organizations. Security breaches on several critical US infrastructure entities over the past few years is evidence that failure to maintain strict oversight of all deployed technologies can be costly and could ultimately cost human lives if not properly maintained and protected.

Proposed Solution:

Adding another Network Administrator to the IT Department will allow us to keep up with the immense amount of complex routing, configuration, maintenance, security, and coverage of all our network infrastructure to ensure our systems are properly maintained and to minimize system down time. We would like to hire for a Network Administrator II which leaves room to hire a Network Administrator I instead if the appropriate candidate is found.

Costs:

Source: Operating

Costs	2023	2024	2025
Salary and Benefits	136,530	136,530	136,530
Supplies	500	500	500
Telephone/Computer/Software	4,050		
Totals:	141,080		

Total cost for the IT department is \$137,030, where the breakdown is \$136,530 in salaries and benefits lines and \$500 to supplies lines.

IT budget would need an increase of \$4050 in operating lines to accommodate computer replacement and cell phone items.

Name of Request: **RTU Cameras for Tanks**

Department: IT

Problem or Opportunity:

We need to provide surveillance to the first 24 RTU sites to complete the RTU project. We have the opportunity to install security cameras and conduit on all RTU locations in Vail, West Vail, and East Vail. All other RTU sites have already been completed except the first 24 from the project.

Consequences of Problem:

We have already had one water tank be defaced and we risk intrusion at other facilities without appropriate surveillance in place. Protecting our water supply is one of our highest priorities and this final project to complete the surveillance is necessary to do so.

Proposed Solution:

Install new surveillance cameras at the first 24 RTU sites to protect our tanks and booster pumps. This will also allow our operators to see thermal cameras of pump stations to confirm SCADA controls by telling exactly which pumps are running. Operators can also look at surveillance instead of having to physically go onsite to investigate an intrusion alarm.

Costs:

Source: Capital

Costs	2023
RTU Cameras	192,533
Totals:	192,533

Name of Request: **RTU Firewall Replacement**

Department: IT

Problem or Opportunity:

All RTU firewalls will go end of life in 2023. This means we will no longer receive firmware security patches. We need to replace all 84 RTU sites with current firewalls. While replacing each firewall we will be implementing a new model that has 4G capability to build in redundancy to the water system communications. If a radio becomes damaged or unavailable, the traffic will flow over the cellular network as a backup.

As RTU sites have been rolled out we have been implementing the Ruggedized 90D firewalls to all 84 RTU sites. This model has worked well but is unfortunately going EOL next year and thus needs to be upgraded in order to continue receiving firmware and security updates.

Consequences of Problem:

Overall network security could be compromised without keeping these firewalls up to date. Failure to upgrade all RTU firewalls will also remove redundancies and make the water communication more susceptible to outages due to no redundancies.

Proposed Solution:

Implement new RTU firewalls at all RTU locations with the latest firewall model including 4G cellular dual WAN configuration.

Costs:

Source: Capital

Costs	2023
RTU Firewalls	221,795
Totals:	221,795

Name of Request: **VMWare Carbon Black**

Department: IT

Problem or Opportunity:

ERWSD currently uses a number of products to prevent from various infection, viruses and ransomware. Hardening our security posture relies upon staying current with new security solutions. We are heavily invested in VMWare's virtual infrastructure and our current AV solution does not have the ability to protect our VDI environment. We also are lacking software which can identify any critical vulnerabilities as they are discovered in the wild on our virtual servers.

There is an opportunity to add software that will complement our existing antivirus protection and secure all our virtual servers and workloads including the VDI environment. This software also scans all virtual machines and compares against the known vulnerability (CVE) database as new cataloged and publicly disclosed cybersecurity vulnerabilities are identified.

Consequences of Problem:

Not knowing about the presence of software versions with known vulnerabilities is a large risk. The labor hours it would take to complete this task manually on 400+ servers would be tremendous. This software does exactly that and will help our team patch vulnerabilities as they are discovered rather than reactively wait for one to be exploited. It also complements our existing AV solution to better protect our virtual servers and VDI machines for vendor and staff access.

Proposed Solution:

Procure VMWare Carbon black software solution to better protect all our virtual servers and workloads. This software will also give us a direct dashboard to identify any vulnerable software packages and assist with patching vulnerabilities before they can be exploited.

Costs:

Source: Capital

Costs	2023
VMWare Software	52,984
Totals:	52,984

Name of Request: **Vehicle Replacement Program**

Department: Utility Services

Problem or Opportunity:

The District's fleet is steadily aging and the replacement program is structured to provide the District with the most cost-effective method to maintain its fleet. Sound fleet maintenance and management of vehicle replacement will also give the District the best return on its investment.

Consequences of Problem:

The District's fleet will continue to age and the return of investment will diminish. The District will attempt to obtain the highest sale value for its used vehicles and equipment based on the proposed vehicle replacement program structure.

The existing fleet needs to be reliable and in good working condition for everyday work to be completed, especially during emergency response.

Proposed Solution:

The solution is to follow the proposed vehicle replacement program to be as cost-effective as possible and capture the highest sale value for our used vehicles and equipment.

This request aligns with the following strategic plan guidelines:

- Customer Confidence
- Operational Excellence

*Costs:***Source: Capital**

Costs	2023
Vehicle Replacement Program	
Chevrolet Silverado 1500 (Replaces #265)	50,000
Chevrolet Silverado 1500 (IT Request)	45,000
Chevrolet Silverado 1500 (Replaces #35)	50,000
Chevrolet Silverado 3500 (Replaces #295)	90,000
Chevrolet Silverado 3500 (Replaces #105)	90,000
Chevrolet Silverado 3500 (Small Jetter Truck)	150,000
Totals:	475,000

Name of Request: WW Master Plan Update Phase 2**Department: Wastewater***Problem or Opportunity:*

The Master Plan Update is driven by changes to CDPHE water quality regulations for nutrients (Regulation 85 and Regulations 31,33). Regulation 85 has established new end of pipe discharge limits for Total Phosphorus (TP) and Total Inorganic Nitrogen (TIN) of 1 mg/L and 15 mg/L, respectively, as annual median values. ERWSD previously negotiated staggered implementation of Regulation 85 for the three treatment facilities. Avon WW is nearing completion of construction of the improvements needed to meet this regulation. Edwards WW must comply with Regulation 85 limits no later than Jan. 1 2029. The Vail WW facility will need to comply with both Regulation 85 and the future revision to Regulation 31 and 33, which will result in even more stringent discharge limitations based on in-stream water quality parameters. The challenges of the existing infrastructure and site constraints at the Vail facility requires an innovative, system-wide strategy for compliance.

For Edwards WW to attain compliance with the Regulation 85 requirements by Jan. 2029 detailed design of the necessary improvements should start no later than Spring of 2024. Detailed design and construction of improvements at Edwards WW must consider the long-term strategy in operation of all three WW facilities, as changes at the upstream facilities directly impacts the influent characteristics at Edwards WW. This Master Plan Update effort is intended to define this strategy as necessary to minimize the overall cost to rate payers related to regulatory driven improvements at all three facilities.

Consequences of Problem:

Planning level coordination of the compliance strategy as related to all three treatment facilities is critical to minimize the total capital cost incurred from the necessary improvements.

Proposed Solution:

Carollo has identified the following scope areas for Phase 2 of the Master Plan Update effort:

- Detailed treatment alternative identification and analysis respective to Vail, Avon, and Edwards WW facilities.
- Detailed system-wide evaluation and analysis; coordination of impacts from treatment alternatives at upstream facilities.
- Biosolids planning, including production projections, regulatory review, and analysis of disposal options.
- Development of Capital Improvement Plan and final Master Plan Update report.

Budget is also included in this request to fund both laboratory testing and an extended onsite pilot to be performed by a prospective vendor to determine the viability of side stream treatment of the centrate return flow from the solids handling process. This is intended to significantly reduce the recycle loading of phosphorus, which could ultimately play a key role in the strategy for compliance with effluent phosphorus limits at Edwards WW.

- Edwards WW faces somewhat unprecedented challenges in compliance with phosphorus limits due to the loading contributed from the waste sludge from the Vail and Avon facilities. The ATAD solids handling system adds another degree of uniqueness to this significant challenge.
- Should the side stream treatment system be required to meet regulations, CDPHE will require a new technology approval to allow for this use in this application. This is another regulatory step on top of the Site Application Amendment and Design Review steps that we would normally anticipate as part of the upcoming Edwards WW detailed design. The pilot is intended to produce the data needed to achieve the technology approval.

*Costs:***Source: Capital**

Costs	2023
WW MP Phase II	378,800
Totals	378,800

Name of Request: EWW Biofilter Media Replacement**Department: Wastewater***Problem or Opportunity:*

The ATAD solids handling system at Edwards WW inevitably produces odors as part of normal operations. Odors result from the presence of ammonia and reduced sulfur compounds. The odor control system at Edwards WW consists of several components, namely the trickling filters, biofilters, and photo ionization units. The biofilters perform the bulk of the work in removing the reduced sulfur compounds that are characteristic of ATAD system odors.

Biofilters use both inorganic (rock) and organic (wood) material to foster specific biological growth and consume the sulfur compounds. The organic material is inevitably consumed over the course of normal

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operation of the biofilter. TPS, the ATAD equipment vendor and designer of the biofilters, expects a 5-year service life for the organic (wood) portion of the biofilter media. The existing biofilter media was installed in 2016, and therefore will have been in service for nearly 7 years at the proposed time of replacement in 2023. Breakdown of the biofilter media has resulted in impacts to operation of the tertiary photo ionization units and has accelerated the wear and tear on these units.

Consequences of Problem:

Further delaying the biofilter media replacement will make it difficult to maintain negative air pressure in various process areas, which will increase the likelihood of intermittent nuisance odors.

Further delaying the biofilter media replacement will further accelerate wear on the photo ionization units. EWW staff have recently had to replace major components of these units due to the presence of unintended operating conditions. Failure of the photoionization units would likely result in noticeable odor in the Edwards community almost immediately.

Proposed Solution:

Advertise and competitively bid a project for replacement of the organic biofilter media in the early summer of 2023. Pursue alternative project delivery methods if there is insufficient interest in the competitive bid.

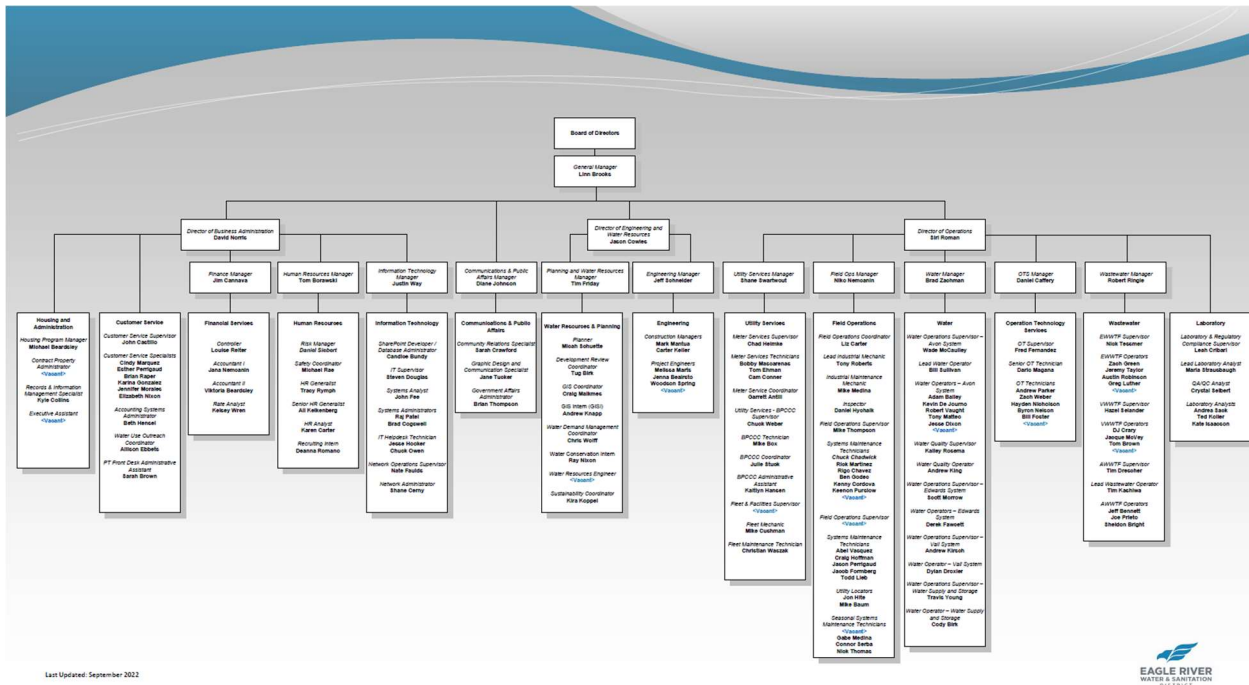
Note that the requested budget amount includes \$63k in owner contingency, which is 25% of the estimated project cost.

Costs:

Source: CRP

Cost	2023
Labor & Equipment (estimated)	103,000
Materials	94,000
Disposal	5,000
Direct Costs	202,000
GC – 8%	16,160
OHP – 15%	30,300
Bonds, Insurance – 2.5%	5,050
Total Project Estimate	253,510
Owner Contingency – 25%	63,000
Total Budget	317,000

Organizational Chart



ERWSD Capital Project Budget Narratives

Engineering

Project Name: Bolts Lake Reservoir	Account Code: 10.3.2.20.09.136
Project Description: 25% share of the costs of initial due diligence, land acquisition, permitting, design, and construction of the Bolts Lake Reservoir, located south of Minturn.	
Statement of Need: Needed to provide strategic in-basin storage to meet demands of future development, provide minimum in-stream flows, and hedge against uncertainty of climate change	
2023 Budget Request: 225,000 (ERWSD)	
Total Project Budget: 22,501,280 (ERWSD)	
Basis of Estimate: One fourth of actual land costs, rough conceptual estimates on design/permitting costs, and a conceptual cost estimate provided by the consulting engineering team	
Engineer: Shannon Wilson (Geotechnical), Leonard Rice (Water Resource/Diversion)	Project Manager: Jason Cowles

Project Name: Reservoir Storage Master Plan	Account Code: 10.3.2.20.09.100
Project Description: Project involves continued development and analysis of the District and Authority's water rights hydrology model, coordination with HSP on their Homestake System Model, coordination with the Eagle River Watershed Council Community Water Plan, and development of statement and purpose and need for permitting of future water supply project. Project has ongoing needs for water counsel and water engineering outsourced services.	
Statement of Need: Water supply planning shows that the District will need to develop additional in-basin storage supplies to meet demands of additional growth and provide strategic reserve for uncertainty regarding climate change, growth projections, and increased administrative calls.	
2023 Budget Request: 25,000	
Total Project Budget: 175,000	
Basis of Estimate: Internal estimate of level of effort	
Engineer: Various	Project Manager: Jason Cowles

Project Name: Greenhouse Gas Inventory	Account Code: 10.3.2.00.07.301
Project Description: This project will do a detailed inventory of greenhouse gas emissions in the treatment and distribution/collection processes system-wide. An inventory is the first step in establishing goals for emission reduction as well as set a baseline for benchmarking improvements.	
Statement of Need: Environmental Stewardships is a core value and sustainability is part of the ERWSD Strategic Plan. This work helps with goal setting and will help inform future projects in terms of what we can accomplish in the future to continue to be a leader in our community for sustainability.	
2023 Budget Request: 203,700	
Total Project Budget: 250,000	
Basis of Estimate: Internal estimate of level of effort	
Engineer: Various	Project Manager: Kira Koppel

Field Operations

Project Name: CRP-Locators and Correlators	Account Code: 10.3.2.00.20.102
Project Description: Annual account for the purchase of location and correlation equipment.	
Statement of Need: Annual account, the need for locating and correlating equipment is increasing for utility locates and leak detection in the distribution system.	
2023 Budget Request: 15,000	
Total Project Budget: Annual	
Basis of Estimate: Annual budget based on past expenditures	
Engineer: NA	Project Manager: Niko Nemcanin/ Mike Thompson

Project Name: Dowd Junction Collection System Improvements	Account Code: 10.3.2.10.01.006
Project Description: This project is replacement of four major collection system components in the Dowd Junction area for end of life and capacity issues, consisting of: Lift Station 4, the Minturn Interceptor Aerial Crossing, the West Vail Interceptor Aerial crossing, and the LS 4 discharge force main. The Minturn Aerial Crossing and the West Vail Interceptor crossing are complete, and the Lift Station and Force Main (including upstream Gravity Interceptor) are currently under construction. We partnered with Eagle County to construct a missing portion of the Eagle Valley Trail in conjunction with the force main project. All work is under contract with completion scheduled for Fall of 2023.	
Statement of Need: High priority improvements identified in 2017 to address code compliance, equipment life cycles, redundancy, and capacity. Pre-design began in 2018.	
2023 Budget Request: 2,500,000	
Total Project Budget: 16,406,405	
Basis of Estimate: Actual construction contract values, 90%, and 60% engineer's estimates for various project components, plus escalation and contingency	
Engineer: HDR, Inc./Murraysmith (force main)	Project Manager: Jenna Beairsto

Project Name: Collection System Master Plan	Account Code: 10.3.2.10.01.009
Project Description: Master planning including hydraulic modeling, condition assessment, inflow and infiltration (I & I) study, and capital planning to address the future capacity and projects in the wastewater collection system. The project is well underway with extensive field surveying of the collection system, early infrastructure recommendations and flow metering data received.	
Statement of Need: A master plan is needed to address the aging infrastructure and potential capacity issues in the collection system. A topographic survey was completed from the Vail WWTF to the Edwards WWTF and in house modeling will be conducted as a baseline for the report. Our WWTF discharge permits contain requirements to identify and reduce I&I, further reinforcing the need for a master plan.	
2023 Budget Request: N/A – Rollover from 2022	
Total Project Budget: 661,559	
Basis of Estimate: N/A – Actual contract cost	
Engineer: Merrick	Project Manager: Micah Schuette

Project Name: CRP – Sewer Capital Replacement Program	Account Code: 10.3.2.10.01.027
Project Description: Annual account for small projects to correct deficiencies or maintenance issues such as dead-end lines, rehabilitation of manholes, insulating shallow lines, etc. Some small projects originate in Construction Review Team (CRT).	
Statement of Need: Annual account, commonly spent on replacing or repairing aging infrastructure or having funds available to partner with other entities' roadway projects.	
2023 Budget Request: 100,000	
Total Project Budget: Annual	
Basis of Estimate: Past annual expenditures	
Engineer: N/A	Project Manager: Various

Project Name: I&I Reduction – District Wide	Account Code: 10.3.2.10.01.043
Project Description: Annual account for to address inflow and infiltration (I&I) as identified by District staff.	
Statement of Need: Annual account, commonly spent on replacing or repairing aging infrastructure or having funds available to partner with other entities' roadway projects. Outsourcing CCTV inspection to locate I&I locations has been the recent use of funds; findings from Collection System Master Plan will help inform locations of future expenditures.	
2023 Budget Request: 100,000	
Total Project Budget: Annual	
Basis of Estimate: Past annual expenditures/project costs	
Engineer: N/A	Project Manager: Niko Nemcanin

Project Name: Water System Emergency Power	Account Code: 10.3.2.20.09.018 (ERWSD) & 20.1.2.00.00.135 (UERWA)
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.	
2023 Budget Request: N/A – funds rolled from 2022	
Total Project Budget: 70,000 (ERWSD); 225,000 (UERWA); Total 295,000	
Basis of Estimate: N/A – ongoing multi-year implementation	
Engineer: AE2S	Project Manager: Various

Project Name: CRP – Vail Water Capital Replacement Program	Account Code: 10.3.2.20.09.447
Project Description: Annual account for small projects such as small mainline extensions, replacements, or hydrant relocations for the Vail Water System.	
Statement of Need: Annual account for large purchase/small projects related to water mains and appurtenances in the Vail water system. Examples would include: working with developers/other entities on small projects, hydrant relocations, large pump station and PRV repairs or equipment purchases, etc. 2022 expenditures included addressing ERWSD-owned portions of service lines that froze the past winter.	
2023 Budget Request: 100,000	
Total Project Budget: Annual	
Basis of Estimate: Annual account, based on potential expenditures	
Engineer: N/A	Project Manager: Niko Nemcanin

Project Name: CRP – Distribution Industrial Painting	Account Code: 10.3.2.20.30.112
Project Description: Annual account for small industrial painting projects at distribution system facilities such as PRV vaults and pump stations.	
Statement of Need: Annual account for painting various water system appurtenances. Industrial coatings are critical to extend the lifespan of various system assets due to corrosion.	
2023 Budget Request: 50,000	
Total Project Budget: Annual	
Basis of Estimate: Annual account, based on roughly 2-3 facilities per year	
Engineer: N/A	Project Manager: Tony Roberts/Niko Nemcanin

Project Name: Forest /Rockledge Private Sewer Replacement	Account Code: 10.3.2.10.01.045
Project Description: This project replaces a private sewer main serving four customers on Forest Road and Rockledge Road in Vail with a public sewer main. The existing private main contains a manhole that does not meet specifications and is a contributor of Inflow and Infiltration.	
Statement of Need: This project originated in Construction Review Team when a redevelopment revealed the deficient private sewer main. The four homeowners have agreed to finance the project, making this a budget-neutral project. We are ready to begin work and are working with legal on a memorandum or agreement guaranteeing reimbursement from the homeowners.	
2023 Budget Request: 262,000	
Total Project Budget: 302,000	
Basis of Estimate: In-house conceptual estimate using current bid prices	
Engineer: JVA, Inc.	Project Manager: Woodson Spring

Project Name: North Frontage Road Water Main Connection	Account Code: 10.3.2.20.09.024
Project Description: This project connects a dead-end water main at the existing Middle Creek housing development with a new portion of water main to be constructed as part of the Residences at Main Vail development, installed in August of 2022. It will provide an important redundant loop to high density housing which helps reduce the consequence of failure of the deep crossing beneath I-70.	
Statement of Need: This project is part of the strategy for newer, more accessible water mains in Vail that began with the 2021 Vail South Frontage Road project. This project provides important redundancy to an aging water main crossing beneath I-70 and will eventually result in a looped water main along the North Frontage Road.	
2023 Budget Request: 425,000	
Total Project Budget: 478,125	
Basis of Estimate: In-house conceptual estimate using current bid prices	
Engineer: JVA, Inc.	Project Manager: Woodson Spring

Project Name: Minturn Siphon Project	Account Code: 10.3.2.10.01.012
Project Description: Wastewater flow through Minturn passes through an inverted siphon beneath the Eagle River. The siphon has long been a maintenance concern, and difficult to fully assess its condition. The project includes a detailed condition assessment and preliminary design prior to proceeding to a final solution.	
Statement of Need: As part of the Collection System Master Plan, Merrick was asked to provide a list of high priority projects. The siphon has long been a maintenance and capacity concern. Recent sewer flow meter data confirms that the siphon appears to be contributing I&I to the collection system, and with I&I rolled into WWTF discharge permitting requirement	
2023 Budget Request: 150,000	
Total Project Budget: 2,650,000	
Basis of Estimate: Conceptual engineer's estimate plus escalation	
Engineer: Merrick	Project Manager: TBD

Project Name: Westhaven Sewer Main	Account Code: 10.3.2.10.01.019
Project Description: The sewer interceptor flows along Gore Creek west of the Vail WWTF. At the Cascade Skier Bridge there exists an unprotected pipeline crossing in the creek in a deteriorated condition. This project was identified in the the 'High Priority Capital Projects' deliverable provided during the Collection System MP effort.	
Statement of Need: The section of pipeline crossing Gore Creek exhibited structural damage and is located in the creek, resulting in a high consequence of failure. Further, I&I is clearly exhibited in the inspection data. This project was prioritized ahead of others due to its location downstream of the Vail WWTF as it likely requires increased capacity to meet our plant bypass flows and overall nutrient management strategy.	
2023 Budget Request: 200,000	
Total Project Budget: 3,700,000	
Basis of Estimate: Conceptual engineer's estimate plus escalation	
Engineer: Merrick	Project Manager: TBD

Project Name: CRP Heavy Equipment	Account Code: 10.3.2.00.07.309
Project Description: A separate account was created for purchase of a gooseneck trailer. This trailer will haul a mini excavator and smaller equipment rather than needing to mobilize the large semi-truck trailer for water main repair work and emergency response.	
Statement of Need: The only trailer that hauls equipment is a large 'low boy' that requires a CDL and is overkill for smaller equipment hauling needs. This will enable better emergency response and flexibility for Field Operations.	
2023 Budget Request: 45,000	
Total Project Budget: 45,000	
Basis of Estimate: Vendor Quote	
Engineer: N/A	Project Manager: Niko Nemcanin

Housing

Project Name: District Housing Sustainability	Account Code: 10.1.2.00.05.013
Project Description: Sustainability expense line within the housing program.	
Statement of Need: To continue our efforts in focusing on sustainability expenses as it relates to housing. Replacement of appliances, with more sustainable appliances, charging stations at our housing properties for EVs and high efficiency investments in our program.	
2023 Budget Request: 75,000	
Total Project Budget: 75,000	
Basis of Estimate: Vendor Quote	
Engineer: N/A	Project Manager: Michael Beardsley

Project Name: Buckhorn Project	Account Code: 10.1.2.10.05.052
Project Description: Buckhorn is a neighborhood in Gypsum where the District has owned 3 lots for many years. In 2022, the District board approved \$1.5M to build on the lots.	
Statement of Need: Housing needs are growing, and supply is lower than demand.	
2023 Budget Request: 1,500,000	
Total Project Budget: 3,000,000	
Basis of Estimate: Vendor Quote	
Engineer: N/A	Project Manager: Michael Beardsley

Project Name: Future Housing Needs	Account Code: 10.1.2.10.05.053
Project Description: Future housing needs	
Statement of Need: Address housing crisis by investing in housing in the valley in the form of land acquisitions, dense housing collaborations or traditional builds.	
2023 Budget Request: 0	
Total Project Budget: 7,500,000	
Basis of Estimate: Vendor Quote	
Engineer: N/A	Project Manager: Michael Beardsley

Project Name: CRP-Employee Housing	Account Code: 10.1.2.10.80.100
Project Description: Updates to our housing fleet to address updating and upkeep as capital expenses.	
Statement of Need: Upkeep and capital improvements in our housing properties.	
2023 Budget Request: 250,000	
Total Project Budget: 2,680,000	
Basis of Estimate: Vendor Quote	
Engineer: N/A	Project Manager: Michael Beardsley

IT

Project Name: Cameras for RTU Sites	Account Code: 10.1.2.00.45.307
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Project Description: Installing two security cameras at each of the 83 remote RTU sites over a multi-year implementation period. Operators can check real time video imagery to help with alarm responses, etc. This project will provide 2 security cameras at all RTU locations. One will be placed on the radio tower and the other will positioned based on need. The cameras used for internal areas will provide thermal awareness of running temperatures and the ability to monitor water on the floor. The UERWA sites will be completed in 2022 and the ERWSD (Vail) sites will be completed in 2023.	
Statement of Need: Increased security at remote sites is a goal and with the RTU's new communication technology there is capacity to install cameras and handle the data. This should reduce nuisance alarm callouts and should help operators better prepare in the event of a response to a callout.	
2023 Budget Request: 192,533	
Total Project Budget: 606,078	
Basis of Estimate: Vendor quotes	
Engineer: NA	Project Manager: Justin Way

Project Name: Stone Security Control Access	Account Code: 10.1.2.00.45.308
Project Description: This project installs physical access control at 6 ERWSD facilities and Traer Creek Office, providing card access to all doors with motion sensing detection of forced entry. It also is providing an updated surveillance system on all doors and facility grounds. The base deployment to all of our facilities has been completed however with the changes to facilities based on other capital projects, continual additions and modifications to the system will need to take place. The budget for 2022 is intended to cover the removal of the manual keypads.	
Statement of Need: The main project was implemented in 2020 to better establish security at our facilities, in compliance with homeland security requirements and operator safety.	
2023 Budget Request: 50,000	
Total Project Budget: 110,000	
Basis of Estimate: Vendor quotes	
Engineer: NA	Project Manager: Justin Way

Project Name: RTU Firewall Replacement	Account Code: 10.1.2.00.45.316
Project Description: This project will replace the Ruggedized 90D firewalls deployed at the 83 RTU sites throughout the system. The firewalls are at end of life and no longer supported; continuing their use may compromise network security. Further, the new firewalls have 4G cellular capability as a redundant communication network.	
Statement of Need: The firewalls are end of life and no longer able to receive important firmware and security updates. The new firewalls' redundant cellular configuration makes the water distribution network less susceptible to outages.	
2023 Budget Request: 221,795	
Total Project Budget: 221,795	
Basis of Estimate: Vendor Quotes	
Engineer: NA	Project Manager: Justin Way

Project Name: Backup Security Appliance	Account Code: 10.1.2.00.45.320
Project Description: IT staff identified a risk related to disaster recovery in that the cloud backup solution would take weeks to restore normal operations. This new backup appliance	

would provide support from encryption, deletion, and ransomware and enable data recovery in a much quicker timeframe.	
Statement of Need: This solution would enable disaster recovery (restoring servers) in a matter of hours rather than days or weeks. Servers supporting critical District operations being down for an extended time would have a major disruption to operations – potentially impacting treatment and delivery.	
2023 Budget Request: 169,792	
Total Project Budget: 169,792	
Basis of Estimate: Vendor Quotes	
Engineer: NA	Project Manager: Justin Way

Project Name: VM Ware Carbon Black	Account Code: 10.1.2.00.45.319
Project Description: VM Ware Carbon Black is a new cyber security product that hardens our network security and protects the virtual environment, protecting the already significant investment in VM Ware virtual infrastructure.	
Statement of Need: This solution complements the existing antivirus protection and secures virtual servers including Virtual Desktop. The software replaces hundreds of hours of manual work on locating software versions with known vulnerabilities.	
2023 Budget Request: 52,984	
Total Project Budget: 52,984	
Basis of Estimate: Vendor Quotes	
Engineer: NA	Project Manager: Justin Way

Project Name: Elk Analytics SIEM Project	Account Code: 10.1.2.00.45.318
Project Description: SIEM (Security Information and Event Management) is another important network security tool that complements the existing systems. It collects millions of logs and provides real time intelligence to proactively detect and investigate threats before they are impactful. Nearly every device is producing events and is vulnerable to attack, the SEIM is the management systems that automates the collection and management of this data.	
Statement of Need: This product will improve our ability to detect real time threats and attacks to our network security and potentially result in incredible losses if a threat goes unnoticed. Additionally, the software includes 24/7 security monitoring.	
2023 Budget Request: 83,275	
Total Project Budget: 83,275	
Basis of Estimate: Vendor quotes	
Engineer: NA	Project Manager: Justin Way

Project Name: CRP-Server & Network Improvements	Account Code: 10.1.2.00.45.109
Project Description: This capital entry is to allow for the slow and progressive improvement of our network and server environment. We have progressively improved our network over time with an effort to fix and improve different pieces without performing a massive overhaul all at once.	
Statement of Need: Annual account for continual network improvements	
2023 Budget Request: 150,000	
Total Project Budget: Annual	
Basis of Estimate: Annual account – reflective of additional needs due to other projects and cost escalation/supply chain issues	
Engineer: NA	Project Manager: Justin Way

Project Name: CRP-Desktop/Laptop Improvement Upgrade	Account Code: 10.1.2.00.45.124
Project Description: This capital entry is allotted for the purchase of new desktops and laptops for new employees as well as replacing antiquated equipment for those who have been on staff for a while.	
Statement of Need: New staffing and aging equipment requires continual purchase of new equipment. The larger annual request is due to new staffing, supply chain issues, and cost escalations.	
2023 Budget Request: 160,000	
Total Project Budget: Annual	
Basis of Estimate: Place holder with the expectation of replacing roughly 20 new systems per year	
Engineer: NA	Project Manager: Justin Way

Project Name: CRP-Printers Improvements Upgrade	Account Code: 10.1.2.00.45.125
Project Description: This capital entry provides a place holder to purchase a new printer for an office location. We have steadily maintained our printer environment lowering our carbon footprint and continue to do so.	
Statement of Need: Annual printer purchase as equipment becomes obsolete.	
2023 Budget Request: 10,000	
Total Project Budget: Annual	
Basis of Estimate: Annual estimate assuming replacement of one unit per year	
Engineer: NA	Project Manager: Justin Way

Project Name: CRP-Low Voltage Wiring	Account Code: 10.1.2.00.45.128
Project Description: This capital entry funds all low voltage wiring, i.e. network cabling, communications lines, rewiring of radios, as needed. Through this capital replacement budget, we have methodically replaced and upgraded low voltage cabling throughout our facilities.	
Statement of Need: Low voltage wiring has a life expectancy around 15 years. This is a project that not only reflects the plants and facilities but also addresses when an office is rearranged, or an employee moves to a new location where network cabling did not exist prior. Larger request than 2022 (\$50k) due to cost escalations.	
2023 Budget Request: 70,000	
Total Project Budget: Annual	
Basis of Estimate: Annual estimate based on previous expenditures	
Engineer: NA	Project Manager: Justin Way

Project Name: Truck Wi-Fi Project	Account Code: 10.1.2.00.45.315
Project Description: The RTU system is located throughout the service area, including in some areas where cell service is spotty or non-existent. Since our field crews rely heavily on GIS and Cityworks software while deployed in remote sites, this project will utilize the RTU network backbone to provide connectivity in those areas.	
Statement of Need: Availability of asset management software while in the field is a critical need that helps our field teams manage our infrastructure. Additionally, this will provide better connectivity in the event of an emergency situation. The lack of connectivity in some areas could compromise the field response to situations where there is a need to communicate and utilize our network for information.	
2023 Budget Request: 160,000	
Total Project Budget: 160,000	
Basis of Estimate: Vendor quote	
Engineer: NA	Project Manager: Justin Way

Project Name: CS/US Conference Room Technology	Account Code: 10.1.2.00.45.314
Project Description: The Vail Admin Office Remodel project created a larger and newer conference room facility but did not include the technology contained in other larger conference facilities such as Kirch, Gelvin, and Sanford to host remote meetings. This project would provide that technology, improving collaboration in our new hybrid work environment and better utilize the conference room.	
Statement of Need: Conference facilities are often in short supply and the required technology enables better collaboration and efficient virtual meetings, likely saving resources in travelling to Denver and other locations to meet with various outside entities.	
2023 Budget Request: 22,962	
Total Project Budget: 22,962	
Basis of Estimate: Vendor quote	
Engineer: NA	Project Manager: Justin Way

Project Name: License Plate Reader Cameras	Account Code: 10.1.2.00.45.314
Project Description: As part of our overall facility strategy, License Plate Reader Cameras were proposed in the 2022 budget process. Other priorities, and a major capital project at Vail and Avon WWTFs shelved the work until 2023. This will help track and control vehicles that access our facilities.	
Statement of Need: Increased security and vehicle access to our critical facilities is an ongoing need to protect our infrastructure. This project will assist our risk management team in dealing with parking problems and improve overall District security.	
2023 Budget Request: 25,000	
Total Project Budget: 25,000	
Basis of Estimate: Vendor quote	
Engineer: NA	Project Manager: Justin Way

Lab

Project Name: CRP – Lab Equipment Replacement	Account Code: 10.3.2.00.35.100
Project Description: Annual account for large purchases of laboratory equipment.	
Statement of Need: Annual account, laboratory equipment is very specialized and potentially costly such as lab-grade dishwasher for glassware, etc.	
2023 Budget Request: 10,000	
Total Project Budget: Annual	
Basis of Estimate: Past annual expenditures	
Engineer: N/A	Project Manager: Leah Cribari

Project Name: Lab Improvements	Account Code: 10.3.2.10.03.701
Project Description: This project brings metals analysis from contract laboratory testing to in-house. The project includes some interior and exterior modifications and the purchase of an Inductively Coupled Mass Spectrometer (ICP-MS) to perform metals testing. ICP-MS was purchased and is awaiting installation. Moltz Construction, the contractor for the AWWTF Nutrient Upgrades Project, is under contract to complete the work this winter/spring. Long lead times for the needed HVAC equipment pushed the project completion date.	
Statement of Need: Additional regulatory requirements in both water and wastewater lead to more metals sample collection and analysis requirements. This project will improve testing turnaround times (which could help with permit compliance).	
2023 Budget Request: N/A – rollover from 2022	
Total Project Budget: 818,492	
Basis of Estimate: Guaranteed Maximum Price (GMP) proposal from Moltz Construction	
Engineer: SGM, Inc.	Project Manager: Melissa Marts

Ops Tech

Project Name: OTS Spare Parts Inventory		Account Code: 10.1.2.00.47.100
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.		
2023 Budget Request: 10,000		
Total Project Budget: Annual		
Basis of Estimate: Annual account, based on past expenditures		
Engineer: N/A		Project Manager: Various

Utility Services

Project Name: Hillcrest Field Operations Facility		Account Code: 10.1.2.10.05.057
Project Description: To provide for the Avon WWTF Nutrients project, certain vehicles, materials, and equipment were relocated to the Hillcrest property, located at 32001 US 6 in west Edwards. Work completed includes: new fencing and gate, lighting and electrical for diesel engine block heaters, and minor site grading. The remaining budget is to fund minor improvements and upgrades to improve the functionality of the property.		
Statement of Need: The project was driven by the need to relocate Field Operations equipment, materials, and other large inventory items such as water mains, hydrants, and manholes off site to provide for the construction of the Avon WWTF Nutrient Upgrades. Field Operations desires to conduct some small improvements to improve the functionality of the site in 2023. It is also recommended to keep budget in response to the 2023 Hillcrest Roundabout project planned by Eagle County.		
2023 Budget Request: N/A – Rollover unspent portion of \$75,422		
Total Project Budget: 150,000		
Basis of Estimate: Actual costs of improvements plus minor remaining work.		
Engineer: N/A		Project Manager: Niko Nemcanin/Jeff Schneider

Project Name: Fleet Maintenance Facility at EWWTF		Account Code: 10.3.2.10.05.159
Project Description: This project was originally conceived as an all-in-one project to replace the aging fleet garage and solids loadout garages on the east half of the AWWTF facility and expand the administration building to create an operations headquarters at AWWTF. To better utilize ERWSD's available real estate and eliminate disruptions in Fleet services, it was decided to		
Statement of Need: This project alternative was identified in the 2020 Overall Facilities Master Plan but located at the Hillcrest parcel on US Highway 6; the concept is the same but at a different location contiguous with the Edwards WWTF property. The existing garage facilities at AWWTF are at the end of their useful lives. Constructing the facility to house Fleet at this property enables offline construction and reduces the scope, scale, and vehicle storage and parking needs at the AWWTF property.		
2023 Budget Request: 1,700,000		
Total Project Budget: 5,000,000		
Basis of Estimate: Conceptual cost estimate from Overall Facilities Master Plan		
Engineer/Architect: D2C Architects		Project Manager: Mark Mantua

Project Name: Facility Rooftop Solar	Account Code: 10.1.2.00.05.012
Project Description: New program to study and eventually install solar panels on various District facilities to meet ERWSD sustainability goals. Will be led by sustainability coordinator and begin with a study of various facilities and a pilot project. Eventual work will include design, permitting, and construction in the future.	
Statement of Need: ERWSD has numerous facilities with large, flat roofs that could be leverage to generate solar energy, helping to reach ERWSD sustainability goals with relatively low capital investment and full site control.	
2023 Budget Request: N/A rollover from 2022	
Total Project Budget: 100,000	
Basis of Estimate: In-house conceptual estimate for engineering/solar study and small pilot project based on similar project cost comparisons.	
Engineer: TBD	Project Manager: Kira Koppel

Project Name: CRP-Building Remodels or Major Repairs	Account Code: 10.1.2.00.05.142
Project Description: Annual account for major repairs or remodels	
Statement of Need: Items such as new roofing at Vail WWTF, painting roof at AWWTF, and other items as they come up. Currently working on designing and implementing improvements to the restrooms at the Vail Admin office, and in 2022 the fund was used to supply needed funds for the Vail Admin Office Renovations.	
2023 Budget Request: 200,000	
Total Project Budget: Annual	
Basis of Estimate: Annual budget based on past expenditures	
Engineer: NA	Project Manager: Shane Swartwout

Project Name: AWWTF Rooftop Solar	Account Code: 10.1.2.00.05.014
Project Description: Turnkey installation of a rooftop solar array on the newly expanded Avon WWTF facility. The proposed system is 200kW capacity to best align with Holy Cross Energy metering programs and will be expandable once battery storage becomes feasible. The 200kW system offsets 12% of the AWWTF plant's electrical demand and provides resiliency against increasing energy costs and power availability.	
Statement of Need: The AWWTF Nutrient Upgrade project included the structural capacity for future ballasted solar panel installation. This project is needed to offset our energy usage and make a small but meaningful step in our climate action goals. The expandability and capability to add battery storage will increase the value of the project in the long term.	
2023 Budget Request: 455,000	
Total Project Budget: 455,000	
Basis of Estimate: Multiple quotes from installers/vendors	
Engineer: N/A	Project Manager: Kira Koppel/Carter Keller

Project Name: CRP-Vehicle and Heavy Equipment	Account Code: 10.3.2.00.07.310
Project Description: Annual account for the purchase of new fleet vehicles and heavy equipment	
Statement of Need: Based on mileage and depreciation of existing vehicles, also adding additional electric vehicles to the fleet. Based on staffing needs.	
2023 Budget Request: 360,000	
Total Project Budget: Annual	
Basis of Estimate: Vehicle quotes plus contingencies for staffing changes	
Engineer: NA	Project Manager: Shane Swartwout

Project Name: CRP-Asphalt Seal and Stripe	Account Code: 10.1.2.00.20.101
Project Description: Annual account for maintenance of asphalt parking areas and parking lot striping	
Statement of Need: Annual account, location of work depending on condition	
2023 Budget Request: 14,000	
Total Project Budget: Annual	
Basis of Estimate: Annual account – based on past expenditures and vendor quotes	
Engineer: NA	Project Manager: Shane Swartwout

Water

Project Name: Water Treatment Master Plan	Account Code: 10.3.2.20.09.016
Project Description: ERWSD portion (67/33) of a comprehensive master plan for water treatment and production facilities (plants, wells, raw water) plan using information contained in a detailed condition assessment, future growth, regulatory requirements, etc. Project originally budgeted for 2019 kickoff and due to challenges and management turnover, was contracted in 2022 and is scheduled to be completed in 2023.	
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.	
2023 Budget Request: 66,667	
Total Project Budget: 166,667	
Basis of Estimate: Contract from Carollo Engineers	
Engineer: Carollo Engineers	Project Manager: Jenna Beirsto

Project Name: WST Misc. Improvements	Account Code: 10.3.2.20.09.019
Project Description: Annual account for small tank rehabilitation/repair projects throughout the Vail 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 and represents a proactive approach to addressing storage tank deficiencies.	
2023 Budget Request: 150,000	
Total Project Budget: Annual	
Basis of Estimate: Placeholder, actual work typically less than budget	
Engineer: N/A	Project Manager: Woodson Spring

Project Name: Vail System Repairs	Account Code: 10.3.2.20.09.020
Project Description: Annual account for small projects in the Vail water system at wells and treatment facilities.	
Statement of Need: Annual account for planned and unforeseen purchases and projects such as analyzers, wells, etc. 2022 expenditure included new pump and motor at Well R4.	
2023 Budget Request: 50,000	
Total Project Budget: Annual	
Basis of Estimate: Annual account, based on similar repair CRP accounts in WW system	
Engineer: N/A	Project Manager: Andrew Kirch

Project Name: West Vail Flow Control Improvements	Account Code: 10.3.2.20.09.022
Project Description: This project was recommended in the 2020 Water System Master Plan to install flow control valves in two locations: the 1890 Buffeher PRV and the Glen Lyon PRV. The two locations have power and control capabilities nearby and should have a large positive impact on operations. Revised budget includes in-house design and implementation with small contracting efforts and the Glen Lyon location has been eliminated. Desired implementation timeframe is 2023.	
Statement of Need: The Water System MP identified a deficiency between current maximum day demand (MDD) and the production capacity of the West Vail wells. This deficiency was confirmed by operational concerns in the summer of 2020.	
2023 Budget Request: 50,000	
Total Project Budget: 250,000	
Basis of Estimate: Conceptual cost estimate from Water System MP plus small escalation/contingency factor.	
Engineer: N/A	Project Manager: Andrew Kirsch

Project Name: Main Gore Place Water Main Replacement	Account Code: New Account
Project Description: This project involves replacement of undersized and end of life water main in East Vail. This location was the site of a costly, time consuming emergency repair in 2021, and there is concern that additional failures are possible. A proactive solution is always a better value than a reactive solution.	
Statement of Need: In 2021 a water main break caused emergency replacement of 36' of water main at an astronomical cost. It revealed corrosion issues, poor bedding conditions, high groundwater, and interference with the nearby sewer main. This has been identified as a high priority by Field Operations.	
2023 Budget Request: N/A – rollover and repurposed from 2022 account	
Total Project Budget: 498,000	
Basis of Estimate: Conceptual per LF costs	
Engineer: JVA, Inc.	Project Manager: Woodson Spring

Wastewater

Project Name: VWWTF Master Plan Capital Improvements – Phase 1	Account Code: 10.3.2.10.03.316
Project Description: The project includes several scope items identified in the 2017 Wastewater Master Plan related to condition assessment items. A pre design phase was recently completed to further define the scope as: Emergency Generator and associated electrical improvements, flow bypass structure, structural improvements, and UV system rehabilitation.	
Statement of Need: High priority improvements identified in 2017 Master Plan to address code compliance, equipment life cycles, and redundancy. Project was deferred for multiple years; first budgeted in 2018, further pre design work completed in 2021 for 2022/23 construction.	
2023 Budget Request: 3,901,650	
Total Project Budget: 10,553,008	
Basis of Estimate: Guaranteed Maximum Price (GMP) proposals and estimates from PCL construction, plus engineering support proposals	
Engineer: Black and Veatch	Project Manager: Mark Mantua

Project Name: CRP – VWWTF Plant Repairs	Account Code: 10.3.2.10.11.117
Project Description: Annual account for unforeseen or planned larger repairs such as large pump motors, etc. beyond what is captured in Operation and Maintenance budgets. Typical request (50,000) greatly reduced due to capital project.	
Statement of Need: Annual account, commonly spent on replacing components of aging treatment facilities.	
2023 Budget Request: 15,000	
Total Project Budget: Annual	
Basis of Estimate: Past annual expenditures	
Engineer: N/A	Project Manager: Hazel Selandar

Project Name: CRP – AWWTF Plant Repairs	Account Code: 10.3.2.10.12.126
Project Description: Annual account for unforeseen or planned larger repairs such as large pump motors, etc. beyond what is captured in Operation and Maintenance budgets. Typical request (50,000) reduced due to completion of major capital project.	
Statement of Need: Annual account, commonly spent on replacing components of aging treatment facilities.	
2023 Budget Request: 30,000	
Total Project Budget: Annual	
Basis of Estimate: Past annual expenditures	
Engineer: N/A	Project Manager: Tim Drescher

Project Name: CRP – EWWTF Plant Repairs	Account Code: 10.3.2.10.13.114
Project Description: Annual account for unforeseen or planned larger repairs such as large pump motors, etc. beyond what is captured in Operation and Maintenance budgets. Typical request (135,000) increased due to improvements required to prevent major influent pump station failure that occurred in 2022, among other deferred maintenance items that cannot wait until larger nutrient project kicks off.	
Statement of Need: Annual account, commonly spent on replacing components of aging treatment facilities.	
2022 Budget Request: 135,000	
Total Project Budget: Annual	
Basis of Estimate: Past annual expenditures	
Engineer: N/A	Project Manager: Nick Tessmer/Rob Ringle

Project Name: WW Master Plan Update – Phase 2	Account Code: 10.3.2.10.03.003
Project Description: 5 year update of the previous 2017 WW Master Plan to evaluate nutrient management strategies, update treatment model based on completion of AWWTF Nutrient Upgrades, and refine capital projections. During early work in 2022, additional modeling efforts and a field pilot system for sidestream nutrient removal were identified. Edwards WWTF, with its unique loading scenario of receiving solids from 3 facilities and high phosphorous levels, necessitates the full scale pilot.	
Statement of Need: Evolving regulatory climate necessitates master plan updates on a 5-year cycle after updates in 2012 and 2017.	
2023 Budget Request: 378,800	
Total Project Budget: 378,800	
Basis of Estimate: Carollo scope and fee estimate and treatment technology vendor quote	
Engineer: Carollo Engineers	Project Manager: Rob Ringle

Project Name: CRP – EWWTF Biofilter Media Replacement	Account Code: 10.3.2.10.13.115
Project Description: The Edwards WWTF has a multi-stage odor control system that treats odors from various plant processes. The most considerable odors are present in the solids digestion process and that process includes biofilters which contain consumable organic media. The media is a specialty product and the removal of old media and installation of new media requires specialty contractors and equipment.	
Statement of Need: The vendor recommends a 5-year life cycle replacement and the last time it was completed was in 2016. This is critical to the performance of the overall odor control system and the more it breaks down, the less airflow is permitted through the media.	
2023 Budget Request: 317,000	
Total Project Budget: 317,000	
Basis of Estimate: Quotation from supplier and estimate from previous effort in 2016, escalated	
Engineer: N/A	Project Manager: Rob Ringle

Appendix B - ERWSD 10-Year Plan

Description	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget	2028 Budget	2029 Budget	2030 Budget	2031 Budget	2032 Budget	Total
10-1-2-00-05-013 District Housing Sustainability	75,000										75,000
10-1-2-10-05-052 Buckhorn Valley Lot #94 0091 Cochise Dr.	1,500,000	1,500,000	-	-	-	-	-	-	-	-	3,000,000
10-1-2-10-05-053 Housing Acquisitions	-	-	-	-	7,500,000	-	-	-	-	-	7,500,000
10-1-2-10-80-100 CRP-Employee Housing	250,000	270,000	270,000	270,000	270,000	270,000	270,000	270,000	270,000	270,000	2,680,000
10-1-2-00-45-137 CRP-GPS Unit Replacement	-	-	40,000	-	-	-	-	-	-	-	40,000
10-1-2-00-45-303 Aerial Imagery Service Area Mapping	-	50,000	-	-	-	-	-	-	-	-	50,000
10-3-2-10-07-100 Gore Valley Trail @ Dowd Jct. Repair	516,974	-	-	-	-	-	-	-	-	-	516,974
10-3-2-20-09-100 Reservoir Storage Master Plan	25,000	50,000	-	-	-	-	-	-	-	-	75,000
10-1-2-00-05-014 AWWTF Renewable Energy & Resilience	455,000										455,000
10-3-2-00-07-301 Greenhouse Gas Inventory	203,700										203,700
10-1-2-00-45-200 CRP-Portable Radio Upgrade	-	25,000	-	-	-	-	-	-	-	-	25,000
10-3-2-00-20-102 CRP-Locators & Correlators	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	150,000
10-3-2-10-01-006 Dowd Junction Collection System Improve.	2,500,000	-	-	-	-	-	-	-	-	-	2,500,000
10-3-2-10-01-011 Vail WWTF Area Bypass and Collection Upgrades	-	-	75,000	506,000							581,000
10-3-2-10-01-027 CRP-Sewer Capital Replacement Program	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,000,000
10-3-2-10-01-043 I & I Reduction - District wide	125,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,025,000
10-3-2-10-01-045 Forest Rd./Rockledge Private Sewer Replacement	262,000	-	-	-	-	-	-	-	-	-	262,000
10-3-2-20-09-447 CRP-Vail Water Capital Replacement Program	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,000,000
10-3-2-10-01-012 Minturn Siphon	150,000	500,000	2,000,000								2,650,000
10-3-2-10-01-019 Westhaven Sewer Main	200,000	3,500,000									3,700,000
10-1-2-00-45-109 CRP-Server & Network Improvements	150,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	600,000
10-1-2-00-45-124 CRP-Desktop/Laptop Improvement Upgrade	160,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	385,000
10-1-2-00-45-125 CRP-Printers Improvement Upgrade	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	100,000
10-1-2-00-45-128 CRP- Low Voltage Wiring	70,000	25,000	-	-	-	-	-	-	-	-	95,000
10-1-2-00-45-307 Cameras for RTU Sites	192,533	-	-	-	-	-	-	-	-	-	192,533
10-1-2-00-45-308 Stone Security Control Access	50,000	-	-	-	-	-	-	-	-	-	50,000
10-1-2-00-45-314 License Plate Reader Cameras	25,000	-	-	-	-	-	-	-	-	-	25,000
10-1-2-10-80-101 CRP- Safety & Security	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	100,000
10-1-2-00-45-315 Truck Wi-Fi	40,000										40,000
10-1-2-00-45-316 RTU Firewall Replacement	221,795										221,795
10-1-2-00-45-317 CS and US Conference Room Technology	22,962										22,962
10-1-2-00-45-318 Elk Analytics SIEM	83,275										83,275
10-1-2-00-45-319 VMWare Carbon Black	52,984										52,984
10-1-2-00-45-320 Backup Security Appliance	169,792										169,792
10-3-2-00-35-100 CRP-Lab Equipment Replacement	10,000	80,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	170,000
10-1-2-00-47-100 OTS Spare Parts Inventory	10,000										10,000
10-3-2-20-09-463 RTU System Upgrade	-	25,000	-	-	-	-	-	-	-	-	25,000
10-1-2-00-05-110 Vail Office Remodel/Parking Improvements	-	-	-	-	-	250,000	1,750,000	3,000,000	500,000	-	5,500,000
10-1-2-00-05-142 CRP-Building Remodels or Major Repairs	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,000,000
10-3-2-00-20-101 CRP-Asphalt Seal & Stripe	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	140,000
10-3-2-10-05-159 Field and Fleet HQ at AWWTF	1,700,000	3,000,000	-	-	-	-	-	-	-	-	4,700,000
10-3-2-00-07-309 CRP-Heavy Equipment	45,000										45,000
10-3-2-00-07-310 CRP-Vehicle	360,000	100,000	150,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,010,000
10-3-2-10-03-002 2022 WW Master Plan Update	436,400	-	-	-	-	-	-	-	-	-	436,400
10-3-2-10-03-316 VWWTF Master Plan Capital Improvements	3,901,650	-	-	-	-	-	-	-	-	-	3,901,650
10-3-2-10-03-339 VWWTF Master Plan Capital Improvements – Phase 2	-					500,000	1,500,000	4,000,000	4,000,000		10,000,000
10-3-2-10-03-505 EWWTF Master Plan Capital Improvements	-	2,100,000	3,900,000	20,000,000	20,000,000	20,000,000	-	-	-	-	66,000,000
10-3-2-10-11-117 CRP-VWWTF Plant Repairs	15,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	465,000
10-3-2-10-12-126 CRP-AWWTF Plant Repairs	30,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	480,000
10-3-2-10-13-114 CRP-EWWTF Plant Repairs	135,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	585,000
10-3-2-10-03-003 2022 WW Master Plan Update Phase 2	378,800	-									378,800
10-3-2-10-13-115 EWW Biofilter Media Replacement	317,000					350,000					667,000
10-3-2-00-09-016 Water Treatment Master Plan-	66,667	-	-	-	-	-	-	-	-	-	66,667
10-3-2-20-09-019 Water Storage Tank Misc. Improvements	100,000	150,000	150,000	150,000	150,000	150,000	150,000	100,000	100,000	100,000	1,300,000
10-3-2-20-09-020 CRP-Vail Wtr System Repairs	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	500,000
10-3-2-20-09-022 West Vail Flow Control Improvements	50,000	75,000	-	-	-	-	-	-	-	-	125,000
10-3-2-20-09-024 N. Frontage Road Water Main Connection	425,000	-	-	-	-	-	-	-	-	-	425,000
10-3-2-20-09-025 Lower Glen Lyon Fire Flow Improvements	450,000	-	-	48,000	450,000	-	-	-	-	-	948,000
10-3-2-20-09-136 Bolts Lake Reservoir	225,000	125,000	250,000	500,000	6,250,000	6,250,000	6,250,000	-	-	-	19,850,000
10-3-2-20-30-112 CRP-Distribution Industrial Painting	50,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	293,000
Grand Total	16,705,532	12,426,000	7,696,000	30,035,000	28,181,000	28,831,000	10,981,000	8,431,000	5,931,000	1,431,000	150,648,532

ERWSD Appendix A - Line-Item Detail

Type Detail	Department	Account	2022_Budget	2022 YE Proj.	2023_Proposed Budget	2023_Proposed Budget & Carryforward
Operating	Administration	10-1-9-00-70-080 Board Meeting/Travel Expenses	2,115	2,132	4,500	4,500
		10-1-9-00-70-090 Directors Fees	18,000	18,000	18,000	18,000
		10-1-9-00-71-090 Employee Recognition	3,500	1,625	2,000	2,000
		10-1-9-00-71-600 General Operations	40,000	15,179	25,000	25,000
		10-1-9-00-71-670 Training/Travel	3,000	3,000	3,000	3,000
		10-1-9-00-90-190 General Legal	130,000	130,000	120,000	120,000
		10-1-9-10-80-107 Housing - Fees EHOP	1,500	3,000	3,000	3,000
		10-3-9-00-70-050 Document Scanning	-	25,000	5,000	5,000
		10-3-9-00-70-260 Janitorial Supplies	2,957	589	589	589
		10-3-9-00-70-320 Employee Support Supplies	5,059	5,056	5,000	5,000
		10-3-9-00-70-370 Office Furnishings and Equipment	15,006	2,003	2,500	2,500
		10-3-9-00-70-400 Office Supplies and Printing	12,553	4,108	6,000	6,000
		10-3-9-00-70-455 Postage & Shipping	41,487	41,228	41,487	41,487
		10-3-9-00-70-465 Publications and Recordings	5,040	1,533	2,500	2,500
		10-3-9-00-70-700 Membership Fees	3,022	9,433	2,000	2,000
		10-3-9-00-70-775 Other Real Estate Leased	132,467	117,831	137,623	137,623
		10-3-9-00-70-800 Salaries	918,314	981,768	1,168,486	1,168,486
		10-3-9-00-70-820 Overtime	1,910	1,910	2,163	2,163
		10-3-9-00-70-830 SS Match 6.2%	57,054	57,054	64,622	64,622
		10-3-9-00-70-840 Health/Life Insurance	207,010	222,010	222,010	222,010
		10-3-9-00-70-850 Medicare Match	13,343	13,343	15,113	15,113
		10-3-9-00-70-860 Pension Contribution - 401(A) Match	46,011	56,011	52,114	52,114
		10-3-9-00-70-870 Unemployment Compensation	2,755	2,755	3,120	3,120
		10-3-9-20-70-030 Water Rights Protection-Legal	125,000	-	-	-
	Administration Total		1,787,103	1,714,568	1,905,826	1,905,826
	Community Relations	10-1-9-00-70-100 Election Expense	15,000	13,682	135,000	135,000
		10-1-9-00-75-060 Community Relations	19,948	19,948	12,061	12,061
		10-1-9-00-75-070 Sponsorship	5,000	5,000	5,000	5,000
		10-1-9-00-75-090 CR Employee Recognition	150	-	150	150
		10-1-9-00-75-400 Office Supplies and Printing	10,000	-	10,000	10,000
		10-1-9-00-75-600 CR Department Operations	25,000	36,420	25,000	25,000
		10-1-9-00-75-670 Training/Travel	2,000	2,000	2,000	2,000
		10-1-9-00-75-700 Membership Dues	15,000	15,000	15,000	15,000
	Community Relations Total		92,298	92,050	204,411	204,411
	Customer Service	10-3-9-00-50-045 After Hours Service	16,000	17,139	12,000	12,000
		10-3-9-00-50-060 Automatic Bank Debit Fees	200,000	163,218	185,000	185,000
		10-3-9-00-50-070 Customer Relations	3,689	3,689	2,500	2,500
		10-3-9-00-50-075 Drought Preparedness Expense	-	-	-	-
		10-3-9-00-50-090 Employee Recognition	1,300	861	720	720
		10-3-9-00-50-100 Cust. Info Document Disposal	5,500	2,348	2,500	2,500
		10-3-9-00-50-150 Floor & Site Plan Measurements	15,000	15,000	15,000	15,000
		10-3-9-00-50-350 Outsource of Utility Bills Expense	12,541	6,121	8,500	8,500
		10-3-9-00-50-670 Training/Travel	3,990	1,148	3,000	3,000
		10-3-9-00-50-750 Uniform Allowance	-	-	-	-
		10-3-9-00-50-800 Salaries	386,195	491,241	696,105	696,105
		10-3-9-00-50-810 Temporary	17,668	17,668	-	-
		10-3-9-00-50-820 Overtime	9,550	9,550	17,214	17,214
		10-3-9-00-50-830 SS Match 6.2%	25,632	25,632	46,201	46,201
		10-3-9-00-50-840 Health/Life Insurance	83,670	83,670	86,180	86,180
		10-3-9-00-50-850 Medicare Match	5,994	5,994	10,804	10,804
		10-3-9-00-50-860 Pension Contribution - 401(A) Match	20,671	20,671	37,259	37,259
		10-3-9-00-50-870 Unemployment Compensation	1,212	1,212	2,185	2,185
	Customer Service Total		808,612	865,163	1,125,167	1,125,167
	Engineering	10-3-9-00-40-090 Employee Recognition	1,000	1,000	1,200	1,200
		10-3-9-00-40-170 Easements and District Boundries	30,000	24,633	30,000	30,000
		10-3-9-00-40-230 GIS Support	20,000	-	20,000	20,000
		10-3-9-00-40-590 RR Right-of-Way & Special Permits	9,300	9,300	9,300	9,300
		10-3-9-00-40-650 Engineering Planning	10,000	-	10,000	10,000
		10-3-9-00-40-670 Training/Travel	15,000	7,095	10,000	10,000
		10-3-9-00-40-700 Membership Fees	1,200	1,200	1,200	1,200
		10-3-9-00-40-750 Uniform Allowance	1,000	1,000	1,360	1,360
		10-3-9-00-40-800 Salaries	1,316,521	1,307,228	1,794,836	1,794,836
		10-3-9-00-40-810 Temporary	25,785	25,785	34,239	34,239
		10-3-9-00-40-820 Overtime	9,550	9,550	12,681	12,681
		10-3-9-00-40-830 SS Match 6.2%	83,815	83,815	111,296	111,296
		10-3-9-00-40-840 Health/Life Insurance	279,948	279,948	279,948	279,948
		10-3-9-00-40-850 Medicare Match	19,602	19,602	26,029	26,029
		10-3-9-00-40-860 Pension Contribution - 401(A) Match	67,593	67,593	89,755	89,755
		10-3-9-00-40-870 Unemployment Compensation	4,027	4,027	5,347	5,347
		10-3-9-00-42-600 CIP Dept. Operations	6,000	2,165	4,000	4,000
		10-3-9-00-70-055 Sustainability Committee	15,534	10,160	33,832	33,832
		10-3-9-10-40-235 Sewer Modeling Software	5,000	5,000	5,000	5,000
		10-3-9-20-30-290 Green Mountain Augmentation	32,960	32,924	34,608	34,608
		10-3-9-20-30-295 Wolford Mtn - Augmentation	199,305	203,251	213,413	213,413
		10-3-9-20-30-777 Water Demand Management Rebate Program-Vail	15,000	12,145	25,000	25,000
		10-3-9-20-30-778 Water Demand Management	11,000	12,026	11,000	11,000
		10-3-9-20-34-040 USGS Gage Contracts	82,400	82,400	86,520	86,520
		10-3-9-20-90-030 Water Rights Protection	200,000	200,000	150,000	150,000
		10-3-9-20-90-040 Consulting-Water Budgeting	20,000	13,550	15,000	15,000
	Engineering Total		2,481,540	2,415,396	3,015,564	3,015,564
	Field Ops	10-3-9-00-20-090 Employee Recognition	2,500	2,500	2,500	2,500
		10-3-9-00-20-100 Chemicals-Lift Stations	30,000	30,000	30,000	30,000
		10-3-9-00-20-170 3rd Party Locating & Test Holes	5,000	-	-	-
		10-3-9-00-20-280 Meals - On the Job/Field	2,000	896	2,000	2,000
		10-3-9-00-20-400 Office Supplies	3,598	1,538	3,000	3,000
		10-3-9-00-20-495 811 Fees	10,000	10,000	10,000	10,000

ERWSD Appendix A - Line-Item Detail

Type Detail	Department	Account	2022_Budget	2022 YE Proj.	2023_Proposed Budget	2023_Proposed Budget & Carryforward
	Field Ops	10-3-9-00-20-515 Snow Removal	60,000	60,000	10,000	10,000
		10-3-9-00-20-525 Distribution Sys. Equip. & Supplies	6,000	1,320	6,000	6,000
		10-3-9-00-20-560 Small Tools - Field	35,000	35,000	65,000	65,000
		10-3-9-00-20-600 Supplies - Field	150,000	208,268	200,000	200,000
		10-3-9-00-20-670 Training/Tuition/Certification/Travel	81,000	38,651	55,000	55,000
		10-3-9-00-20-700 Membership Fees	750	750	750	750
		10-3-9-00-20-750 Uniform Allowance	4,340	4,340	5,902	5,902
		10-3-9-00-20-800 Salaries	1,347,364	1,399,189	1,569,813	1,569,813
		10-3-9-00-20-810 Temporary	68,903	68,903	80,279	80,279
		10-3-9-00-20-820 Overtime	42,975	42,975	50,070	50,070
		10-3-9-00-20-830 SS Match 6.2%	90,473	90,473	105,410	105,410
		10-3-9-00-20-840 Health/Life Insurance	400,565	400,565	400,565	400,565
		10-3-9-00-20-850 Medicare Match	21,159	21,159	24,652	24,652
		10-3-9-00-20-860 Pension Contribution - 401(A) Match	72,962	72,962	85,008	85,008
		10-3-9-00-20-870 Unemployment Compensation	4,249	4,249	4,951	4,951
		10-3-9-10-20-200 Electricity - Lift Stations/PRV's	12,000	30,254	35,441	35,441
		10-3-9-10-20-520 Repairs - Collection System	60,000	60,000	80,000	80,000
		10-3-9-10-20-525 Collection System Equip & Supplies	5,000	18,000	10,000	10,000
		10-3-9-20-20-200 Electricity - Dist. (BPS,tanks,PRV,Heat tape)	125,000	125,000	131,250	131,250
		10-3-9-20-20-520 Repair - Distribution System	100,000	100,000	100,000	100,000
		10-3-9-20-20-530 Non-Revenue Water Committee	2,500	-	-	-
		10-3-9-20-30-490 Repairs - Building & Grounds BPS	10,000	1,011	5,000	5,000
		10-3-9-20-30-505 Repairs & Maint BPS	40,000	45,129	40,000	40,000
		10-3-9-20-90-009 Engineering - ERWSD Water (FO)	10,000	-	10,000	10,000
	Field Ops Total		2,803,338	2,873,132	3,122,591	3,122,591
	Finance	10-1-9-00-70-210 Errors / Claims Settled	10,000	87,497	20,000	20,000
		10-1-9-00-90-160 Audit	47,000	47,000	48,410	48,410
		10-1-9-00-90-180 Financial Consulting	30,000	33,456	35,000	35,000
		10-3-9-00-60-065 Chandler Admin Fees	40,000	23,779	35,000	35,000
		10-3-9-00-60-090 Employee Recognition	550	550	550	550
		10-3-9-00-60-100 Finance Dept Admin Expense	1,000	-	500	500
		10-3-9-00-60-400 Office Supplies and Printing	2,000	4,342	2,500	2,500
		10-3-9-00-60-670 Training/Travel	8,000	8,000	6,500	6,500
		10-3-9-00-60-700 Membership Fees	1,200	-	1,000	1,000
		10-3-9-00-60-800 Salaries	637,664	616,904	509,857	509,857
		10-3-9-00-60-810 Temp	-	-	31,543	31,543
		10-3-9-00-60-820 Overtime	5,730	7,306	5,178	5,178
		10-3-9-00-60-830 SS Match 6.2%	39,890	37,251	36,053	36,053
		10-3-9-00-60-840 Health/Life Insurance	122,418	122,418	122,418	122,418
		10-3-9-00-60-850 Medicare Match	9,329	8,728	8,431	8,431
		10-3-9-00-60-860 Pension Contribution - 401(A) Match	32,170	29,465	29,072	29,072
		10-3-9-00-60-870 Unemployment Compensation	764	554	690	690
		10-3-9-20-00-051 Water Budget Plug	-	-	-	-
		10-3-9-20-30-160 Eagle Park Oper. Assessments	173,761	161,020	180,711	180,711
	Finance Total		1,161,476	1,188,270	1,073,414	1,073,414
	Housing	10-1-9-10-80-125 Housing - Stipend	379,800	366,173	407,550	407,550
	Housing Total		379,800	366,173	407,550	407,550
	Human Resources	10-1-9-00-70-110 Insurance-Director Liability	34,126	29,546	34,126	34,126
		10-3-9-00-70-360 Property & Liability Insurance	300,878	310,501	341,551	341,551
		10-3-9-00-80-080 Benefit Administration	46,179	60,997	60,000	60,000
		10-3-9-00-80-085 HRIS/Payroll	49,579	60,937	64,600	64,600
		10-3-9-00-80-090 Employee Recognition	27,500	22,204	21,500	21,500
		10-3-9-00-80-100 Hazardous Waste Disposal	3,400	12,013	4,600	4,600
		10-3-9-00-80-350 H.R. - Admin. Expense	1,000	2,629	1,000	1,000
		10-3-9-00-80-400 Office Supplies and Printing	1,500	375	750	750
		10-3-9-00-80-450 Random CDL/Post Accid. Drug Tests	1,500	1,500	1,500	1,500
		10-3-9-00-80-475 Recruiting Costs	20,000	18,749	40,000	40,000
		10-3-9-00-80-476 Relocation Costs	20,000	7,500	15,000	15,000
		10-3-9-00-80-550 Safety	82,227	110,088	110,000	110,000
		10-3-9-00-80-552 HR/Safety Training	26,225	19,607	19,607	19,607
		10-3-9-00-80-555 Security - General	25,870	25,870	25,870	25,870
		10-3-9-00-80-670 Training/Travel	15,000	25,913	27,000	27,000
		10-3-9-00-80-700 Membership	7,800	1,733	5,000	5,000
		10-3-9-00-80-750 Uniform Annual Order	18,000	13,640	10,000	10,000
		10-3-9-00-80-755 Wellness Program	30,000	30,000	47,500	47,500
		10-3-9-00-80-760 Org Consulting	160,500	91,289	40,000	40,000
		10-3-9-00-80-800 Salaries	545,048	622,487	705,097	705,097
		10-3-9-00-80-810 Temporary	-	6,706	-	-
		10-3-9-00-80-820 Overtime	2,389	-	3,091	3,091
		10-3-9-00-80-830 SS Match 6.2%	33,941	33,465	43,908	43,908
		10-3-9-00-80-840 Health/Life Insurance	105,510	105,510	105,510	105,510
		10-3-9-00-80-850 Medicare Match	7,938	7,938	10,269	10,269
		10-3-9-00-80-860 Pension Contribution - 401(A) Match	27,372	27,372	35,410	35,410
		10-3-9-00-80-870 Unemployment Compensation	1,642	1,642	2,124	2,124
		10-3-9-00-80-880 Workman's Compensation	85,950	85,950	94,552	94,552
	Human Resources Total		1,681,074	1,736,160	1,869,564	1,869,564
	IT	10-1-9-00-45-070 Copier/Printer/Fax	25,000	8,720	20,000	20,000
		10-1-9-00-45-090 Employee Recognition	1,000	2,377	1,000	1,000
		10-1-9-00-45-200 Contract Billing and Network Support	50,000	146,538	100,000	100,000
		10-1-9-00-45-280 IT Admin Expenses	1,000	1,000	1,000	1,000
		10-1-9-00-45-300 Software	554,200	803,188	893,507	893,507
		10-1-9-00-45-400 Hardware	340,000	333,196	374,000	374,000
		10-1-9-00-45-410 Office Supplies	-	-	-	-
		10-1-9-00-45-450 Phones/Telecom/Data Communications	180,000	180,000	180,000	180,000
		10-1-9-00-45-490 Pagers & Cell Phones	138,150	101,536	170,000	170,000
		10-1-9-00-45-495 Website Development	-	-	-	-
		10-1-9-00-45-670 Training/Travel - IT	38,500	38,500	66,000	66,000

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Type Detail	Department	Account	2022_Budget	2022 YE Proj.	2023_Proposed Budget	2023_Proposed Budget & Carryforward
	IT	10-1-9-00-45-750 Uniform Allowance	2,420	2,420	3,291	3,291
		10-1-9-00-45-800 Salaries	823,018	929,302	1,230,874	1,230,874
		10-1-9-00-45-820 Overtime	19,100	19,100	28,565	28,565
		10-1-9-00-45-830 SS Match 6.2%	52,211	62,558	78,085	78,085
		10-1-9-00-45-840 Health/Life Insurance	211,097	238,217	211,097	211,097
		10-1-9-00-45-850 Medicare Match	12,211	14,849	18,262	18,262
		10-1-9-00-45-860 Pension Contribution - 401(A) Match	42,106	43,025	62,972	62,972
		10-1-9-00-45-870 Unemployment Compensation	2,469	768	3,693	3,693
		10-3-9-00-20-491 Radio Equip & Maintenance	10,000	-	20,000	20,000
	IT Total		2,502,482	2,925,294	3,462,346	3,462,346
	Lab	10-3-9-00-35-020 Biomonitoring	24,000	24,000	25,200	25,200
		10-3-9-00-35-090 Employee Recognition	400	400	400	400
		10-3-9-00-35-105 Chemicals - Lab	7,500	15,036	20,000	20,000
		10-3-9-00-35-230 LIMS Support	20,000	19,561	20,000	20,000
		10-3-9-00-35-310 Micro Bio Supplies - Wastewater	6,000	4,370	5,000	5,000
		10-3-9-00-35-320 Micro Bio Supplies - Water	10,000	21,698	15,000	15,000
		10-3-9-00-35-400 Office Supplis & Printing	600	619	675	675
		10-3-9-00-35-430 Outside Lab - Wastewater	12,000	20,006	20,000	20,000
		10-3-9-00-35-440 Outside Services - Lab	6,000	7,846	7,000	7,000
		10-3-9-00-35-450 Outside Services - WW Nonylphenol	7,000	7,000	7,000	7,000
		10-3-9-00-35-580 Special Sampling	20,000	13,845	15,000	15,000
		10-3-9-00-35-585 Sept WQ Sampling & Analysis	60,000	60,000	60,000	60,000
		10-3-9-00-35-590 Black Gore Creek Water Quality	25,000	6,480	7,000	7,000
		10-3-9-00-35-615 Supplies - Main Lab	8,000	8,358	10,000	10,000
		10-3-9-00-35-670 Training/Tuition/Certification/Travel	8,580	8,580	8,580	8,580
		10-3-9-00-35-700 Membership Fees	313	417	315	315
		10-3-9-00-35-750 Uniform Allowance	875	875	1,190	1,190
		10-3-9-00-35-780 Lab Equipment - Routine/Small	7,000	7,932	8,000	8,000
		10-3-9-00-35-800 Salaries	421,726	451,233	480,076	480,076
		10-3-9-00-35-820 Overtime	2,865	2,381	3,261	3,261
		10-3-9-00-35-830 SS Match 6.2%	26,325	25,416	29,967	29,967
		10-3-9-00-35-840 Health/Life Insurance	101,153	101,153	107,417	107,417
		10-3-9-00-35-850 Medicare Match	6,157	6,197	7,009	7,009
		10-3-9-00-35-860 Pension Contribution - 401(A) Match	21,230	19,214	24,167	24,167
		10-3-9-00-35-870 Unemployment Compensation	1,265	500	1,440	1,440
		10-3-9-10-34-050 WQ Website/Database Management	1,394	-	-	-
		10-3-9-10-35-001 Wastewater Optimization	2,000	-	-	-
	Lab Total		807,383	833,117	883,698	883,698
	Ops Tech	10-1-9-00-47-090 Employee Recognition	720	928	720	720
		10-1-9-00-47-150 OTS Support Services	10,000	19,216	26,000	26,000
		10-1-9-00-47-280 OTS Admin Expenses	4,000	2,491	4,000	4,000
		10-1-9-00-47-400 OTS Hardware & Equipment	25,000	46,506	73,000	73,000
		10-1-9-00-47-450 MCC Maintenance and Cleaning	60,000	60,000	20,000	20,000
		10-1-9-00-47-560 Small Tools & Equipment	-	13,739	25,000	25,000
		10-1-9-00-47-670 Training/Tuition/Certification/Travel	30,000	13,302	30,000	30,000
		10-1-9-00-47-750 Uniform Allowance	-	2,700	2,700	2,700
		10-1-9-00-47-800 Salaries	802,638	804,744	747,717	747,717
		10-1-9-00-47-820 Overtime	14,325	14,325	13,345	13,345
		10-1-9-00-47-830 SS Match 6.2%	50,652	50,652	47,186	47,186
		10-1-9-00-47-840 Health/Life Insurance	202,611	202,611	202,611	202,611
		10-1-9-00-47-850 Medicare Match	11,846	11,846	11,035	11,035
		10-1-9-00-47-860 Pension Contribution - 401(A) Match	40,848	40,848	38,053	38,053
		10-1-9-00-47-870 Unemployment Compensation	2,408	2,408	2,243	2,243
	Ops Tech Total		1,255,048	1,286,316	1,243,611	1,243,611
	Utility Services	10-3-9-00-20-140 Custodial Services	110,000	91,555	110,000	110,000
		10-3-9-00-20-150 Contracted Painting	5,000	18,320	5,000	5,000
		10-3-9-00-20-222 Generator Load Test	4,000	-	-	-
		10-3-9-00-20-225 Fleet Maintenance	100,000	108,745	100,000	100,000
		10-3-9-00-20-227 Fleet - Small Tools	3,000	17,000	5,000	5,000
		10-3-9-00-20-230 GPS Vehicle Tracking & Diagnostics	16,000	16,032	16,000	16,000
		10-3-9-00-20-240 Gas for vehicles	85,000	90,624	72,500	72,500
		10-3-9-00-20-350 Natural Gas - Vail Admin	-	-	-	-
		10-3-9-00-20-680 Trash Service	29,500	30,294	33,000	33,000
		10-3-9-00-20-740 Floor Mat Cleaning	3,200	2,963	3,000	3,000
		10-3-9-00-20-755 Vehicle Contract Maint.	20,000	19,776	20,000	20,000
		10-3-9-00-20-756 Vehicle Leases	12,000	12,000	12,000	12,000
		10-3-9-00-20-760 Water & Sewer Utility Bill-Vail Admin	1,600	57	57	57
		10-3-9-00-21-050 Cross Connection Program	75,000	22,996	45,000	45,000
		10-3-9-00-21-090 Employee Recognition	900	900	900	900
		10-3-9-00-21-160 Contracted Plumbing	-	54,830	85,000	85,000
		10-3-9-00-21-400 Office Supplies	500	113	500	500
		10-3-9-00-21-560 Small Tools	7,000	6,948	7,000	7,000
		10-3-9-00-21-670 Training/Travel	6,000	5,982	8,000	8,000
		10-3-9-00-21-675 Tuition Reimbursement	9,000	5,840	9,000	9,000
		10-3-9-00-21-750 Uniform Allowance	2,000	2,038	2,000	2,000
		10-3-9-00-21-800 Salaries	831,437	871,213	938,286	938,286
		10-3-9-00-21-810 Temp	-	-	-	-
		10-3-9-00-21-820 Overtime	9,550	15,028	10,777	10,777
		10-3-9-00-21-830 SS Match 6.2%	52,141	52,141	58,842	58,842
		10-3-9-00-21-840 Health/Life Insurance	224,439	224,439	224,439	224,439
		10-3-9-00-21-850 Medicare Match	12,194	12,147	13,761	13,761
		10-3-9-00-21-860 Pension Contribution - 401(A) Match	42,049	42,049	47,453	47,453
		10-3-9-00-21-870 Unemployment Compensation	2,494	1,988	2,815	2,815
		10-3-9-10-20-205 Electricity - Avon Admin	20,000	-	20,000	20,000
		10-3-9-10-20-500 Repairs - Building/Grounds	120,000	159,488	130,000	130,000
		10-3-9-10-21-770 Meter Purchases for Inventory & Repairs	800,000	503,734	1,005,000	1,005,000
		10-3-9-20-21-771 Meter Replacement/Equip Parts - Vail	153,000	102,693	405,000	405,000

ERWSD Appendix A - Line-Item Detail

Type Detail	Department	Account	2022_Budget	2022 YE Proj.	2023_Proposed Budget	2023_Proposed Budget & Carryforward
	Utility Services Total		2,757,004	2,491,931	3,390,330	3,390,330
	Wastewater	10-3-9-10-10-090 Employee Recognition	1,360	1,360	1,360	1,360
		10-3-9-10-10-400 Admin Expense	1,200	1,200	1,200	1,200
		10-3-9-10-10-410 Outside Lab - Biosolids	4,000	4,649	7,200	7,200
		10-3-9-10-10-670 Training/Tuition/Certification/Travel	22,500	22,500	22,500	22,500
		10-3-9-10-10-700 Membership Fees	1,200	690	800	800
		10-3-9-10-10-750 Uniform Allowance	3,740	3,740	5,086	5,086
		10-3-9-10-10-790 On-Call Engineering Service	40,000	37,142	40,000	40,000
		10-3-9-10-10-800 Salaries	1,218,235	1,228,166	1,288,797	1,288,797
		10-3-9-10-10-810 Temporary	-	-	-	-
		10-3-9-10-10-820 Overtime	26,740	26,740	28,289	28,289
		10-3-9-10-10-830 SS Match 6.2%	77,188	77,188	81,659	81,659
		10-3-9-10-10-840 Health/Life Insurance	273,437	273,437	273,437	273,437
		10-3-9-10-10-850 Medicare Match	18,052	18,052	19,098	19,098
		10-3-9-10-10-860 Pension Contribution - 401(A) Match	62,249	52,601	65,855	65,855
		10-3-9-10-10-870 Unemployment Compensation	3,735	1,370	3,951	3,951
		10-3-9-10-11-130 Chemicals-Process-Vail	4,000	4,000	4,000	4,000
		10-3-9-10-11-160 Discharge Permits-Vail	14,500	14,500	14,500	14,500
		10-3-9-10-11-200 Electricity-WW Plants-Vail	193,000	192,965	221,910	221,910
		10-3-9-10-11-350 Natural Gas-Vail	40,000	42,793	45,232	45,232
		10-3-9-10-11-500 Repairs-Equipment-Vail	72,818	55,744	55,750	55,750
		10-3-9-10-11-760 Water & Sewer Utility Bill-Vail	10,565	1,107	2,500	2,500
		10-3-9-10-12-130 Chemicals-Process-Avon	20,000	8,634	10,000	10,000
		10-3-9-10-12-160 Discharge Permits-Avon	14,500	14,535	14,500	14,500
		10-3-9-10-12-200 Electricity-WW Plants-Avon	190,000	166,762	205,130	205,130
		10-3-9-10-12-260 Janitorial Supplies	922	1,132	1,132	1,132
		10-3-9-10-12-350 Natural Gas-Avon	90,000	130,717	183,419	183,419
		10-3-9-10-12-500 Repairs-Equipment-Avon	91,815	91,815	91,815	91,815
		10-3-9-10-12-760 Water & Sewer Utility Bill-Avon	10,000	7,824	7,824	7,824
		10-3-9-10-13-120 Chemicals-Polymer-Edwards	160,000	160,000	160,000	160,000
		10-3-9-10-13-160 Discharge Permits-Edwards	14,500	16,727	16,727	16,727
		10-3-9-10-13-200 Electricity-WW Plants-Edwards	500,000	497,936	522,833	522,833
		10-3-9-10-13-260 Janitorial Supplies	824	824	824	824
		10-3-9-10-13-350 Natural Gas-Edwards	70,000	64,283	67,947	67,947
		10-3-9-10-13-355 Odor Control - Edwards	60,000	143	66,000	66,000
		10-3-9-10-13-500 Repairs-Equipment-Edwards	160,300	160,300	168,315	168,315
		10-3-9-10-13-620 Supplies-Plant Lab-Edwards	-	-	-	-
		10-3-9-10-13-760 Water & Sewer Utility Bill-Edwards	20,000	16,152	16,152	16,152
		10-3-9-10-34-010 Eagle River Watershed Council Support	25,000	25,000	25,000	25,000
		10-3-9-10-34-025 Eagle River Watershed Monitoring & USGS Study	25,000	25,000	25,000	25,000
		10-3-9-10-34-035 Urban Runoff Group Project	20,000	20,000	12,500	12,500
		10-3-9-10-34-039 Wastewater Regulatory Legal	32,500	32,500	30,000	30,000
		10-3-9-10-34-040 WW Discharge-Water Quality Tech Support/Studies	120,000	120,000	120,000	120,000
		10-3-9-10-90-041 Eagle Mine Legal & Consulting	6,500	6,500	6,500	6,500
	Wastewater Total		3,720,380	3,626,727	3,934,739	3,934,739
	Water	10-3-9-00-30-090 Employee Recognition	1,280	1,280	1,280	1,280
		10-3-9-00-30-100 Admin Expense	-	-	-	-
		10-3-9-00-30-260 Janitorial Supplies	-	-	-	-
		10-3-9-00-30-400 Office Supplies and Printing	2,067	962	2,000	2,000
		10-3-9-00-30-600 Supplies/Small Tools	5,629	5,629	5,500	5,500
		10-3-9-00-30-670 Training/Tuition/Certification/Travel	17,000	11,644	17,000	17,000
		10-3-9-00-30-700 Membership Fees	11,550	11,550	11,550	11,550
		10-3-9-00-30-750 Uniform Allowance	3,300	3,300	4,488	4,488
		10-3-9-00-30-800 Salaries	1,247,751	1,396,705	1,449,914	1,449,914
		10-3-9-00-30-820 Overtime	28,650	28,650	33,292	33,292
		10-3-9-00-30-830 SS Match 6.2%	79,103	79,103	91,919	91,919
		10-3-9-00-30-840 Health/Life Insurance	323,144	323,144	323,144	323,144
		10-3-9-00-30-850 Medicare Match	18,500	18,500	21,497	21,497
		10-3-9-00-30-860 Pension Contribution - 401(A) Match	63,793	63,793	74,129	74,129
		10-3-9-00-30-870 Unemployment Compensation	3,742	3,742	4,348	4,348
		10-3-9-10-20-470 Swift Gulch Office Rent & Utilities	-	-	-	-
		10-3-9-20-30-009 Optimized Corosion Control Treatment Evaluation	-	-	-	-
		10-3-9-20-30-100 Treatment-Chemicals & Supplies	78,750	86,625	90,956	90,956
		10-3-9-20-30-200 Electricity - Treatment (Plants & Wells)	172,340	167,873	225,584	225,584
		10-3-9-20-30-425 Lab Services	20,000	10,000	25,000	25,000
		10-3-9-20-30-460 Licensing & State Fees	5,000	5,000	5,000	5,000
		10-3-9-20-30-495 Building & Grounds Vail Plants	20,803	8,803	20,000	20,000
		10-3-9-20-30-500 O&M-Wells & GVDWF	26,000	26,000	26,000	26,000
		10-3-9-20-30-507 Repairs & Maintenance - Tanks	20,000	20,000	20,000	20,000
		10-3-9-20-30-555 Sewer service - GVDWF	2,000	1,514	2,000	2,000
		10-3-9-20-30-600 Lab Supplies/Chemicals/Reagents	12,000	30,000	30,000	30,000
		10-3-9-20-30-603 Raw Water Resources	2,000	2,000	2,000	2,000
		10-3-9-20-30-780 Water Tank Cleaning	23,000	-	15,000	15,000
		10-3-9-20-34-030 Fish Stocking - Black Lakes	26,000	33,594	35,274	35,274
		10-3-9-20-34-061 Ten Mile Fen Restoration	-	-	-	-
		10-3-9-20-90-010 Engineering - Vail Water	10,000	10,000	10,000	10,000
	Water Total		2,223,402	2,349,411	2,546,876	2,546,876
Operating Total			24,460,940	24,763,708	28,185,685	28,185,685
Housing	Housing	10-1-9-10-80-100 Housing Rental - HOA Dues	189,964	216,627	227,500	227,500
		10-1-9-10-80-101 District Housing Property Management	60,000	60,000	50,000	50,000
		10-1-9-10-80-105 Housing Rental Repairs, Cleaning, & Landscaping	110,000	120,264	122,000	122,000
		10-1-9-10-80-110 Housing Rental Utilities	29,511	29,523	31,000	31,000
		10-1-9-10-80-115 Non-Housing Rental (ex. Lot, annex) Expenses	4,106	4,098	4,106	4,106
		10-1-9-10-80-120 Emp Housing Master Leases	-	-	100,800	100,800
	Housing Total		393,581	430,511	535,406	535,406
Housing Total			393,581	430,511	535,406	535,406
Debt Service	Debt Service	10-1-9-10-00-200 Treasurer's Fees - ERWSD WW Ops	16,309	16,309	16,600	16,600

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Type Detail	Department	Account	2022_Budget	2022 YE Proj.	2023_Proposed Budget	2023_Proposed Budget & Carryforward
Debt Service	Debt Service	10-1-9-20-00-210 Treasurer's Fees - VVCWD	16,817	16,817	15,100	15,100
		10-2-5-10-00-026 C/P GO Bonds WW 2016	545,000	545,000	555,000	555,000
		10-2-5-20-00-040 C/P Bonds Water 2012B	420,000	420,000	440,000	440,000
		10-2-5-20-00-068 C/P Bond Principal Vail 2011	315,000	315,000	315,000	315,000
		10-2-9-10-80-026 Bond Interest Exp WW 2016	824,892	824,892	814,900	814,900
		10-2-9-10-80-035 Paying Agent Fees - ERWSD GO Bonds	750	750	375	375
		10-2-9-10-80-045 Treasurer's Fees - ERWSD	45,600	45,600	42,500	42,500
		10-2-9-20-80-040 Paying Agent Fees - Vail Water	753	753	1,130	1,130
		10-2-9-20-80-065 Treasurer's Fees - Vail 02	30,995	30,995	29,550	29,550
		10-2-9-20-80-071 Bond Int. Exp - Vail 2011	11,550	11,550	11,550	11,550
		10-2-9-20-80-073 Bond Int. Exp. - Water 2012A	40,000	40,000	40,000	40,000
		10-2-9-20-80-074 Bond Int. Exp. - Water 2012B	150,350	150,350	138,800	138,800
		10-3-5-10-00-601 C/P 2009B Sewer Bonds (BAB's)	-	-	-	-
		10-3-5-10-00-602 C/P Bonds WW 2012	705,000	705,000	735,000	735,000
		10-3-5-10-00-604 C/P 2020 WW Revenue Bonds	255,000	255,000	260,000	260,000
		10-3-5-10-00-605 C/P 2017 Refunding 09 BABs WW	465,000	465,000	480,000	480,000
		10-3-5-10-00-606 C/P 2020 WW Rev. Refunding Bonds	280,000	280,000	280,000	280,000
		10-3-5-20-00-610 C/P Loan - Eagle Park Reservoir	90,135	90,135	95,047	95,047
		10-3-5-20-00-635 C/P Loan - 2017 Water Bonds	420,000	420,000	430,000	430,000
		10-3-5-20-00-640 C/P 2019 Water Revenue Bond	145,000	145,000	150,000	150,000
		10-3-9-10-80-021 Bond Interest Exp.-2020 WW Revenue Bonds	1,351,513	1,351,513	1,344,500	1,344,500
		10-3-9-10-80-022 Bond Interest Exp.- 2020 Rev Refunding Bonds	578,787	578,787	576,296	576,296
		10-3-9-10-80-026 Interest 2009B Sewer Bonds(BAB's)	-	-	-	-
		10-3-9-10-80-027 Bond Int. Exp. - WW 2012	55,250	55,250	29,400	29,400
		10-3-9-10-80-029 Bond Int. Exp - 2017 Refunding 09 BABs WW	400,956	400,956	388,169	388,169
		10-3-9-10-80-045 Bond Issue Costs-WW Rev. Enterprise Fund	-	-	-	-
		10-3-9-10-80-050 Paying Agent Fees - ERWSD Rev.Bonds	753	753	1,050	1,050
		10-3-9-20-80-035 Interest Loan - 2017 Rev.Water Bonds(Ref 09)	387,700	387,700	376,150	376,150
		10-3-9-20-80-040 Interest 2019 Revenue Water Bonds	119,667	119,667	114,350	114,350
		10-3-9-20-80-045 Bond Issue Costs-Water Rev. Enterprise Fund	-	-	-	-
		10-3-9-20-80-065 Interest Loan - Eagle Park Reservoir	39,320	39,320	35,636	35,636
		Debt Service Total			7,712,097	7,712,097
Debt Service Total			7,712,097	7,712,097	7,716,103	7,716,103
CRP	Administration	10-1-2-10-80-100 CRP-Employee Housing	200,000	269,116	250,000	250,000
	Administration Total		200,000	269,116	250,000	250,000
	Engineering	10-1-2-00-45-106 CRP-GIS Improvements	-	-	-	-
		10-1-2-00-45-137 CRP-GPS Unit Replacement	-	-	-	-
	Engineering Total		-	-	-	-
	Field Ops	10-1-2-00-45-200 CRP-Portable Radio Upgrade	-	-	-	-
		10-3-2-00-20-102 CRP-Locators & Correlators	15,000	8,043	15,000	15,000
		10-3-2-10-01-007 Sundial Sewer Main Rehabilitation	-	107,003	-	-
		10-3-2-10-01-027 CRP-Sewer Capital Replacement Program	150,000	35,000	100,000	100,000
		10-3-2-10-01-043 I & I Reduction - District wide	100,000	100,000	125,000	125,000
		10-3-2-20-09-447 CRP-Vail Water Capital Replacement Program	200,000	120,000	100,000	100,000
	Field Ops Total		465,000	370,046	340,000	340,000
	IT	10-1-2-00-45-100 CRP-Sharepoint-Enterprise Content Mgt Sys (ECMS)	-	-	-	-
		10-1-2-00-45-105 CRP-Cityworks-Comp Maint Mgt Sys (CMMS)	-	-	-	-
		10-1-2-00-45-108 CRP-Website Improvements	-	-	-	-
		10-1-2-00-45-109 CRP-Server & Network Improvements	105,000	138,539	150,000	150,000
		10-1-2-00-45-112 CRP-Software/Licensing	50,000	-	-	-
		10-1-2-00-45-121 CRP-GP Upgrade Finance Dept.	-	-	-	-
		10-1-2-00-45-124 CRP-Desktop/Laptop Improvement Upgrade	50,001	180,708	160,000	160,000
		10-1-2-00-45-125 CRP-Printers Improvement Upgrade	10,000	400	10,000	10,000
		10-1-2-00-45-126 CRP-Wireless Network Upgrade	-	-	-	-
		10-1-2-00-45-128 CRP- Low Voltage Wiring	50,000	68,970	70,000	70,000
		10-1-2-00-45-133 CRP-SCADA PLC Switch Upgrade	-	-	-	-
		10-1-2-00-45-135 CRP-Imprivata	40,000	-	-	40,000
		10-1-2-00-45-136 CRP-Shortel Phone System Upgrade	-	-	-	-
		10-1-2-00-45-138 CRP Wireless AP Upgrade	14,882	-	-	-
		10-1-2-00-45-139 CRP-ADWF Server Room Project	80,000	80,000	-	-
		10-1-2-00-45-140 CRP-AWWTP UCS & Nimble	229,900	224,737	-	-
		10-1-2-10-80-101 CRP- Safety & Security	10,000	-	10,000	10,000
	IT Total		639,783	693,354	400,000	440,000
	Lab	10-3-2-00-35-100 CRP-Lab Equipment Replacement	10,000	-	10,000	10,000
	Lab Total		10,000	-	10,000	10,000
	Ops Tech	10-1-2-00-47-100 OTS Spare Parts Inventory	-	13,992	10,000	10,000
	Ops Tech Total		-	13,992	10,000	10,000
	Utility Services	10-1-2-00-05-142 CRP-Building Remodels or Major Repairs	200,000	68,630	200,000	200,000
		10-3-2-00-07-001 CRP-Hotsy Replacement	-	-	-	-
		10-3-2-00-07-002 CRP-Fleet & Facilities Tools & Equipment	-	-	-	-
		10-3-2-00-07-310 CRP-Vehicle & Heavy Equipment	435,000	433,544	360,000	505,360
		10-3-2-00-20-101 CRP-Asphalt Seal & Stripe	14,000	-	14,000	14,000
	Utility Services Total		649,000	502,174	574,000	719,360
	Wastewater	10-3-2-10-03-529 CRP-EWWTF AHU Replacement	300,000	-	-	-
		10-3-2-10-11-117 CRP-VWWTF Plant Repairs	45,000	52,250	15,000	15,000
		10-3-2-10-12-126 CRP-AWWTF Plant Repairs	45,000	16,506	30,000	30,000
		10-3-2-10-13-114 CRP-EWWTF Plant Repairs	45,000	266,239	135,000	135,000
		EWV Biofilter Media Replacement	-	-	317,000	317,000
	Wastewater Total		435,000	334,994	497,000	497,000
	Water	10-3-2-20-09-019 Water Storage Tank Misc. Improvements	150,000	150,000	100,000	100,000
		10-3-2-20-09-020 CRP-Vail Wtr System Repairs	50,000	105,000	50,000	50,000
		10-3-2-20-30-112 CRP-Distribution Industrial Painting	45,000	-	50,000	50,000
		10-3-2-20-30-102 CRP-M&E Water System Contingency Stock	145,000	-	-	-
	Water Total			390,000	255,000	200,000
CRP Total			2,788,783	2,438,677	2,281,000	2,466,360
Capital	Administration	10-1-2-00-05-012 Facility Rooftop Solar	140,000	40,000	-	100,000
		10-1-2-00-05-013 District Housing Sustainability	-	-	75,000	75,000

ERWSD Appendix A - Line-Item Detail

Type Detail	Department	Account	2022_Budget	2022 YE Proj.	2023_Proposed Budget	2023_Proposed Budget & Carryforward
Capital	Administration	10-1-2-10-05-050 Employee Housing Capital	-	-	-	-
		10-1-2-10-05-051 Stillwater Employee Housing	-	4,054	-	-
		10-1-2-10-05-052 Buckhorn Project	1,500,000	-	1,500,000	3,000,000
	Administration Total		1,640,000	44,054	1,575,000	3,175,000
	Customer Service	10-1-2-00-45-304 AMI Implementation	-	65,063	-	-
	Customer Service Total		-	65,063	-	-
	Engineering	10-1-2-55-09-101 Wolcott Water Planning	-	-	-	-
		10-3-2-00-07-300 EV Charging Stations	-	28,462	-	-
		10-3-2-20-09-012 Minturn Water System Connection to ERWSD	-	-	-	-
		10-3-2-20-09-100 Reservoir Storage Master Plan	100,000	100,000	25,000	25,000
		Greenhouse Gas Inventory	-	-	203,700	203,700
	Engineering Total		100,000	128,462	228,700	228,700
	Field Ops	10-1-2-10-05-057 Hillcrest Field Operations Facility	75,422	943	-	74,479
		10-3-2-10-01-008 Bighorn Terrace Sewer Main-Sanitation Subdistrict	-	-	-	-
		10-3-2-10-01-009 Collection System Master Plan	500,000	352,643	-	307,652
		10-3-2-10-01-045 Forest Rd./Rockledge Private Sewer	40,000	-	262,000	262,000
		10-3-2-20-09-014 Vail S. Frontage Road Water Main Replacement	-	357,084	-	-
		10-3-2-20-09-015 Bighorn Terrace Water Main	-	60,000	-	-
		10-3-2-20-09-026 Main Gore Place Waterline Improvement Project	-	-	-	-
	Field Ops Total		615,422	770,671	262,000	644,131
	IT	10-1-2-00-45-300 Horizon 7 Virtual Desktop Solution	-	-	-	-
		10-1-2-00-45-301 SCADA Server Storage Hardware	-	-	-	-
		10-1-2-00-45-302 Consolidated Anti-Virus Solution	-	-	-	-
		10-1-2-00-45-305 System Center Configuration Manager (SCCM)	-	-	-	-
		10-1-2-00-45-306 ADWF Storage Expansion (Inc. Sec. System)	-	-	-	-
		10-1-2-00-45-307 Cameras for RTU Sites	105,439	106,808	192,533	192,533
		10-1-2-00-45-308 Stone Security Control Access	50,000	89,253	50,000	50,000
		10-1-2-00-45-309 Cityworks API for GE Proficy	30,300	-	-	30,300
		10-1-2-00-45-310 Vmware NSX	-	269,256	-	-
		10-1-2-00-45-311 VWWTU UCS & Nimble	-	-	-	-
		10-1-2-00-45-313 ADWF Firewall Upgrade	-	-	-	-
		10-1-2-00-45-314 License Plate Reader Cameras	-	-	25,000	25,000
		10-1-2-00-45-315 Truck Wi-Fi	-	-	40,000	40,000
		10-1-2-00-45-316 RTU Firewall Replacement	-	-	221,795	221,795
		10-1-2-00-45-317 CS and US Conference Room Technology	-	-	22,962	22,962
		10-1-2-00-45-319 VMWare Carbon Black	-	-	52,984	52,984
		10-1-2-00-45-320 Backup Security Appliance	-	-	169,792	169,792
		Elk Analytics SIEM	-	-	83,275	83,275
	IT Total		185,739	465,317	858,341	888,641
	Lab	10-3-2-10-03-701 Lab Equipment	245,496	350,000	-	468,492
	Lab Total		245,496	350,000	-	468,492
	Utility Services	10-1-2-00-05-065 Traer Creek Office Renovation	-	4,843	-	-
		10-1-2-00-05-110 Vail Office Remodel/Parking Improvements	-	775,665	-	-
		10-1-2-00-07-100 Wolcott Solar Farm	50,000	-	-	50,000
		10-3-2-00-07-309 CRP Heavy Equipment	-	-	45,000	45,000
	Utility Services Total		50,000	780,508	45,000	95,000
	Water	10-3-2-20-09-016 Water Treatment Master Plan-	90,000	74,103	66,667	92,564
		10-3-2-20-09-018 Water System Emergency Power	68,708	-	-	68,708
		10-3-2-20-09-022 West Vail Flow Control Improvements	90,000	10,131	50,000	164,869
	Water Total		248,708	84,234	116,667	326,141
Capital Total			3,085,365	2,688,309	3,085,708	5,826,105
Bond Project	Administration	10-1-2-10-05-053 Future Housing Needs	-	-	-	-
	Administration Total		-	-	-	-
	Engineering	10-3-2-10-07-100 Gore Valley Trail @ Dowd Jct. Repair	-	-	516,974	516,974
		AWWTF Renewable Energy & Resilience	-	-	455,000	455,000
	Engineering Total		-	-	971,974	971,974
	Field Ops	10-3-2-10-01-006 Dowd Junction Collection System Improve.	6,235,000	4,200,000	2,500,000	5,461,208
		10-3-2-10-01-011 Vail WWTF Area Bypass and Collection Upgrades	-	-	-	-
		10-3-2-20-09-024 N. Frontage Road Water Mian Connection	53,125	-	425,000	425,000
		10-3-2-20-09-025 Lower Glen Lyon Fire Flow Improvements	48,000	-	450,000	450,000
		Minturn Siphon	-	-	150,000	150,000
		Westhaven Sewer Main	-	-	200,000	200,000
	Field Ops Total		6,336,125	4,200,000	3,725,000	6,686,208
	Ops Tech	10-3-2-20-09-463 RTU System Upgrade	153,000	25,000	-	61,225
	Ops Tech Total		153,000	25,000	-	61,225
	Utility Services	10-3-2-10-05-159 Field and Fleet HQ at AWWTF	300,000	-	1,700,000	1,700,000
	Utility Services Total		300,000	-	1,700,000	1,700,000
	Wastewater	10-3-2-10-03-002 2022 WW Master Plan Update	125,000	134,400	436,400	494,000
		10-3-2-10-03-316 VWWTF Master Plan Capital Improvements	6,040,000	2,447,741	3,901,650	7,762,934
		10-3-2-10-03-447 AWWTF Nutrient Upgrades	18,502,590	19,593,342	-	2,000,000
		10-3-2-10-03-448 AWWTF Fire Flow Improvements	855,120	1,342,240	-	-
		WW Master Plan Update Phase 2	-	-	378,800	378,800
	Wastewater Total		25,522,710	23,517,723	4,716,850	10,635,734
	Water	10-3-2-20-09-136 Bolts Lake Reservoir	2,080,870	2,232,626	225,000	225,000
	Water Total		2,080,870	2,232,626	225,000	225,000
Bond Project Total			34,392,705	29,975,349	11,338,824	20,280,141
Grand Total			72,833,471	68,008,651	53,142,726	65,009,800



BOARD ACTION REQUEST

TO: Board of Directors
FROM: David Norris, Director of Business Administration
DATE: November 17, 2022
RE: Resolution to Adopt 2023 Rates & Fees

Summary of Subject: Staff is recommending that the Board adopt the proposed 2023 rates and fees resolution.

Discussion and Background: The District legally noticed the November 17 board meeting for the public hearing to consider the 2023 proposed rates and fees. The District's staff has met with the District Budget Subcommittee, including members Dick Cleveland and Steve Coyer, to discuss the rates and fees proposal. A copy of the proposed 2023 budget was delivered to the full Board on Oct. 14 and a revised budget is included in the October Board packets.

Attached is the full resolution to:

- Adopt the 2023 Rates & Fees

Legal Issues: The Board is legally required to deliver a full budget to the State no later than January 31 of 2023. As part of the comprehensive budget planning rates and fees were considered and must be adopted to balance the budget as presented.

Budget Implication: This will provide revenues considered in preparing the full budget for the District for its operations and capital spending in fiscal year 2023.

Recommendation: Staff recommends the Board approve the attached resolution for the proposed 2023 rates and fees.

Board Actions Requested:

1. Open the public budget hearing
2. Consideration of the Resolution and Motion
 - a. **Motion to adopt the attached resolutions for the purpose of adopting the proposed 2023 rates and fees as presented.**
3. Close the public meeting

Attachments:

Resolution to Increasing Certain Water and Wastewater Service Rates and Impact Fees
Appendix A – 2023 ERWSD Rates

EAGLE RIVER WATER AND SANITATION DISTRICT

A RESOLUTION INCREASING WASTEWATER AND WATER SERVICE RATES & FEES

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

WHEREAS, the District Board of Directors (“Board”) has the authority to fix and from time to time increase or decrease fees, rates, and charges pursuant to Section 32-1-1001(1)(j), C.R.S. for services, programs or facilities furnished by the District; and

WHEREAS, the Board hereby finds and determines that it is in the best interest of the public health, welfare and safety of the District residents and visitors that the District collect adequate revenues to pay ongoing operation, maintenance, capital improvement, and water rights costs; and

WHEREAS, the Board has considered the most recent rate analysis performed by District staff and District water counsel, and finds the recommendations contained therein comply with the laws related to rational nexus and reasonable proportionality for the establishment of rates, fees, tolls, and charges; and

WHEREAS, more than thirty days in advance notice to the District’s customers of the Board’s intent to consider rate increases at the November 17, 2022, regular meeting, was provided in accordance with Section 32-1-1001(2)(a)(IV), C.R.S.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Eagle River Water and Sanitation District as follows:

1. The Water & Wastewater Service Rates & Fees, as recommended by staff and attached hereto as Exhibit A and incorporated herein by this reference, are hereby adopted to be effective January 1, 2023.
2. This Resolution shall supersede any contrary provision contained in the District’s Rules and Regulations, which shall be modified as soon as reasonably practical to conform with the provisions set forth in this Resolution; provided, however, if there is any charge or fee that is set forth in the Rules and Regulations or elsewhere established, which is not changed by this Resolution, said fee is hereby ratified and shall remain in full force and effect.

Adopted this 17th day of November 2022.

**EAGLE RIVER WATER AND
SANITATION DISTRICT**

(seal)

By: _____
Dick Cleveland, Chairman

Appendix A



ERWSD 2023 Rates

Water Service Base Charge/SFE	
Base Rate Per SFE	\$22.10
Debt Service 2017 Bonds	\$6.44
Debt Service 2019 Bonds	\$2.28
Capital Replacement Program	\$7.48
Water Base Portion of Bill per SFE	\$38.30
Wastewater Service Base Charge/SFE	
Base Service Rate (min charge 5 kgal)	\$35.64
<i>Additional Winter Averaging Charge (per kgal)</i>	<i>\$7.13</i>
Debt Service 2017 Bonds	\$2.77
Debt Service 2020(A&B) Bonds	\$7.89
Capital Replacement Program	\$5.31
Wastewater Base Portion of Bill per SFE	\$51.61

Outdoor Usage

Irrigation Usage Rates (no structure)	
<i>SIR (SFE factor based on meter size)/kgal</i>	
Tier 1 (0-6 kgal)	\$5.71
Tier 2 (6-12 kgal)	\$10.74
Tier 3 (12-18 kgal)	\$20.55
Tier 4 (18-24 kgal)	\$33.03
Tier 5 (more than 24 kgal)	\$49.55
Sprinkler Account Irrigation Usage Rates (per SIR)	
<i>A Sprinkler Account's SIR is either equivalent to the number of SFEs of an associated structure or the size of the meter where there is no associated structure.</i>	
Tier 1 (0-20)	\$5.71
Tier 2 (21-30)	\$10.74
Tier 3 (31-40)	\$20.55
Tier 4 (41-50)	\$33.03
Tier 5 (more than 50 kgal)	\$49.55

Water Usage Rates per kgal/Tier/SFE	
Tier 1 (0-6 kgal)	\$3.59
Tier 2 (6-12 kgal)	\$6.52
Tier 3 (12-18 kgal)	\$12.89
Tier 4 (18-24 kgal)	\$26.86
Tier 5 (more than 24 kgal)	\$40.30
(SFE X max kgal = allowable usage for each tier)	

Coverage Based Irrigation Usage Rates (per SIC)	
<i>SIC (SFE factor calculated from irrigated sq.ft.)/kgal</i>	
Tier 1 (max 67 kgal)	\$7.17
Tier 2 (67-134 kgal)	\$11.24
Tier 3 (134-178 kgal)	\$18.23
Tier 4 (178-233 kgal)	\$24.41
Tier 5 (more than 233 kgal)	\$31.23
<i>1 SIC is equivalent to 43,560 sq. ft of irrigated area</i>	

Construction Usage

Temporary/Suspended Service Charges & Rates (Per SFE)	
Water Service Base Charge	\$27.25
Wastewater Service Base Charge	\$33.79
<i>Water Usage Rates (per kgal)</i>	
Tier 1 (0-6 kgal)	\$5.71
Tier 2 (6-12 kgal)	\$10.74
Tier 3 (12-18 kgal)	\$20.55
Tier 4 (18-24 kgal)	\$33.03
Tier 5 (more than 24 kgal)	\$49.55

Seasonal Fire Hydrant Use	
Hydrant and Meter Damage Deposit	\$2,750.00
Meter Install/Removal Fee	\$158.00
Weekly Meter Rental Fee	\$143.00
<i>Water Usage Rates</i>	
Tier 1 (0-9 kgal)	\$5.71
Tier 2 (9-18 kgal)	\$10.74
Tier 3 (18-36 kgal)	\$20.55
Tier 4 (36-72 kgal)	\$33.03
Tier 5 (mor than 72 kgal)	\$49.55
<i>Only available April 15 through October 15</i>	

Appendix A

2023 Impact Fees

EAGLE RIVER WATER & SANITATION DISTRICT IMPACT FEES								
CONNECTION FEE	RESIDENTIAL	COMMERCIAL - Based on Meter Size						
	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
ERWSD-Wastewater	\$5.08	\$17,437	\$30,224	\$67,422	\$119,733	\$267,364	\$475,442	\$1,070,616
Vail Water Subdistrict	\$5.85	\$18,794	\$32,577	\$72,670	\$129,052	\$288,174	\$512,448	\$1,153,950
The following Other Impact Fee assessment may also apply:								
ERWSD-Irrigation Water System Impact Fee	\$1.40 per sq. ft. of irrigation	Applies to new multi-family, open areas, new parks and commercial irrigated areas						

IMPACT FEES - As of January 1, 2023		
Eagle River Water & Sanitation District	Upper Eagle Regional Water Authority	
DEVELOPMENT FEE/ DEDICATION/ DEPOSIT	RESIDENTIAL	COMMERCIAL
Inclusion Fee	\$1,100.00	
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	\$1,650.00	
Water Rights Dedication Cash-in-lieu	\$66,063 per consumptive acre-foot of water*	

Appendix A

2023 Other Fines and Fees

2023 OTHER FINES AND FEES	
Description	Fee/Fine
Backflow Program Noncompliance Fine	\$500 per violation/per month
Fire Hydrant Meter Relocation Fee	\$200
Penalty Noncompliance Fee	\$150 per SFE/per month
Recording Fee	Actual Cost
Meter Inspection & Re-inspection Fee	\$200
Returned Check or ACH Fee	\$50
Service and Inspection Calls	\$200
Service Turn-off fee for remodel or construction	\$100
System and/or Meter Tampering Fine	\$5000 per violation
Turn-off and Turn-on Fee for unpaid charges	\$150
Unauthorized Use Fine	\$2000 per violation
Transfer of Service Fee	\$145
Account Reactivation Fee	\$100
New Connection Application Fee	\$150
Easement Encroachment Review	\$450
Variance Review	\$450
Development Approval Process	\$1,675
Infrastructure Acceptance Process	\$1,950
Waste Hauler Discharge Annual Permit Fee	\$200
Waste Hauler Discharge Fee	\$0.25 per gallon (charge based on size of tank regardless of actual volume)

**AMENDED AND RESTATED GOLDEN PEAK
SNOWMAKING WATER AGREEMENT**

This Amended and Restated Agreement dated November 17, 2022 (the “Amended Agreement”), is between the Eagle River Water & Sanitation District (the “District”), a quasi-municipal corporation and political subdivision of the State of Colorado, and the Ski and Snowboard Club Vail (the “Ski Club”), a Colorado nonprofit corporation.

Whereas, the District is the municipal water provider in the Vail area and provides snowmaking water to the Vail Ski Area;

Whereas, the Ski Club coordinates skiing, snowboarding and nordic training activities for its members in the portion of the Vail Ski Area known as Golden Peak;

Whereas, the Ski Club is not associated with Vail Associates, Inc., the operator of the Vail Ski Area, but conducts its activities with the permission of Vail Associates, Inc.;

Whereas, the Ski Club wishes to obtain supplemental snowmaking water for the Golden Peak area to insure that there is sufficient snow for its training activities;

Whereas, the District is willing to provide supplemental snowmaking water to the Ski Club for the Golden Peak area, subject to certain limitations and restrictions;

Whereas, the parties recognize and understand that the snowmaking water provided under this Amended Agreement is subject and subordinate to the District’s municipal water service obligations and existing contractual snowmaking requirements at the Vail Ski Area;

Whereas, the District and the Ski Club previously entered into a Golden Peak Snowmaking Water Agreement dated November 1, 2017 (the “2017 Agreement”), which contains errors regarding minimum flows required in Gore Creek prior to water service being provided to the Ski Club;

Whereas, the parties recognize and understand that the snowmaking water provided under this Amended Agreement is subject to satisfaction of the Colorado Water Conservation Board’s (the “CWCB’s”) decreed instream flows in Gore Creek between the confluence with Black Gore Creek and Red Sandstone Creek decreed in Case Nos. W-3637 for 6 cubic feet per second (cfs) between October 1 – April 30th and 16 cfs from May through September, and an additional 10 cfs between October 1 – October 31st pursuant to Case No. 86CW222, for a cumulative total minimum instream flow of 16 cfs from May - October and 6 cfs from November – April;

Whereas, the parties recognize and understand that the delivery obligation to the Ski Club is also subject to the snowmaking water committed to the Vail Ski Area pursuant to the terms of the Water Rights Agreement with Vail Associates, Inc. dated October 30, 1987 (the “Vail 1987 Agreement;”

Whereas, the Vail 1987 Agreement provides that the District shall provide Vail Associates with up to 603 acre feet of water per year during the months of October through February for snowmaking purposes at Vail Mountain, subject to a limitation when stream flows drop below the CWCB’s minimum instream flow;

Whereas, the Ski Club’s pumping capacity for snowmaking from Vail Tank 2 is approximately 3 cfs;

Whereas, the Ski Club’s use of water for snowmaking may not injure Vail Associates ability to divert water from Gore Creek for snowmaking pursuant to the Vail 1987 Agreement;

Whereas, the Ski Club’s ability to make snow is limited to times when the flow in Gore Creek on a 24-hour mean basis (unless otherwise approved by the District) at the USGS gage at Gore Creek above Red Sandstone Creek is above 19 cfs in October and 9 cfs from November to April; and

Now, therefore, for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Water Service. Subject to the restrictions set forth herein, the District agrees to provide treated water to the Ski Club that will be used for snowmaking purposes within the Golden Peak area of the Vail Ski Area. The snowmaking water will be delivered at the Golden Peak Booster Pump Station (the “Pump Station”), at a maximum rate of 1,500 gallons per minute subject to the District’s municipal water service obligations up to a total 39 million 100 thousand gallons or 120 acre feet in any October through April period. Operation of the snowmaking system by the Ski Club or its agents shall be in accordance with the following criteria:

- a. The water service for the Pump Station must be continuously metered at the point of connection to the District system (“Point of Connection”) using a District-approved water meter. The Ski Club or its agents shall coordinate with the District to complete a physical meter inspection at least annually and immediately prior to seasonal startup.

- b. An approved Reduced Pressure Zone (“RPZ”) Backflow Prevention and Cross Connection Control (“BPCCC”) device must be installed at the Point of Connection to the District’s system. The BPCCC device shall be tested by a certified cross-connection control technician at least annually and prior to seasonal startup. A report showing an acceptable test result must be submitted to and approved by the District prior to initiating seasonal snowmaking operations.
- c. The Pump Station’s control system relays certain process monitoring information to the District. The controls, alarming, and communications equipment must be functional during snowmaking operation. Prior to seasonal system startup, the Ski Club or its agents shall coordinate with the District to inspect and confirm the operability/readiness of the District’s monitoring and communications equipment.
- d. During operation of the Pump Station, the Ski Club or its agents shall communicate daily with the District to discuss the snowmaking schedule, coordinate operations, and to confirm that stream flow in Gore Creek is above the required minimum value.
- e. During operation of the Pump Station, the Ski Club or its agents shall monitor the Pump Station via a Supervisory Control and Data Acquisition (“SCADA”) system and make operational adjustments to sustain acceptable water levels in the District’s Vail Tank 2. **Pump Station operations must be immediately shut down if the Vail Tank 2 water level drops below a critical low level of 7 feet.**

2. Term. The term of this Amended Agreement shall extend from the date of this Amended Agreement until December 31, 2029, during the period of October through April of each 12 month period of this Agreement.

3. Restrictions. (a) The water service provided hereunder shall be subject to and subordinate to the District’s municipal water service obligations, and the District’s obligations to provide snowmaking water to the Vail Ski Area pursuant to the Vail 1987 Agreement. The District may curtail or reduce the delivery of water to the Ski Club when there is insufficient water to meet the District’s municipal water service obligations given the limits of its existing facilities, or its existing snowmaking contractual obligations to the Vail Ski Area pursuant to the Vail 1987 Agreement.

(b) No water service shall be provided to the Ski Club when the stream flow in Gore Creek at the USGS “Gore Creek above Red Sandstone” gauge is equal to or less than 19 cfs in any October, or equal to or less than 9 cfs in any November through April period.

(c) In any emergency, the District may interrupt, curtail or reduce the delivery of water service to the Ski Club in the District’s sole discretion.

(d) The District shall have no liability to the Ski Club if such water service is curtailed, interrupted, or reduced for any reason pursuant to the foregoing restrictions.

4. Cost of Water Service. (a) The base rate or cost of water delivered to the Ski Club shall never be less than the District's incremental cost of producing such water, including its operational costs for diverting and delivering water to its treatment facilities, for treatment and distribution of potable water throughout the District, and for its operations and maintenance of all of its water treatment and distribution facilities. The base rate for water delivered to the Ski Club is established at an amount equivalent to the District's Tier 1 - Irrigation Usage Rate (no structure) per 1,000 gallons of water for water service commencing January 1, 2023. This base rate will be charged for all deliveries of water during the period of October through April, and shall increase with any annual increases to the District's Tier 1 - Irrigation Usage Rate (no structure).

(b) Upon thirty (30) days written notice to the Ski Club, the District may adjust the base rate for water delivered to the Ski Club based on any increases in its operational costs since the date of this Amended Agreement. In the event the Ski Club does not agree and consent to such increase in the base rate, this Amended Agreement may be terminated by the District on its next anniversary date.

5. Assignment. This Amended Agreement for water service shall not be assignable by Ski Club to any other party or for any other purposes, including any successors or assigns of the Ski Club, without the prior written consent of the District. The water service is contractual for seasonal use only and shall not be considered a "water tap" or any other form of permanent water service to the Golden Peak area of the Vail Ski Area. If the District consents to assignment by the Ski Club, the covenants of this Amended Agreement shall be binding on the successors and assigns of the Ski Club.

6. Indemnification: No Waiver of Liability. The parties each agree to indemnify, defend, and hold harmless the other party from any and all damages and liabilities resulting from its negligence. The Ski Club agrees to indemnify the District against any third-party claims brought regarding, or pertaining to the existence of, this Amended Agreement.

7. Severability. In the event any provision of this Amended Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of this Amended Agreement.

8. Notices. All notices required hereunder shall be given to:

To District:

General Manager
Eagle River Water & Sanitation District
846 Forest Road
Vail, Colorado 81657

To Ski Club:

Executive Director
Ski & Snowboard Club Vail
596 Vail Valley Drive
Vail, Colorado 81657

9. No Third Party Beneficiaries. The parties to this Amended Agreement do not intend to benefit any person not a party to this Amended Agreement. No person or entity, other than the parties to this Amended Agreement, shall have any right, legal or equitable, to enforce any provision of this Amended Agreement.

10. Amendment. No amendment or modification of this Amended Agreement, except adjustments to the base rate for water service by the District, shall be valid unless expressed in writing and executed by the parties hereto in the same manner as the execution of this Agreement.

11. Multi-Fiscal Year Obligation. Nothing herein contained is intended to nor shall be deemed to create any debt or multi-fiscal year financial obligation on the part of District.

12. Replacement Agreement. This Agreement replaces the Golden Peak Snowmaking Water Agreement dated November 9, 2016 and the 2017 Agreement, between the parties, which shall be of no further force and effect.

Executed as of the date first set forth above.

EAGLE RIVER WATER & SANITATION DISTRICT

By: _____
Dick Cleveland, Chairman

SKI AND SNOWBOARD CLUB VAIL

By: _____
John Hale, Executive Director



BOARD ACTION REQUEST

TO: Board of Directors
FROM: David Norris, Director of Business Administration
DATE: November 17, 2022
RE: Resolution authorizing the issuance and sale of the wastewater revenue bonds

Summary of Subject: Staff is recommending that the Board adopt the resolution to authorize the issuance and sale of the 2023 wastewater bonds to fund ongoing and future wastewater system over the next three years.

Discussion and Background: The District will issue \$47.3 million in wastewater enterprise revenue bonds for wastewater system improvements. The principal amount shall not exceed \$54,350,000. The maximum annual and total repayment costs shall not exceed \$3,630,000 and \$107,495,000, respectively. The interest rate shall not exceed 5.6% and not mature later than December 1, 2052.

Attached are the full resolutions to:

- RESOLUTION OF EAGLE RIVER WATER AND SANITATION DISTRICT AUTHORIZING THE ISSUANCE AND SALE OF ENTERPRISE WASTEWATER REVENUE BONDS, PROVIDING FOR THE SOURCES OF PAYMENT OF THE BONDS, AND PROVIDING OTHER DETAILS CONCERNING THE BONDS AND THE DISTRICT'S WASTEWATER SYSTEM

Legal Issues: Bond and general counsel have reviewed the resolution and recommend approval.

Budget Implication: The 2023 bond issue will require repayment of interest and principal starting in 2024 and continuing for thirty years. The bonds will be repaid with funds generated by a new debt service base rate beginning in 2024.

Recommendation: Staff recommends the Board approve the attached resolution for the issuance and sale of the 2023 wastewater bond.

Board Actions Requested:

- **Motion to adopt the attached resolution for the purpose of issuing the 2023 wastewater bond.**

Attachments: Resolution to authorizing the issuance and sale of the wastewater revenue bonds

RESOLUTION

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

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

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

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

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

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

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

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

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

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

WHEREAS, the District intends to issue its “Eagle River Water and Sanitation District, Eagle County, Colorado, Enterprise Wastewater Revenue Bonds, Series 2023” (the “Bonds”) to defray in part the Cost of the Project (defined herein); and

WHEREAS, the District has heretofore issued, pursuant to a resolution adopted by the Board on November 15, 2012 (the “2012 Resolution”), its Eagle River Water and Sanitation District, Eagle County, Colorado, Enterprise Wastewater Revenue Bonds, Series 2012, originally issued in the aggregate principal amount of \$28,060,000 and currently outstanding in the aggregate principal amount of \$1,440,000 (the “2012 Bonds”); and

WHEREAS, the District has heretofore issued, pursuant to a resolution adopted by the Board on December 16, 2017 (the “2017 Resolution”), its Eagle River Water and Sanitation District, Eagle County, Colorado, Enterprise Wastewater Revenue Crossover Refunding Bonds, Series 2017, originally issued in the aggregate principal amount of \$12,430,000 and currently outstanding in the aggregate principal amount of \$11,540,000 (the “2017 Bonds”); and

WHEREAS, the District has heretofore issued, pursuant to a resolution adopted by the Board on March 26, 2020 (the “2020 Resolution” and, together with the 2012 Resolution and the 2017 Resolution, the “Prior Parity Resolutions”) its Eagle River Water and Sanitation District, Eagle County, Colorado, Enterprise Wastewater Revenue Improvement Bonds, Series 2020A, originally issued in the aggregate principal amount of \$35,220,000 and currently outstanding in the aggregate principal amount of \$34,970,000 (the “2020A Bonds”) and its Eagle River Water and Sanitation District, Eagle County, Colorado, Taxable Enterprise Wastewater Revenue Refunding Bonds, Series 2020B, originally issued in the aggregate principal amount of \$24,930,000 and currently outstanding in the aggregate principal amount of \$24,470,000 (the “2020B Bonds” and, together with the 2012 Bonds, the 2017 Bonds and the 2020A Bonds, the “Prior Parity Bonds”); and

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

WHEREAS, except to secure the Prior Parity Bonds, the District has neither pledged nor hypothecated the Gross Pledged Revenues (defined herein) derived or to be derived from the operation of the Wastewater System, or any part thereof, to the payment of any bonds or for any other purpose, with the result that the Net Pledged Revenues (defined herein) may now be pledged lawfully and irrevocably to the payment of the Bonds on a parity with the Prior Parity Bonds; and

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

WHEREAS, pursuant to Section 11-57-205, C.R.S., as amended, the District desires to delegate to the President, the General Manager and the Finance Director the independent authority to accept the proposal to purchase the Bonds and to make final determinations relating to the Bonds, subject to the parameters contained in Section 213 of this Resolution; and

WHEREAS, the Board has determined and does hereby declare:

A. In order to meet the present and future needs of the District, it is necessary to extend, better, and otherwise improve and equip the Wastewater System; and

B. The Bonds shall be issued for the Project; and

C. Net Pledged Revenues shall be pledged to the payment of the Bonds on a parity with the Prior Parity Bonds; and

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

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

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

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

ARTICLE I

DEFINITIONS, INTERPRETATION, RATIFICATION AND EFFECTIVE DATE

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

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

“Acquisition Fund” means the special fund designated as the “Eagle River Water and Sanitation District, Enterprise Wastewater Revenue Bonds, Series 2023, Acquisition Fund” created pursuant to Section 501 hereof.

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

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

“Bond Counsel” means an attorney or a firm of attorneys, designated by the District of nationally recognized standing in matters pertaining to the tax status of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

“Bond Fund” means the special fund designated as the “Eagle River Water and Sanitation District, Enterprise Wastewater Revenue Bonds, Series 2023, Bond Fund” created pursuant to Section 605 hereof.

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

“Bonds” means the “Eagle River Water and Sanitation District, Eagle County, Colorado, Enterprise Wastewater Revenue Bonds, Series 2023” authorized to be issued under the provisions of this Resolution.

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

maintained by or the responsibility of the District or the Paying Agent is the record that identifies, and records the transfer of the interests of, the owners of book-entry interests in the Bonds.

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

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

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

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

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

a) The word “principal,” as used in this definition, means the principal which must be paid to security Owners, whether on stated maturity dates or on mandatory Redemption Dates, or otherwise.

b) Any computation made under this definition shall be adjusted for all purposes in the same manner as is provided in Section 803 hereof.

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

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

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

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

- a) All preliminary expenses or other costs advanced by the District or advanced by the Federal Government, the State or by any other Person from any source, with the approval of the Board, or any combination thereof, or otherwise;
- b) The costs of making surveys and tests, audits, preliminary plans, other plans, specifications, estimates of costs and other preliminaries;
- c) The costs of contingencies;
- d) The costs of premiums on any builders' risk insurance and performance bonds during the construction, installation and other acquisition of the Project, or a reasonably allocated share thereof;
- e) The costs of appraising, printing, estimates, advice, inspection, other services of engineers, architects, accountants, financial consultants, attorneys at law, clerical help and other agents and employees;
- f) The costs of making, publishing, posting, mailing and otherwise giving any notice in connection with the Project and the issuance of the Bonds;
- g) All costs and expenses of issuing the Bonds including, without limitation, fees of the Paying Agent, Bond Counsel, counsel to the Purchaser, counsel to the District, financial advisor, rating agencies and printers to the extent not defrayed as an Operation and Maintenance Expense;
- h) The costs of the filing or recording of instruments and the cost of any title insurance premiums;
- i) The costs of funding any construction loans and other temporary loans pertaining to the Project and of the incidental expenses incurred in connection with such loans;
- j) The costs of demolishing, removing, or relocating any buildings, structures, or other facilities on land acquired for the Project, and of acquiring lands to which such buildings, structures or other facilities may be moved or relocated;
- k) The costs of machinery and equipment;
- l) The costs of any properties, rights, easements or other interests in properties, or any licenses, privileges, agreements and franchises;
- m) The payment of the premium for the Insurance Policy issued by the Insurer and Reserve Fund Insurance Policy issued by the Surety Provider;
- n) The costs of labor, material and obligations incurred to contractors, builders and materialmen in connection with the acquisition and construction of the Project;
- o) The costs of amending any resolution or other instrument pertaining to the Bonds or otherwise to the Wastewater System; and

p) All other expenses pertaining to the Project.

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

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

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

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

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

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

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

“Fiscal Year” means the calendar year or any other 12 month period hereafter selected by the District as its fiscal year.

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

“Gross Pledged Revenues” means all income, rents, receipts, charges and revenues derived directly or indirectly by the District from the operation and use of and otherwise pertaining to the Wastewater System, or any part thereof, whether resulting from Capital Improvements or otherwise, and includes all income, rents, receipts, charges and revenues received by the District from the Wastewater System, including without limitation:

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

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

2. Excluding any moneys received as grants, appropriations or gifts from the Federal Government, the State, or other sources, the use of which is limited by the grantor or donor to the construction of Capital Improvements, except to the extent any such moneys shall

be received as payments for the use of the Wastewater System, services rendered thereby, the availability of any such service, or the disposal of any commodities therefrom; and

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

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

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

“Income Fund” means the special fund designated as the “Eagle River Water and Sanitation District, Enterprise Wastewater Revenue Bonds, Gross Income Fund” previously created and as further described in Section 602 hereof.

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

- a) Who is, in fact, independent and not under the control of the District;
- b) Who does not have any substantial interest, direct or indirect, with the District, and
- c) Who is not connected with the District as an officer or employee thereof, but who may be regularly retained to make annual or similar audits of any books or records of the District.

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

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

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

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

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

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

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

“Operation and Maintenance Expenses” means all actual maintenance and operation costs of the Wastewater System in any particular period or charges made therefore during such period, but only if such charges are made in conformity with generally accepted accounting principles including amounts reasonably required to be set aside in reserves for items of operation and maintenance expenses the payment of which is not then immediately required.

Such operation and maintenance expenses include, but are not limited to, expenses for ordinary repairs, renewals and replacements of the Wastewater System, salaries and wages, employees’ health, hospitalization, pension and retirement expenses, fees for services, materials and supplies, rents, administrative and general expenses, insurance expenses, legal, engineering, accounting, trustee, paying agent and financial advisory fees and expenses and costs of other consulting and technical services, taxes (except as set forth in the following paragraph), payments in lieu of taxes and other governmental charges, payments made to the United States Treasury pursuant to the Code or similar requirement to pay rebate, fuel costs, and any other current expenses or obligations required to be paid by the District by law, all to the extent properly allocated to the Wastewater System.

Such operation and maintenance expenses do not include depreciation or obsolescence charges or reserves therefore, amortization of intangibles or other bookkeeping entries of a similar nature, interest charges and charges for the payment of principal, or amortization, of bonded or other indebtedness of the District, costs, or charges made therefore, for capital additions, replacements, betterments, extensions or improvements to or retirements from the Wastewater System which under generally accepted accounting principles are properly chargeable to the capital account or the reserve for depreciation, do not include losses from the sale, abandonment, reclassification, revaluation or other disposition of any properties of the Wastewater System nor such property items, including taxes and fuel, which are capitalized pursuant to the then existing accounting practice of the District, and do not include any operation and maintenance expenses which are paid by the District revenues which do not constitute Gross Pledged Revenues.

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

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

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

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

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

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

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

"Paying Agent" means U.S. Bank Trust Company, National Association, in Denver, Colorado, being an agent of the District for the payment of the Bond Requirements due in connection with the Bonds, the registrar for the Bonds and for other administration of moneys pertaining to the Bonds, and includes any successor Commercial Bank as paying agent.

"Paying Agent Agreement" means the Registrar and Paying Agent Agreement between the District and the Paying Agent.

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

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

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

"President" means the Chairman of the Board of Directors and President of the District.

“Prior Parity Bonds” means the 2012 Bonds, the 2017 Bonds, the 2020A Bonds and the 2020B Bonds.

“Prior Parity Resolutions” means the 2012 Resolution, the 2017 Resolution and the 2020 Resolution.

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

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

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

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

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

“Rebate Fund” means the special fund designated as the “Eagle River Water and Sanitation District, Enterprise Wastewater Revenue Bonds, Series 2023, Rebate Fund” created pursuant to Section 609 hereof.

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

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

“Reserve Fund” if so required and so provided in the Sale Certificate, means the special fund designated as the “Eagle River Water and Sanitation District, Enterprise Wastewater Revenue Bonds, Series 2023, Reserve Fund” created pursuant to 606 hereof.

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

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

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

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

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

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

“State” means the State of Colorado.

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

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

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

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

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

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

“2012 Bonds” means the District’s Enterprise Wastewater Revenue Bonds, Series 2012, issued pursuant to the 2012 Resolution.

“2012 Resolution” means the resolution of the District dated November 15, 2012, authorizing the execution and delivery of the 2012 Bonds.

“2017 Bonds” means the District’s Enterprise Wastewater Revenue Crossover Refunding Bonds, Series 2017, issued pursuant to the 2017 Resolution.

“2017 Resolution” means the resolution of the District dated December 16, 2017, authorizing the execution and delivery of the 2017 Bonds.

“2020 Resolution” means the resolution of the District dated March 26, 2020, authorizing the execution and delivery of the 2020A Bonds and the 2020B Bonds.

“2020A Bonds” means the District’s Enterprise Wastewater Revenue Improvement Bonds, Series 2020A issued pursuant to the 2020 Resolution.

“2020B Bonds” means the District’s Taxable Enterprise Wastewater Revenue Refunding Bonds, Series 2020B issued pursuant to the 2020 Resolution.

“Wastewater System” means the wastewater treatment system of the District, including the Project, as such wastewater system may be modified or expanded from time to time.

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

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

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

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

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

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

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

ARTICLE II

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

Section 201. Authorization. The Bonds are issued in accordance with the Constitution and laws of the State and the provisions of this Resolution, specifically the Supplemental Public Securities Act; the Act; Title 31, Article 35, Part 4, C.R.S.; Title 37, Article 45.1, C.R.S.; and all other laws of the State thereunto enabling. For the purpose of defraying the cost of the Project, the District hereby authorizes the Bonds to be issued, in the aggregate principal amount provided in the Sale Certificate as approved by the President, the General Manager or the Finance Director, subject to the parameters and restrictions contained in this Resolution.

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

Section 203. Special Obligations. All of the Bond Requirements of the Bonds and the Policy Costs shall be payable and collectible solely out of the Net Pledged Revenues, which revenues are so pledged; the Owner or Owners of the Bonds, the Insurer, and the Surety Provider may not look to any general or other fund for the payment of the Bond Requirements or the Policy Costs, except the herein designated special funds pledged therefor; the Bonds and the Policy Costs shall not constitute an indebtedness or a debt within the meaning of any constitutional, or statutory provision or limitation; and the Bonds and the Policy Costs shall not be considered or held to be general obligations of the District but shall constitute its special obligations. No statutory or constitutional provision enacted after the issuance of the Bonds shall in any manner be construed as limiting or impairing the obligation of the District to comply with the provisions of this Resolution or to pay the Bond Requirements of the Bonds and the Policy Costs as herein provided.

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

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

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

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

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

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

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

Section 211. Paying Agent Agreement. The Board hereby determines to approve the Paying Agent Agreement in substantially the form as is on file with the District. The Paying Agent may resign at any time on 30 days’ prior written notice to the District. If the Paying Agent appointed thereunder shall resign, or if the District shall determine to remove the Paying Agent, then the District may appoint a successor Paying Agent, upon notice mailed to each owner of any Bond at such Person’s address last shown on the registration records maintained by the Paying Agent or by electronic means to DTC or its successors. No resignation or dismissal of the

Paying Agent may take effect until a successor has been appointed and has accepted the duties of the Paying Agent. Every such successor Paying Agent shall be a Commercial Bank.

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

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

(i) **Principal Amount.** The aggregate principal amount of the Bonds shall not exceed \$54,350,000.

(ii) **Maturity Schedule.** The maximum annual and total repayment costs shall not exceed \$3,630,000 and \$107,495,000, respectively.

(iii) **Interest Rate.** The net effective rate of interest to be borne by the Bonds shall not exceed 5.60%.

(iv) **Redemption Provisions.** The Bonds shall be subject to optional redemption at such time or times as permitted by law and as set forth in the Sale Certificate, at a redemption price not to exceed 100%.

(v) **Purchase Price.** The purchase price of the Bonds shall not be less than 91% of the aggregate principal amount of the Bonds.

(vi) **Term of the Bonds.** The Bonds shall not mature later than December 1, 2052.

(vii) **Capitalized Interest.** The existence and amount of any capitalized interest shall be as forth in the Sale Certificate.

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

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

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION AND ISSUANCE OF BONDS

Section 301. Bond Details.

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

(ii) Payment of Bonds. The principal of each Bond shall be payable at the principal corporate trust office of the Paying Agent, or at such other office as the Paying Agent directs in writing to the Owners of the Bonds, or at the principal office of its successor, upon presentation and surrender of the Bond. Payment of interest on any Bond shall be made to the Owner thereof by the Paying Agent on or before each interest payment date, (or, if such interest payment date is not a Business Day, on or before the next succeeding Business Day), to such Owner at such Person’s address as it appears on the registration records kept by the Paying Agent on the Record Date; but any such interest not so timely paid or duly provided for shall cease to be payable to the Person who is the Owner thereof at the close of business on the Record Date and shall be payable to the Person who is the Owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date and the date fixed for payment of such defaulted interest shall be fixed by the Paying Agent whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the Owners not less than ten days prior to the Special Record Date by first-class mail

to each such Owner as shown on the Paying Agent's registration books on a date selected by the Paying Agent, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the Owner of such Bond and the Paying Agent. If any Bond is not paid upon its presentation and surrender at or after its maturity or prior redemption, interest shall continue at its stated rate per annum until the principal thereof is paid in full. All such payments shall be made in lawful money of the United States of America.

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

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

Section 304. Registration and Payment. The Paying Agent shall keep or cause to be kept sufficient records for the registration and transfer of the Bonds, which shall at all times be open to inspection by the District. Upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said records, Bonds as herein provided. Except as provided in Section 306 and Section 1201 hereof, the Person in whose name any Bond shall be registered on the registration records kept by the Paying Agent shall be deemed and regarded as the absolute Owner thereof for the purpose of making payment of the Bond Requirements thereof and for all other purposes; and payment of or on account of the Bond Requirements of any Bond shall be made only to the Owner thereof or such Person's legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid. The foregoing provisions of this Section are subject to the provisions of Section 307 hereof.

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

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

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

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

Section 306. Bond Replacement. Upon receipt by the District and the Paying Agent of evidence satisfactory to them of the ownership of and the loss, theft, destruction or mutilation of any Bond and, in the case of a lost, stolen or destroyed Bond, of indemnity satisfactory to them, and in the case of a mutilated Bond upon surrender and cancellation of the Bond, (a) the District shall execute and the Paying Agent shall authenticate and deliver a new Bond of the same date, interest rate and denomination in lieu of such lost, stolen, destroyed or mutilated Bond, or (b) if such lost, stolen, destroyed or mutilated Bond shall have matured or have been called for redemption, in lieu of executing and delivering a new Bond as aforesaid, the District may pay such Bond. Any such new Bond shall bear a number not previously assigned. The applicant for any such new Bond may be required to pay all expenses and charges of the District and of the Paying Agent in connection with the issuance of such Bond. All Bonds shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing conditions are exclusive with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds, negotiable instruments or other securities.

Section 307. Custodial Deposit.

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

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

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

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

B. Successor. In the case of a transfer to a successor of The Depository Trust Company or its nominee as referred to in clause (1) or (2) of paragraph A hereof, upon receipt of the Outstanding Bonds by the Paying Agent together with written instructions for transfer satisfactory to the Paying Agent, a new Bond for each maturity and interest rate of the Bonds then Outstanding shall be issued to such successor or new depository, as the case may be, or its nominee, as is specified in such written transfer instructions. In the case of a resignation or determination under clause (3) of paragraph A hereof and the failure after reasonable investigation to locate another qualified depository institution for the Bonds as provided in clause (3) of paragraph A hereof, and upon receipt of the Outstanding Bonds by the Paying Agent, together with written instructions for transfer satisfactory to the Paying Agent, new Bonds shall be issued in authorized denominations as provided in and subject to the limitations of Sections 301, 304, and 305 hereof, registered in the names of such Persons, as are requested in such written transfer instructions; however, the Paying Agent shall not be required to deliver such new Bonds within a period of less than 60 days from the date of receipt of such written transfer instructions.

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

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

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

Section 308. Bond Cancellation. Whenever any Bond shall be surrendered to the Paying Agent upon payment thereof, or to the Paying Agent for transfer, exchange or replacement as provided herein, such Bond shall be promptly canceled in accordance with the customary practices of the Paying Agent and applicable retention laws.

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

ARTICLE IV

REDEMPTION

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

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

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

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

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

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

Section 404. Notice of Prior Redemption. Notice of optional or mandatory redemption shall be given by the Paying Agent in the name of the District by sending a copy of such notice by first-class, postage prepaid mail or by electronic means to DTC or its successors, not more than sixty nor less than thirty days prior to the Redemption Date to each Owner at such Person's address as it last appears on the registration books kept by the Paying Agent; but neither failure to give such notice nor any defect therein shall affect the redemption of any Bond. Such notice shall identify the Bonds to be so redeemed (if less than all are to be redeemed) and the Redemption Date, and shall further state that on such Redemption Date there will become and be due and payable upon each Bond to be so redeemed, at the principal office of the Paying Agent, the principal amount thereof, accrued interest to the Redemption Date, and the stipulated premium, if any, and that from and after such date interest will cease to accrue. Notice having been given in the manner hereinabove provided, the Bond or Bonds so called for redemption shall become due and payable on the Redemption Date so designated; and upon presentation thereof at the principal office of the Paying Agent, the Paying Agent will pay the Bond or Bonds so called for redemption. No further interest shall accrue on the principal of any such Bond called for redemption from and

after the Redemption Date, provided sufficient funds are deposited with the Paying Agent and available on the Redemption Date.

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

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

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

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

ARTICLE V

USE OF BOND PROCEEDS AND OTHER MONEYS

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

(i) **Reserve Fund.** An amount equal to the Reserve Fund Requirement, if any, as described in the Sale Certificate shall be credited to the special and separate account hereby created and to be known as the “Eagle River Water and Sanitation District, Enterprise Wastewater Revenue Bonds, Series 2023 Reserve Fund.”

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

(iii) **Costs of Issuance.** An amount designated in the Paying Agent Agreement shall be credited to the fund created in the Paying Agent Agreement and known as the “Eagle River Water and Sanitation District, Eagle County, Colorado, Enterprise Wastewater Revenue Bonds, Series 2023, Costs of Issuance Fund” (the “Cost of Issuance Fund”) and used to pay the cost of issuance of the Bonds.

(iv) Acquisition Fund. The remaining proceeds derived from the sale of the Bonds shall be credited to the special and separate account hereby created and to be known as the “Eagle River Water and Sanitation District, Enterprise Wastewater Revenue Bonds, Series 2023 Acquisition Fund.”

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

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

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

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

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

ARTICLE VI
ADMINISTRATION OF AND ACCOUNTING FOR
PLEDGED REVENUES

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

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

Section 602. Income Fund Deposits. So long as any of the Bonds and any Parity Bonds shall be Outstanding, as to any Bond Requirements or Policy Costs related to the Bonds and any Parity Bonds, the entire Gross Pledged Revenues, upon their receipt from time to time by the District, shall be set aside and credited immediately to the special and separate account previously created and known as the “Eagle River Water and Sanitation District, Enterprise Wastewater Revenue Bonds, Gross Income Fund.”

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

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

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

Section 605. Bond Fund Payments. Second, from any remaining Net Pledged Revenues, there shall be credited, concurrently with amounts required to meet the Bond Requirements with respect to any Outstanding Parity Bonds, to the special and separate account hereby created and to be known as the “Eagle River Water and Sanitation District, Enterprise Wastewater Revenue Bonds, Series 2023, Bond Fund,” the following amounts:

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

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

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

The moneys credited to the Bond Fund shall be used to pay the Bond Requirements of the Bonds then Outstanding, as such Bond Requirements become due, except as provided in Sections 607, 608, 609, 703 and 1301 hereof. No interest or principal shall be paid on any Bonds owned by or on behalf of the District.

Section 606. Reserve Fund Payments. Upon delivery of the Bonds, if specified in the Sale Certificate, either proceeds of the Bonds, cash or a Reserve Fund Insurance Policy being provided by the Surety Provider, or any combination thereof, in the amount of the Reserve Fund Requirement shall be deposited in the special and separate account hereby created and to be known as the “Eagle River Water and Sanitation District, Enterprise Wastewater Revenue Bonds, Series 2023, Reserve Fund” in satisfaction of the Reserve Fund Requirement. Any Reserve Fund Insurance Policy deposited to the credit of the Reserve Fund shall be valued at the amount available to be drawn or otherwise paid pursuant to such Reserve Fund Insurance Policy at the time of calculation. The Paying Agent shall maintain adequate records as to the amount available to be drawn at any time under the Reserve Fund Insurance Policy and as to the amounts, of which it has knowledge, of Policy Costs paid and owing to the Surety Provider. Such records shall be open to inspection and verification by the Surety Provider during business hours of the Paying Agent.

Thereafter, third, except as provided in Section 607 and 608 hereof, and concurrently with any payments required to be made pursuant to any Parity Bond Resolutions with respect to any reserve funds which may be, but are not required to be, established thereby and concurrently with any repayment or similar obligations payable to any surety provider issuing any reserve fund insurance policy with respect to any Parity Bonds, from any moneys remaining in the Income Fund there shall be credited to the Reserve Fund monthly, commencing on the first day of the month next succeeding each date on which the moneys accounted for in the Reserve Fund for any reason are less than the Reserve Fund Requirement, such amounts in substantially equal monthly payments on the first day of each month to re-accumulate the Reserve Fund Requirement by not more than 12 such monthly payments. If a Reserve Fund Insurance Policy is on deposit in the Reserve Fund to fund all or a part of the Reserve Fund Requirement, the amounts payable into the Reserve Fund pursuant to the immediately preceding sentence shall be paid by the District first to the Surety Provider to reimburse it for Policy Costs due and owing and second to replenish cash in the Reserve Fund. If there are insufficient Net Pledged Revenues to comply with the requirements of the first sentence of this paragraph, available Net Pledged Revenues shall be credited or paid to the Reserve Fund and to reserve funds which may be established by any Parity Bond Resolutions (or to the Surety Provider or any other surety provider issuing any reserve fund insurance policy with respect to any Parity Bonds) pro rata, based upon the aggregate principal amount of the Bonds and any such Parity Bonds then Outstanding; provided, however, that compliance with the provisions of this sentence shall not cure any Event of Default caused by non-compliance with the first sentence of this paragraph. If there are insufficient Net Pledged Revenues to comply with the requirements of the first sentence of this paragraph and more than one Reserve Fund Insurance Policy is on deposit in the Reserve Fund, available Net Pledged Revenues credited to or paid to the Reserve Fund shall be applied to reimburse the Surety Provider and any other surety provider providing a Reserve Fund Insurance Policy pro rata, based upon the original amount available to be drawn on each. The Reserve Fund Requirement shall be accumulated and, if necessary, re-accumulated from time to time, in the Reserve Fund from Net Pledged Revenues, except to the extent other moneys are credited to the Reserve Fund, and maintained as a continuing reserve to be used, except as hereinafter provided in Sections 607, 608, 609, 703 and 1301 hereof, only to prevent deficiencies in the payment of the Bond Requirements of the Bonds Outstanding from time to time from the failure to deposit into the Bond Fund sufficient moneys to pay such Bond Requirements as the same accrue and become due. No payment need be made into the Reserve Fund at any time so long as the moneys and/or the Reserve Fund Insurance Policy therein equal not less than the Reserve Fund Requirement and there are no Policy Costs due and owing. Unless otherwise provided in the Sale Certificate, the Reserve Fund Requirement shall be recalculated upon (i) any principal payment, whether at stated maturity or upon redemption, or (ii) the defeasance of all or a portion of the Bonds. Moneys on deposit in the Reserve Fund may be applied to the defeasance of the Bonds in accordance with Section 1301 hereof.

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

Fund will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

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

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

Any money so used or drawn shall be replaced as provided in Section 606 hereof from the first Net Pledged Revenues thereafter received and not required to be otherwise applied by this Article. Except as provided in Section 605, 606, 609, 703 and 1301 hereof, the moneys in the Bond Fund and in the Reserve Fund (including any Reserve Fund Insurance Policy) shall be used solely and only for the purpose of paying the Bond Requirements of the Bonds from time to time.

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

Section 609. Rebate Fund. Fourth, concurrently with any payments required to be made pursuant to any Parity Bond Resolutions with respect to any rebate funds established thereby, there shall be deposited into the special and separate account hereby created and to be

known as the “Eagle River Water and Sanitation District, Enterprise Wastewater Revenue Bonds, Series 2023, Rebate Fund” moneys in the amounts and at the times specified in the Tax Compliance Certificate so as to enable the District to comply with Section 930 hereof. Amounts on deposit in the Rebate Fund shall not be subject to the lien and pledge of this Resolution to the extent that such amounts are required to be paid to the United States Treasury. The District shall cause amounts on deposit in the Rebate Fund to be forwarded to the United States Treasury (at the address provided in the Tax Compliance Certificate) at the times and in the amounts set forth in the Tax Compliance Certificate.

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

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

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

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

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

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

ARTICLE VII

GENERAL ADMINISTRATION

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

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

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

Section 704. Accounting for Investments. The Investment Securities so purchased as an investment or reinvestment of moneys in any such account hereunder shall be deemed at all times to be a part of the account. Any interest or other gain from any investments and reinvestments of moneys accounted for in the Acquisition Fund, the Income Fund, the Bond Fund, the Rate Stabilization Fund, and the Rebate Fund shall be credited to such account, and any loss resulting from any such investments or reinvestments of moneys accounted for in the Acquisition Fund, the Income Fund, the Bond Fund, the Reserve Fund, the Rate Stabilization Fund, and the Rebate Fund shall be charged or debited to such Fund.

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

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

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

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

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

Section 707. Payment of Bond Requirements. The moneys credited to any fund or account designated in Article VI hereof for the payment of the Bond Requirements of any Bonds shall be used without requisition, voucher, warrant, further order or authority (other than as contained herein), or any other preliminaries, to promptly pay the Bond Requirements of any Bonds payable from such fund or account as such amounts are due, except to the extent any other moneys are available therefor.

ARTICLE VIII

SECURITIES LIENS AND ADDITIONAL SECURITIES

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

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

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

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

(ii) **Historic Earnings Test.** The Net Pledged Revenues for any 12 consecutive months out of the 18 months preceding the month in which such securities are to be issued are at least equal to the sum of 110% of the Combined Maximum Annual Principal and Interest

Requirements of all outstanding indebtedness of the District during such 12 month period payable from the Net Pledged Revenues and such proposed indebtedness to be issued and the Combined Maximum Annual Principal and Interest Requirements on all indebtedness and other obligations payable from the Net Pledged Revenues.

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

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

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

Section 804. Certification of Revenues. A written certificate or written opinion by the Finance Director under Paragraph B of Section 803 that such annual revenues, when adjusted as hereinabove provided in paragraphs C, D, and E of Section 803 hereof, are sufficient

to pay such amounts, as provided in paragraph B of Section 803 hereof, shall be conclusively presumed to be accurate in determining the right of the District to authorize, issue, sell and deliver additional securities on a parity with the Bonds.

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

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

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

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

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

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

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

ARTICLE IX

PROTECTIVE COVENANTS

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

Section 902. Performance of Duties. The District, acting by and through the Board or otherwise, shall faithfully and punctually perform, or cause to be performed, all duties with respect to the Gross Pledged Revenues and the Wastewater System required by the Constitution and laws of the State and the various resolutions of the District, including, without limitation, the making and collection of reasonable and sufficient fees, rates and other charges for services rendered or furnished by or from the use of the Wastewater System, as herein provided, and the proper segregation of the proceeds of the Bonds and of any securities hereafter authorized and the Gross Pledged Revenues and their application from time to time to the respective accounts provided therefor.

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

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

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

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

Section 907. Rules, Regulations and Other Details. The District, acting by and through the Board, shall establish and enforce reasonable rules and regulations governing the operation, use and services of the Wastewater System. The District shall observe and perform all of the terms and conditions contained in this Resolution, and shall comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the Wastewater System or to the District, except for any period during which the same are being contested in good faith by proper legal proceedings.

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

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

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

Section 911. Use of Bond and Reserve Funds. The Bond Fund and the Reserve Fund shall be used solely and only, and the moneys credited to such accounts are hereby pledged, for the purpose of paying the Bond Requirements of the Bonds to their respective maturities or any Redemption Date or Dates, subject to the provisions of Sections 605, 606, 607, 608, 609, 703 and 1301 hereof.

Section 912. Other Liens. Other than as provided herein, there are no liens or encumbrances of any nature whatsoever on or against the Wastewater System, or any part thereof,

or on or against the Gross Pledged Revenues on a parity with or superior to the lien thereon of the Bonds.

Section 913. Corporate Existence. The District shall maintain its corporate identity and existence so long as any of the Bonds remain Outstanding, unless another body corporate and politic by operation of law succeeds to the powers, privileges, rights, liabilities, disabilities, duties and immunities of the District and is obligated by law to operate and maintain the Wastewater System and to fix and collect the Gross Pledged Revenues as herein provided without adversely and materially affecting at any time the privileges and rights of any Owner of any Outstanding Bond.

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

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

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

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

Section 918. Employment of Management Engineers. If the District defaults in paying the Bond Requirements of the Bonds, the Parity Bonds, and any other securities or Policy

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

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

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

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

(i) **Operation and Maintenance Expenses.** An amount equal to the annual Operation and Maintenance Expenses for such Fiscal Year,

(ii) **Principal and Interest.** An amount equal to 110% of both the principal and interest on the Bonds and any Parity Bonds then Outstanding payable from the Net Pledged Revenues in that Fiscal Year (excluding the reserves therefor), and

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

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

Section 922. Limitations Upon Free Service. No free service or facilities shall be furnished by the Wastewater System, except as hereinafter provided. If the District elects to

use for District purposes any water facilities, or other services and facilities provided by the Wastewater System or otherwise to use the Wastewater System or any part thereof, any such use will be paid for from the District's general fund or from other available revenues other than Gross Pledged Revenues at the reasonable value of the use so made. All the income so derived from the District shall be deemed to be income derived from the operation of the Wastewater System, to be used and to be accounted for in the same manner as any other income derived from the operation of the Wastewater System.

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

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

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

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

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

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

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

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

Section 929. Insurance and Reconstruction. Except to the extent of any self-insurance, the District shall at all times maintain with responsible insurers fire and extended coverage insurance, worker's compensation insurance, public liability insurance and all such other insurance as is customarily maintained with respect to utilities of like character against loss of or damage to the Wastewater System and against loss of revenues and against public and other liability to the extent reasonably necessary to protect the interests of the District and of each Owner of a Bond. If any useful part of the Wastewater System shall be damaged or destroyed, the District shall, as expeditiously as may be possible, commence and diligently proceed with the repair or replacement of the damaged property so as to restore the same to use. The proceeds of any such insurance shall be payable to the District and (except for proceeds of any use and occupancy insurance) shall be applied to the necessary costs involved in such repair and replacement and to the extent not so applied shall (together with the proceeds of any such use and occupancy insurance) be deposited in the Income Fund by the District as revenues derived from the operation of the Wastewater System. If the costs of such repair and replacement of the damaged property exceed the proceeds of such insurance available for the payment of the same, moneys in the Income Fund may be used to the extent necessary for such purposes, as permitted by Section 612 hereof.

Section 930. Federal Income Tax Exemption. The District covenants for the benefit of the Owners of the Bonds that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the District or any facilities financed or refinanced with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code, or (ii) would cause interest on the Bonds to become a specific preference item for purposes of federal alternative minimum tax under the Code, except as such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Tax Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022, or (iii) would cause the Bonds and the income therefrom to lose their exemption from taxation, except inheritance, estate, and transfer taxes under present State law. In furtherance of this covenant, the District agrees to comply with the procedures set forth in the Tax Compliance Certificate. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the District in fulfilling the above covenant under the Code and Colorado law have been met.

Section 931. Continuing Disclosure. The District shall comply with the provisions of the Continuing Disclosure Agreement. Any failure by the District to perform in accordance with this Section shall not constitute an Event of Default under this Resolution, and the rights and remedies provided by this Resolution upon the occurrence of an Event of Default shall not apply to any such failure. The Paying Agent shall not have any power or duty to enforce this Section. No owner of a Bond shall be entitled to damages for the District's non-compliance

with its obligations under this Section; however, the owners of the Bonds may enforce specific performance of the obligations contained in this Section by any judicial proceeding available.

ARTICLE X

PRIVILEGES, RIGHTS AND REMEDIES

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

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

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

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

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

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

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

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

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

(vii) Default of Any Provision. The District defaults in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the Bonds or in this Resolution on its part to be performed (other than Section 931 hereof), and such default continues for 60 days after written notice specifying such default and requiring the same to be remedied is given to the District and the Insurer specifying the failure and requiring that it be remedied, which notice may be given by the Paying Agent in its discretion and, except as provided in Section 1201 hereof, shall be given by the Paying Agent at the written request of the Owners of not less than 25 percent in aggregate principal amount of Bonds then Outstanding.

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

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

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

Section 1007. Duties upon Defaults. Upon the happening of any Event of Default, the District shall do and perform all proper acts on behalf of and for the Owners of Bonds to protect and to preserve the security created for the payment of the Bonds and to insure the payment of the Bond Requirements promptly as the same become due. While any Event of Default exists, except to the extent it may be unlawful to do so, all Gross Pledged Revenues shall be paid into the Bond Fund and into bond or similar funds established for any Parity Bonds then Outstanding, pro rata based upon the aggregate principal amount of the Bonds and Parity Bonds then Outstanding. Except as provided in Section 1201 hereof, if the District fails or refuses to proceed as in this Section provided, the Owner or Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding, after demand in writing, may proceed to protect and to enforce the rights of the Owners of the Bonds as hereinabove provided, and to that end any such Owners of the Outstanding Bonds shall be subrogated to all rights of the District under any agreement, lease or other contract involving the Wastewater System or the Gross Pledged Revenues entered into prior to the effective date of this Resolution or thereafter while any of the Bonds are Outstanding.

ARTICLE XI

AMENDMENT OF RESOLUTION

Section 1101. Privilege of Amendments.

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

(1) Changing Payment. A change in the maturity, terms of redemption or interest payment of any Outstanding Bond; or

(2) Reducing Return. A reduction in the principal amount of any Bond or the rate of interest thereon, without the consent of the Owner of the Bond; or

(3) Prior Lien. The creation of a lien upon or a pledge of revenues ranking prior, superior and senior to the lien or to the pledge created by this Resolution; or

(4) Modifying Any Bond. A reduction of the principal amount or percentages or otherwise affecting the description of Bonds the consent of the Owners of which is required for any such modification or amendment; or

(5) Priorities Between Bonds. The establishment of priorities as between Bonds issued and Outstanding; or

(6) Modification of Less Than All the Bonds. The modification of or otherwise affecting the rights of the Owners of less than all of the Outstanding Bonds.

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

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

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

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

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

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

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

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

Section 1103. Time for Amendment. If the resolution is required to be consented to by the Owners of the Bonds, whenever at any time within one year from the date of the giving of such notice there shall be filed with the Finance Director an instrument or instruments executed by the Owners of at least a majority of aggregate principal amount of the Bonds Outstanding (or such higher percentage if required by a Parity Bond Resolution), which instrument or instruments shall refer to the proposed amendatory resolution described in such notice and shall specifically

consent to and approve the adoption of such resolution, the Board may adopt such amendatory resolution and such resolution shall become effective. If the resolution is not required to be consented to by the Owners of the Bonds, the amendatory resolution may be adopted by the Board at any time.

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

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

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

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

Section 1108. Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as in this Article provided may bear a notation by endorsement or otherwise in form approved by the Board as to such action; and after the approval of such notation, then upon demand of the Owner of any Bond Outstanding and upon presentation of such

Person's Bond for that purpose at the principal office of the Paying Agent, suitable notation shall be made on such Bond by the Paying Agent as to any such action. If the Board so determines, new Bonds, so modified as in the opinion of the Board conform to such action, shall be prepared, executed, authenticated and delivered; and upon demand of the Owner of any Bond then Outstanding, shall be exchanged without cost to such Owner for Bonds then Outstanding upon surrender of such Bonds.

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

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

ARTICLE XII

INSURANCE POLICY AND RESERVE POLICY PROVISIONS

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

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

- (1) the Insurer shall be in default under the Insurance Policy;
- (2) any material provision of the Insurance Policy shall be held to be invalid by a final, non-appealable order of a court of competent jurisdiction, or the validity or enforceability thereof shall be contested by the Insurer; or
- (3) a proceeding shall have been instituted in a court having jurisdiction in the premises seeking an order for relief, rehabilitation, reorganization, conservation, liquidation or dissolution in respect of the Insurer and such proceeding is not terminated for a period of 90 consecutive days or such court enters an order granting the relief sought in such proceeding.

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

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

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

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

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

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

ARTICLE XIII

MISCELLANEOUS

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

Payment of any Outstanding Bond shall prior to the maturity or Redemption Date thereof be deemed to have been provided for within the meaning and with the effect expressed in this Section if (a) in case said Bond is to be redeemed on any date prior to its maturity, the District shall have given to the Paying Agent in form satisfactory to it irrevocable instructions to give on a date in accordance with the provisions of Section 404 hereof, notice of redemption of such Bond on said Redemption Date, such notice to be given in accordance with the provisions of Section 404 hereof, (b) there shall have been deposited with the Paying Agent or other Trust Bank either moneys in an amount which shall be sufficient, and/or Federal Securities which shall not contain provisions permitting the redemption thereof at the option of the issuer, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which,

together with the moneys, if any, deposited with or held by the Paying Agent or other Trust Bank at the same time, shall be sufficient to pay when due the Bond Requirements due and to become due on said Bond on and prior to the Redemption Date or maturity date thereof, as the case may be, and (c) in the event said Bond is not by its terms subject to redemption within the next sixty days, the District shall have given the Paying Agent in form satisfactory to it irrevocable instructions to give, as soon as practicable in the same manner as the notice of redemption is given pursuant to Section 404 hereof, a notice to the Owner of such Bond that the deposit required by (b) above has been made with the Paying Agent or other Trust Bank and that payment of said Bond has been provided for in accordance with this Section and stating such maturity or Redemption Date upon which moneys are to be available for the payment of the Bond Requirements of said Bond. Neither such securities nor moneys deposited with the Paying Agent or other Trust Bank pursuant to this Section or principal or interest payments on any such Federal Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the Bond Requirements of said Bond; provided any cash received from such principal or interest payments on such Federal Securities deposited with the Paying Agent or other Trust Bank, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities of the type described in subsection (b) of the first sentence of this paragraph maturing at times and in amounts sufficient to pay when due the Bond Requirements to become due on said Bond on or prior to such Redemption Date or maturity date thereof, as the case may be. At such time as payment of a Bond has been provided for as aforesaid, such Bond shall no longer be secured by or entitled to the benefits of this Resolution, except for the purpose of any payment from such moneys or securities deposited with the Paying Agent or other Trust Bank.

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

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

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

(i) Final Certificates. the execution of such certificates and closing documents as may be reasonably required by the Purchaser or Bond Counsel, including the Continuing Disclosure Agreement and Insurance Agreement, if any;

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

(iii) Official Statement. the execution and delivery of the preliminary and final Official Statement;

(iv) Purchase Contract. the execution and delivery of the Purchase Contract between the District and the Purchaser; and

(v) Electronic Signatures. the use of electronic signatures to execute any of the documents described in this Section 1302 or elsewhere in this Resolution, as authorized by Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act.

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

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

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

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

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

If to the District at:

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

With a copy to:

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

If to the Paying Agent at:

U.S. Bank Trust Company, National Association
950 17th Street, 12th Floor
Denver, Colorado 80202
Attn: Corporate Trust Services

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

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

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

ADOPTED AND APPROVED this November 17, 2022.

Chairman/President

(SEAL)

Attest:

Secretary or Assistant Secretary

EXHIBIT A

(FORM OF BOND)

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

UNITED STATES OF AMERICA

STATE OF COLORADO

COUNTY OF EAGLE

**EAGLE RIVER WATER AND SANITATION DISTRICT
EAGLE COUNTY, COLORADO
ENTERPRISE WASTEWATER REVENUE BOND
SERIES 2023**

No. R- _____ \$ _____

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

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The Eagle River Water and Sanitation District (the “District”), in the County of Eagle and State of Colorado (the “State”), for value received, hereby promises to pay to the registered owner specified above, or registered assigns, upon the presentation and surrender of this bond, solely from the special funds provided therefor, as hereinafter set forth, the principal amount set forth above on the maturity date specified above (unless this bond shall have been called for prior redemption, in which case on the Redemption Date) and to pay solely from such special funds interest hereon at the interest rate per annum specified above, payable semiannually on June 1 and December 1 in each year, beginning on [____], until the principal amount is paid or payment has been provided for, as described in a resolution adopted by the Board of Directors of the District on November 17, 2022 (the “Resolution”) as supplemented by the Sale Certificate. This is one of an authorized series of bonds issued under the Resolution (the “Bonds”). The Bonds are all issued under and equally and ratably secured by and entitled to the security of the Resolution. To the extent not defined herein, terms used in this Bond shall have the same meanings as set forth in the

Resolution. This Bond bears interest, matures, is payable, is subject to redemption and is transferable as provided in the Resolution.

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

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

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

This Bond is one of a series of bonds issued pursuant to the Resolution designated as the “Eagle River Water and Sanitation District, Enterprise Wastewater Revenue Bonds, Series 2023 (the “Bonds”) in the aggregate principal amount of \$[_____]. The Bonds have been duly authorized for the purpose of providing moneys to defray a portion of the cost of extending, bettering or otherwise improving and equipping the wastewater system, (the “Wastewater System”).

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

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

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

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

(FACSIMILE SEAL)

Attest:

(For Facsimile Signature)
District Secretary

(FORM OF CERTIFICATE OF AUTHENTICATION)
CERTIFICATE OF AUTHENTICATION

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

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

By _____
Authorized Signatory

Date of Authentication and Registration: _____

(END OF FORM OF CERTIFICATE OF AUTHENTICATION)

(FORM OF ASSIGNMENT)

ASSIGNMENT

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

Dated: _____

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

Signature Guaranteed:

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

Address of Transferee:

Social Security or other tax
identification number of
transferee:

(END OF FORM OF ASSIGNMENT)

(FORM OF PREPAYMENT PANEL)

PREPAYMENT PANEL

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

<u>Date of Prepayment</u>	<u>Principal Prepaid</u>	<u>Signature of Authorized Representative of DTC</u>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>

(END OF FORM OF PREPAYMENT PANEL)

(END OF FORM OF BOND)

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

I, George Gregory, the Secretary of the Eagle River Water and Sanitation District, Eagle County, Colorado (the “District”), do hereby certify that:

1. The foregoing pages are a true and correct, and complete copy of a resolution (the “Resolution”) passed and adopted by the Board of Directors (the “Board”) of the District at a regular meeting held on November 17, 2022.

2. The Resolution was duly moved and seconded, and the Resolution was adopted at the meeting of November 17, 2022, by an affirmative vote of a majority of the members of the Board as follows:

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

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

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

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

6. Notice of the meeting of November 17, 2022, in the form attached hereto as Exhibit A was posted on the District’s website at least 24 hours prior to the meeting in accordance with law.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said
District this 17th day of November, 2022.

(SEAL)

Secretary

EAGLE RIVER WATER & SANITATION DISTRICT 2022 CONTRACT LOG								
Contract No.	Date Executed	Change Order Signed On	Project Name	Contractor	Contract Amt	Project Mgr.	Account No.	Status / Description
22.15.087	Pending		Edwards WW Capital Replacement	Velocity Plant Services	\$22,391.00	R. Ringle	10.3.2.10.13.114	Installation of one new bypass connection on ex. 12" influent pump station raw sewage discharge line.



BOARD ACTION REQUEST

TO: Board of Directors
FROM: David Norris, Director of Business Administration
DATE: November 17, 2022
RE: 2023 Operations Agreement with the Authority

Summary of Subject: The District annually approves operations agreements with the Upper Eagle Regional Water Authority. Minor updates to those agreements were made to reflect rate and fee changes.

2023 Operations Agreement with the Upper Eagle Regional Water Authority

This agreement outlines operations and management services to the Authority for 2023. Though the agreement automatically renews each year on January 1, annual board approval is desirable from a records administration standpoint, as well as to call the board's attention to any changes since the prior year.

Discussion/Background: The District provides full contract operations and management services to the Authority through an operations agreement. The 2023 agreement has been adjusted to align to the budget proposed for the agreement, as well as adjustments to Labor and Operating costs to reflect actual costs.

Legal Issues: None.

Budget Implications: As noted above, Exhibits A, B and E were updated to reflect the rates in the 2023 District budget.

Recommendation: We recommend the Board approve the 2023 Authority Operations Agreement as presented.

Suggested Resolution/Motion: To approve the 2023 Operations Agreement with the Authority as presented.

Attached Supporting Documentation: 2023 Operations Agreement with the Authority

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

This Agreement is entered into as of the 17th day of November 2022, to be effective January 1, 2023, 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 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 \$60,000.
- 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 \$60,000 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 October or 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 28 days from the billing date, shall have a Late Charge of one percent (1%) 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 \$7,425,000 shall be paid in monthly payments of \$618,750 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 2023, 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:
- For Customer Service and Laboratory personnel, Authority's portion of direct personnel costs shall be that portion of total customer service and laboratory personnel 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, 2023, and it shall extend for a period of twelve (12) months, ending December 31, 2023. 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.
- 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
2023 UERWA CAPITAL BUDGET**

Carryforwards by Project

Fund Type	Department	Project Name	Estimated Carryforward	Description
Bond	Engineering	20-1-2-00-00-136 Bolts Lake Reservoir	297,229	Timing of invoices for major geotechnical investigation and water court
Capital	Engineering	20-1-2-00-00-994 Reservoir Storage Master Plan	13,699	Ongoing water rights billings
Bond	Field Ops	20-1-2-00-00-138 CRP-Arrowhead Transmission Main Rehab	1,301,104	Project delayed one year to investigate and design alternate alignment
Capital	Field Ops	20-1-2-00-20-100 Beaver Creek BPS3 Rehabilitation	56,400	Project held in order to combine all 3 Beaver Creek pump stations into one project
Bond	Ops	20-1-2-00-00-469 RTU System Upgrade	200,000	Project complete, remaining budget is for internal retrofit work
Bond	Water	20-1-2-00-00-039 CRP-Fenno Well House/Raw Wtr Conveyance	750,000	2022 Budget contemplated major work at well heads, 2022 work was investigation and easement acquisition
Capital	Water	20-1-2-00-00-135 Water System Emergency Power	147,587	Project dependent on Emergency Response Plan
Capital	Water	20-1-2-00-30-300 Cordillera East1 (Teacup) Tank Expansion	57,857	Project deferred to 2024/25 as control modifications addressed overflow issues
CRP	Water	20-1-2-00-00-044 CRP-ADWF Domestic Lift Station Rehabilitation	80,000	Project delayed due to vendor and supply issues

Projects by Department

Department	2022 Budget	2022 Projection	2023 Budget	YOY Budget Var
Engineering	100,000	86,301	25,000	(75,000)
Field Ops	990,868	803,330	375,000	(615,868)
Finance	515,000	515,000	566,500	51,500
Human Resources	-	-	10,000	10,000
IT	20,000	-	5,000	(15,000)
Ops Tech	-	581	10,000	10,000
Water	985,445	579,656	1,525,033	539,588
Total	2,611,313	1,984,867	2,516,533	(94,780)

Major Capital Projects

Fund Type	Project Name	2023 Budget	Total Project Budget
Bond	Bolts Lake Reservoir	\$425,000	\$66,449,223
Bond	CRP- Wildridge BPS and PRV Improvements	\$2,880,000	\$5,000,000
Bond	CRP-Arrowhead Transmission Main Rehab	\$700,000	\$2,350,000
Bond	CRP-Upgrade PLC 6 @ ADWF-Master PLC	\$1,500,000	\$2,966,245
Capital	Water Treatment Master Plan	\$133,333	\$333,333

EXHIBIT B: 2023 FEE SCHEDULE FOR DISTRICT EQUIPMENT AND PERSONNEL

Equipment\Labor	In District Hourly Rates	Out of District Hourly Rates
1 Ton Utility, Duramax	\$52.00	\$62.00
3" Pump	\$29.00	\$35.00
6" Power Prime Pump Trailer	\$58.00	\$69.00
Air Compressor (180 cfs)	\$23.00	\$28.00
Asphalt Cutter	\$35.00	\$42.00
Backhoe, John Deere #710 (1-1/2 cy, 3/8 cy Hoe)	\$87.00	\$104.00
Camera Locator	\$58.00	\$69.00
Camera Water or Sewer	\$208.00	\$249.00
Chain Saw	\$29.00	\$35.00
Composting Auger	\$35.00	\$42.00
Correlator-DigiCorr	\$92.00	\$111.00
Correlator-Zcorr	\$46.00	\$55.00
Demo Saw	\$29.00	\$35.00
End Dump Trailer	\$75.00	\$90.00
Fire Pump Truck	\$139.00	\$166.00
Fork Lift	\$46.00	\$55.00
Front Loader	\$87.00	\$104.00
Generator	\$58.00	\$69.00
Generator-Portable	\$40.00	\$49.00
Hoe/Pack Compactor	\$87.00	\$104.00
Jack Hammer and Hydraulic unit # 105 (1 ton)	\$52.00	\$62.00
Large Jetting Truck	\$127.00	\$152.00
Light Plant (mobile)	\$58.00	\$69.00
Lowboy Tractor	\$75.00	\$90.00
Lowboy Trailer	\$69.00	\$83.00
Message Boards	\$29.00	\$35.00
Meter Test Bench	\$46.00	\$55.00
Mikasa Jumping Jack	\$52.00	\$62.00
Mini Excavator	\$87.00	\$104.00
Pickup with Plow	\$52.00	\$62.00
Pickup with Plow & Liftgate	\$52.00	\$62.00
Rock Breaker/Hammer	\$173.00	\$208.00
Skid Steer	\$69.00	\$83.00
Skid Steer w/ Blower or Brush	\$92.00	\$111.00
Small Dump Truck	\$40.00	\$49.00
Small Jetting Truck	\$116.00	\$139.00
Small Portable Welder	\$23.00	\$28.00

Snowblower-Manual	\$17.00	\$21.00
Steamer	\$23.00	\$28.00
Tandem Dump Truck	\$58.00	\$69.00
Trench box Trailer	\$60.00	\$74.00
TV Van	\$116.00	\$139.00
Utility Trailer	\$35.00	\$42.00
Valve Box Cleaner	\$23.00	\$28.00
Valve Box Operator/Cleaner	\$40.00	\$49.00
Valve Maintenance Trailer	\$75.00	\$90.00
Vehicle & Tools	\$40.00	\$49.00

Equipment\Labor	In District Hourly Rates	Out of District Hourly Rates
LABOR: Construction Managers, Planning Supervisors, Project Engineers	\$89.00	\$107.00
LABOR: General Manager	\$201.00	\$241.00
LABOR: Executive Manager	\$155.00	\$186.00
LABOR: Field Operations Personnel	\$61.00	\$74.00
LABOR: Managers	\$110.00	\$132.00
LABOR: Office Administration & Accounting Staff	\$72.00	\$86.00
LABOR: Operational Interns/Temps	\$23.00	\$28.00
LABOR: Operations Supervisors and Field Operations Leads & Planners	\$101.00	\$123.00
LABOR: Water & Wastewater Operations Personnel	\$58.00	\$70.00

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) 476-7480 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.

EXHIBIT E
2023 BASIC COMPENSATION

Total Cost for the Treatment, Distribution, CIP, Admin & Accounting services and Life Cycle Replacements:		
	2022	2023
	<u>Estimate</u>	<u>Budget</u>
Salaries and Benefits	4,714,767	5,242,810
Overhead cost allocation	1,165,233	1,200,190
Vehicles	125,000	135,000
IT Tech upgrades allocation	255,000	280,500
Total	6,235,000	6,858,500
CIP Management cost to be capitalized	515,000	566,500
Total ops agreement cost estimate	6,750,000	7,425,000
Billed Monthly	562,500	618,750
Compensation will be adjustment to final audited Amount.		

EXHIBIT F
2023
LABORATORY PRICE LIST FOR UERWA (IN-DISTRICT)

Test	Method	Matrix	Cost
Alkalinity, Total	SM 2320B	Wastewater and Drinking Water	\$18.00
Biochemical Oxygen Demand	SM 5210B	Wastewater	\$55.00
Chlorine (DPD Residual)	SM 4500-Cl G	Wastewater and Drinking Water	\$15.00
Chemical Oxygen Demand	SM 5220D	Wastewater	\$34.00
Conductivity	SM 2510A	Wastewater and Drinking Water	\$10.00
E. coli MPN	SM 9223	Wastewater and Drinking Water	\$30.00
Total Coliform and E. coli MPN	SM 9223	Wastewater and Drinking Water	\$40.00
Hardness	SM 2340C	Wastewater and Drinking Water	\$22.00
Heterotrophic Plate Count	SM 9215B	Drinking Water	\$22.00
Nitrogen, Ammonia	SM 4500-NH3E	Wastewater	\$20.00
Nitrogen, Nitrate + Nitrite	SM 4500-NO3F	Wastewater	\$15.00
Nitrogen, Total	Lachat Method 10-107-04-4-A	Wastewater	\$30.00
pH	SM 4500-H+B	Wastewater and Drinking Water	\$20.00
Simplified, TKN	Hach TNT 880	Wastewater	\$30.00
Solids, Total Dissolved	SM 2540C	Wastewater and Drinking Water	\$25.00
Solids, Total Suspended	SM 2540D	Wastewater and Drinking Water	\$20.00
Solids, Total	SM 2540B	Wastewater	\$20.00
Solids, Total Suspended + Volatile Suspended	SM 2540D and SM 2540G	Wastewater and Drinking Water	\$30.00
Sulfate	EPA 375.4	Wastewater and Drinking Water	\$20.00
Total Coliforms - presence/absence (BacT Sample)	SM 9223B	Drinking Water	\$25.00

Phosphorus, Reactive (Ortho)	SM4500-P E (Hach 843, 844, 845)	Wastewater	\$15.00
Phosphorus, Reactive (Ortho)	Lachat Method 10-115-01-1-M	Wastewater	\$25.00
Phosphorus, Total	SM4500-P E (Hach 843, 844, 845)	Wastewater	\$15.00
Phosphorus, Total	Lachat Method 10-115-01-1-F	Wastewater	\$30.00
Late fees (This additional cost applies to samples not received during the time period requested)	Accepted sample drop off times/days	Matrix	Cost
Total Coliforms - presence/absence (BacT Sample)	7:00 am to 3:00 pm (Monday-Thursday)	Drinking Water	\$6.00
Solids, Total Dissolved	First two weeks of the month (Monday or Tuesday ONLY)	Wastewater and Drinking Water	\$24.00
E. coli MPN and Total Coliform plus E. coli MPN	Before 9:00 am	Wastewater and Drinking Water	\$18.00
	(Monday, Tuesday, or Thursday)		

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.



BOARD ACTION REQUEST

TO: Board of Directors
FROM: David Norris, Director of Business Administration
DATE: November 17, 2022
RE: 2023 Services Agreement with the town of Minturn

Summary of Subject: The District annually approves a services agreement with the town of Minturn. Updates to those agreements were made to reflect rate and fee changes.

2023 Minturn Services Agreement

This agreement outlines billing services to the town of Minturn for 2023. Though the agreement automatically renews each year on January 1, annual board approval is desirable from a records administration standpoint, as well as to call the board's attention to any changes since the prior year.

Discussion/Background: Through this agreement, the District performs billing for Minturn's water service and trash collection service in conjunction with the District's sewer service charge billings and remits the amount due to Minturn in accordance with the terms of the agreement. Exhibit A was updated to reflect the rates in the 2023 District budget, and an increase is applied to monthly services for 2023 to reflect the cost of labor and materials.

Legal Issues: None.

Budget Implications: As noted above, the agreement has been updated to reflect current labor and material costs. Exhibit A was updated to reflect the updated 2023 rates.

Recommendation: Staff recommends the Board approve the 2023 Minturn Services Agreement as presented.

Suggested Resolution/Motion: To approve the 2023 Services Agreement with the town of Minturn as presented.

Attached Supporting Documentation: 2023 Services Agreement with the town of Minturn is attached.

**BILLING SERVICES AGREEMENT
BETWEEN
EAGLE RIVER WATER & SANITATION DISTRICT AND
TOWN OF MINTURN**

THIS BILLING SERVICES AGREEMENT effective this 1st day of January 2023, by and between TOWN OF MINTURN, a quasi-municipal corporation of the State of Colorado ("Town"), and EAGLE RIVER WATER & SANITATION DISTRICT, a quasi-municipal corporation of the State of Colorado ("District"). The Town and District are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

WITNESSETH:

WHEREAS, among its other functions Town owns and operates a water treatment and distribution system and provides trash collection services substantially within the boundaries of District; and

WHEREAS, District has sufficient experience, personnel and equipment to perform certain services desired by Town; and

NOW, THEREFORE, in consideration of the mutual covenants and obligations herein expressed, the Parties 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.
- 1.2 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 Town and District. Any person or party hired by District shall be the employee, agent, servant or contractor of District.
- 1.3 District shall comply with all applicable local, State and Federal laws, rules and regulations.
- 1.4 District shall provide the services described in Article 2 herein in accordance with the Rules and Regulations of District and any amendments thereto.

ARTICLE 2

SCOPE OF SERVICES TO BE PERFORMED BY DISTRICT

- 2.1 **Billing Services.** District agrees to provide billing services ("Billing Services") for monthly water and trash collection service subject to the following:
- 2.1.1 Customer billings for water service and trash collection shall be issued at the same time and in the same manner as sewer service billings.
 - 2.1.2 All customer bills, which remain unpaid 28 days from the billing date, will have a Late Charge of three percent (3%) of any Balance Forward added thereto which shall be retained by District. Town authorizes District to pursue all collection procedures outlined in District's Rules and Regulations, to include Certification of the unpaid amounts to the Eagle County Treasurer for collection as property taxes annually, as allowed by Eagle County. Such unpaid amounts may include Town's unpaid water and trash collection service charges and District's unpaid sewer service charges.
 - 2.1.3 Town, at the request of District, shall discontinue water and/or trash service to customers following notice of disconnection to such customers as provided in the Rules and Regulations of District.
 - 2.1.4 In the event a customer's service is unable to be discontinued, Town 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 billing as an adjustment.
 - 2.1.5 Approximately one month after the end of each billing period, District shall remit to Town, an amount equal to the total water and sewer 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.
- 2.2 **Additional Services.** The Town may request, and the District will provide additional labor and equipment as set forth on Exhibit A ("Additional Services").

ARTICLE 3

COMPENSATION AND PAYMENT

- 3.1 **Cost of Services.** Town shall pay District for services performed according to the following:
- 3.1.1 The cost for Billing Services is \$36,156 per year, to be paid in monthly installments of \$3,013 each.
 - 3.1.2 Fees for Additional Services shall be billed at rates listed in Exhibit A or for amounts agreed to by District and Town.
- 3.2 **Payment.** Payment by Town to District shall be made within three (3) days following the approval of District's payment request in the regular meeting of Town Council following the end of the calendar month in which the services were performed.

ARTICLE 4 SPECIAL CONDITIONS

- 4.1 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 Town of substantial change or cancellation of coverage or insurance policies.
- 4.1.1 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.
- 4.1.2 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.
- 4.1.3 Worker's Compensation insurance in accordance with the provisions of the Worker's Compensation Act of the State of Colorado for all employees to be engaged in the services.
- 4.2 Certificates of Insurance. Prior to commencement of services, District shall provide Town with Certificate(s) of Insurance evidencing the insurance required by this Article and naming Town as an additional named insured as its interests may appear for all Comprehensive General Liability insurance.
- 4.3 Indemnity. To the extent permitted by law, and to the extent of the limits of any insurance coverage maintained by District, District further agrees to indemnify and hold Town 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 hereunder. Town shall provide District with notice of the commencement of any action, subject to this paragraph, not more than five (5) days following receipt by Town of notice of commencement of such action. Notwithstanding the foregoing, the District does not waive the protections, monetary limitations, or immunities provided by the Colorado Governmental Immunity Act.
- 4.4 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.
- 4.5 Assignment. Either Party without the express written consent of both parties shall make no assignment of its rights and/or obligations under this Agreement.
- 4.6 Term of Agreement. The effective date of this Agreement shall be January 1, 2023, for a period of twelve (12) months. This Agreement shall be automatically extended for successive one (1) year periods with no notice required to either Party unless either

Party provides written notice of intent to terminate or amend not later than sixty (60) days prior to the annual extension of the Agreement.

- 4.7 Termination. The provisions of Section 4.6 notwithstanding, either Party shall have the right to terminate this Agreement thirty (30) days after written notice of any election to terminate.

ARTICLE 5 MISCELLANEOUS

- 5.1. 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. The Agreement supersedes any prior and contemporaneous discussions, agreements or representations and warranties and 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.
- 5.2. Binding Agreement. This Agreement shall inure to and be binding upon the Parties, their successors, and assigns.
- 5.3. 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.
- 5.4. Controlling Law. This Agreement shall be governed by and construed in accordance with the law of the State of Colorado.
- 5.5. 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 Town. The Town'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.
- 5.6. 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.
- 5.7. 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.
- 5.8. 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.

TOWN OF MINTURN

By: _____
Mayor

ATTEST: _____
Town Clerk

EAGLE RIVER WATER & SANITATION DISTRICT:

By: _____
Chair

ATTEST: _____
Secretary

EXHIBIT A

2023 FEE SCHEDULE FOR DISTRICT EQUIPMENT AND PERSONNEL

Equipment\Labor	In District Hourly Rates
1 Ton Utility, Duramax	\$52.00
3" Pump	\$29.00
6" Power Prime Pump Trailer	\$58.00
Air Compressor (180 cfs)	\$23.00
Asphalt Cutter	\$35.00
Backhoe, John Deere #710 (1-1/2 cy, 3/8 cy Hoe)	\$87.00
Camera Locator	\$58.00
Camera Water or Sewer	\$208.00
Chain Saw	\$29.00
Composting Auger	\$35.00
Correlator-DigiCorr	\$92.00
Correlator-Zcorr	\$46.00
Demo Saw	\$29.00
End Dump Trailer	\$75.00
Fire Pump Truck	\$139.00
Fork Lift	\$46.00
Front Loader	\$87.00
Generator	\$58.00
Generator-Portable	\$40.00
Hoe/Pack Compactor	\$87.00
Jack Hammer and Hydraulic unit # 105 (1 ton)	\$52.00
Large Jetting Truck	\$127.00
Light Plant (mobile)	\$58.00
Lowboy Tractor	\$75.00
Lowboy Trailer	\$69.00
Message Boards	\$29.00
Meter Test Bench	\$46.00
Mikasa Jumping Jack	\$52.00
Mini Excavator	\$87.00
Pickup with Plow	\$52.00
Pickup with Plow & Liftgate	\$52.00
Rock Breaker/Hammer	\$173.00
Skid Steer	\$69.00
Skid Steer w/ Blower or Brush	\$92.00
Small Dump Truck	\$40.00
Small Jetting Truck	\$116.00
Small Portable Welder	\$23.00

Equipment\Labor	In District Hourly Rates
Snowblower-Manual	\$17.00
Steamer	\$23.00
Tandem Dump Truck	\$58.00
Trench box Trailer	\$60.00
TV Van	\$116.00
Utility Trailer	\$35.00
Valve Box Cleaner	\$23.00
Valve Box Operator/Cleaner	\$40.00
Valve Maintenance Trailer	\$75.00
Vehicle & Tools	\$40.00
Labor: Construction Managers, Planning Supervisors, Project Engineers	\$89.00
Labor: General Manager	\$201.00
Labor: Executive Manager	\$155.00
Labor: Field Operations Personnel	\$61.00
Labor: Managers	\$110.00
Labor: Office Administration & Accounting Staff	\$72.00
Labor: Operational Interns/Temps	\$23.00
Labor: Operations Supervisors and Field Operations Leads & Planners	\$101.00
Labor: Water & Wastewater Operations Personnel	\$58.00



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 Board of Directors
FROM: Kristin Moseley
SUBJECT: Eagle River Water & Sanitation District Resolution on Water Dedication Policy for 2023
DATE: November 9, 2022

Attached for your consideration is a revised version of the Eagle River Water & Sanitation District Resolution on Water Dedication Policy for 2023, which incorporates the changes discussed at the October board meeting. As you will note, we have eliminated the summer and winter tiered rates and included a fixed rate of \$66,063 per acre foot of water based on anticipated costs of construction of Bolts Lake. We have also included a new provision in paragraph 4(C) describing a Conditional Capacity to Serve Letter that also requires a 25% deposit from Developers.

**EAGLE RIVER WATER & SANITATION DISTRICT
RESOLUTION ON
WATER DEDICATION POLICY**

Effective January 1, 2023

WHEREAS, the Eagle River Water & Sanitation District (“District”) is a quasi-municipal entity authorized and empowered to supply water for domestic and other public and private purposes; and

WHEREAS, the District’s mission is, among other goals and responsibilities, to provide efficient, effective, and reliable water to its service area, ranging from East Vail to Wolcott; and

WHEREAS, extensive redevelopment is occurring in the District’s service area and such redevelopment is increasing the existing development density and water uses associated with certain redevelopment properties; and

WHEREAS, new development and water uses are occurring within the District’s service area; and

WHEREAS, the District may expand its boundaries and commit to serve properties not currently within its service area; and

WHEREAS, to accommodate the increase in water demands caused by redevelopment projects and new water uses within or outside its current service area, and to continue to provide efficient, effective, and reliable water to its service area as it may from time to time be expanded, the District seeks to establish a uniform water dedication policy for third-party developers seeking (i) increased water service for the redevelopment of property within the District’s service area or seeking new water service for properties not covered by existing taps or zoning, or (ii) water service for properties not currently within the District’s service area (“Developers”); and

WHEREAS, such water dedication policy needs to protect the general welfare of the residents in the service area.

BE IT RESOLVED,

1. **GENERAL POLICY.** The District adopts the general policy of conditioning certain water service upon either a dedication of water rights or a payment of cash in lieu of water rights. This general policy shall apply (A) to all new development or redevelopment within its service area that will require an increase in water use or a new water use not covered by existing taps or zoning that existed as of July 22, 2004, and (B) to all properties not currently within the District’s service area. For any redevelopment, this condition applies only to the difference between the projected increased water demand and the pre-redevelopment water demand. For

example, if the pre-redevelopment demand for a particular parcel of property is five consumptive acre-feet and the projected redevelopment water demand will increase demand to six consumptive acre-feet, the increase of one consumptive acre-foot will be subject to this water dedication policy. The increase may be as a result of increased density, increased landscaping, or any other change in use of the property that increases the water demand from the pre-redevelopment demand.

2. **DEDICATION OF WATER RIGHTS.** The dedication of water rights must provide the District with a dependable legal supply of water equal to one hundred and twenty percent (120%) of the water rights necessary to service the new or increased water requirements associated with the new development or redevelopment, or property not currently within the District's service area. Using the example in Paragraph 1, if the District agrees to accept a dedication of water rights, the Developer would be required to supply a dependable legal supply of water in the amount of 1.2 consumptive acre-feet (120% of the increase in demand of one acre-foot). All water dedication agreements or contracts between Developers and the District that provide water rights to the District under this policy shall be at the discretion of the District. There may also be situations where the water rights dedication or payment of cash in lieu is based on the diversion demand, not just the consumptive use of the water demand.

To the extent the District determines to accept a dedication of water rights, the following criteria shall be used in determining the type of water rights to be dedicated:

- (A) Shares of stock in the Eagle Park Reservoir Company representing the right to the annual release of water from Eagle Park and/or Homestake Reservoirs.
- (B) Water rights that could be used to enhance the yield of Eagle Park Reservoir.
- (C) Interests in consumptive use credits that are already decreed for diversion and use at the District's diversion points.
- (D) Imported/transbasin water that is available for use in the Colorado River basin upstream of the Shoshone Power Plant.
- (E) Other water rights or storage facilities that can be integrated into the District's water system or used to enhance existing exchanges without significant expense.
- (F) All dedicated water rights must be owned in fee and cannot be based on a term limited leasehold interest.
- (G) There shall be a preference for in-basin or imported water.
- (H) Only water rights senior to the 1922 Colorado River Compact shall be accepted.

3. **CASH IN LIEU OF WATER RIGHTS.** All water dedication agreements or contracts between Developers and the District that provide cash in lieu of water rights under this policy shall be at the discretion of the District and shall be subject to the following conditions:

(A) The District has sufficient water rights to meet the new water service obligation.

(B) The Developer does not have access to the type of water rights that meet the District's criteria for acceptance of water rights.

(C) The water rights appurtenant to the land to be served have been previously severed.

(D) Cash payments based on 120% of the projected new or increased water use shall be valued based on the current market value of firm annual yield of in-basin storage, for example Eagle Park and Homestake Reservoirs, but shall not be less than the amount set forth on the attached Exhibit A.

(E) Cash payments shall be paid to the District to be used, at the discretion of the District, to develop and/or acquire additional in-basin storage or imported/transbasin water for the District.

Notwithstanding the foregoing provisions of Paragraph 3(D) regarding the percentage of the amount of the cash in lieu fee, the District may choose in its sole discretion to reduce the percentage of the cash in lieu fee to an amount less than 120% where the Developer provides evidence acceptable to the District that the landscape design and water use fixtures of the development provide efficiencies that demonstrate a water use that is less than the District's projected new or increased water use that is used to calculate the cash in lieu fee; provided, however, in no event shall the cash in lieu fee be less than 100% of the amount of the projected new or increased water use.

The District may also choose in its sole discretion to eliminate any cash in lieu fee for the portions of a Developer's property that require the temporary irrigation of native grasses or trees for a period of a maximum of two years if the temporary irrigation is metered separately from other water uses on the property and billed at the District's irrigation rate.

4. **PAYMENT OF COSTS.** All payment of costs regarding water dedication agreements or contracts between Developers and the District under this policy shall be subject to the following conditions:

(A) In addition to the dedication of water rights under Paragraph 2 or cash payments under Paragraph 3(D), Developers shall be required to pay the District for all legal, engineering, and other costs incurred or which may be incurred by the District to evaluate and/or adjudicate any augmentation plan or other water court application, if necessary, to provide new or increased water service to any Developer's property.

(B) Where an engineering or legal evaluation is required by the District to implement the terms of this Policy, the Developer will be required to deposit with the District an initial fee of no less than \$5,000 to pay for the cost of such evaluation. The initial deposit shall be used to pay the costs of staff, legal consultants, engineering consultants, and other expenses that may be incurred by the District. These costs are separate and distinct from any other Tap Fees and other charges applicable to the development. This cost reimbursement charge is not related or credited to any other fee or the District. Deposit amounts in excess of the actual cost of the analysis will be refunded to the proponents of the development. A good faith effort will be made to generally account for the costs incurred, but the District shall not be obligated to provide a specific accounting of costs, but only a generalized estimate.

(C) Developers requiring an Ability to Serve Letter, as defined in **C.R.S § 29-20-304**, as evidence of sufficient water rights from the District for a land use permit application shall pay a refundable cash in lieu deposit to the District that is equal to twenty-five percent (25%) of the estimated cash payment under Paragraph 3(D). Following the receipt of such cash in lieu deposit, the District will issue a Conditional Capacity to Serve Letter to the relevant government authority that demonstrates the District will serve the project once certain conditions have been met, including the payment in full of cash in lieu fees. The cash in lieu deposit will be credited toward the final cash in lieu fee payment, which shall be calculated at the current value of water rights set forth in Paragraph 3(D) at the time of payment of the full cash in lieu fees. Following the payment in full of cash in lieu fees and the execution of a Water Service Agreement, the District will provide the Developer with an Ability to Serve Letter as defined in **C.R.S § 29-20-304**. In the event water service is no longer required or desired for the Developer's property, any refund of the cash in lieu deposit shall be paid within 120 days of written notice being provided to the District. Any unpaid reimbursement costs described in Paragraphs 4(A) and (B) above owed to the District shall be withheld from the refund. The District will not refund a cash in lieu deposit once the property to which water service has been extended has obtained land use approval unless such land use approval is revoked or otherwise terminated by the relevant governmental authority.

(D) In the event water service is no longer required or desired for Developer's property, any refund of a cash in lieu payment previously paid shall be at the sole discretion of the District. Where the District decides in its sole discretion to refund a cash in lieu payment, the District may charge a cancellation fee. The District will not refund a cash in lieu payment once the property to which water service has been extended has obtained land use approval unless such land use approval is revoked or otherwise terminated by the relevant governmental authority.

5. **APPLICABILITY OF POLICY.** Upon the referral from the Town of Vail or Eagle County for an ability to serve commitment, the District staff shall determine whether this policy is applicable to any property that is currently within the District's service area and that is being developed or redeveloped.

Approved this 17th day of November, 2022.

EAGLE RIVER WATER & SANITATION DISTRICT

By: _____
Dick Cleveland , Chairman of the Board

ATTEST:

By: _____
George Gregory, Secretary

Exhibit A

The cash in lieu payment under paragraph 3(D) of the Water Dedication Policy shall not be less than sixty-six thousand sixty-three dollars (\$66,063) per consumptive acre foot of water.



BOARD ACTION REQUEST

TO: Board of Directors
FROM: David Norris, Director of Business Administration
DATE: November 17, 2022
RE: Pension Plan Change

Summary:

The District's pension plan has been established for many years, ensuring the District is being competitive, where the plan has evolved over time. Below outlines our basic retirement options.

Type	Employee Contribution	Employer Contribution	Details
414(h) Money Purchase	5%	5%	Mandatory Employee Contribution - Tax Deferred
414(h) SS Match	0%	6.2%*	Automatically Matched
457(b)	Varies	0%	Optional - Roth/Traditional

*SS Match

- 6.20% (for employees hired after 03/31/86) to each employee's account in lieu of paying into social security for the employee.

Background:

For many years part of the District's 414(h) plan included a component titled Social Security Match, where the District puts into the retirement plan on behalf of the employee 6.2% of the salary each pay period. The concept was to treat this component of the program like the social security plan even though the District has opted out of social security. Recently, it was discovered that the Plan documents impose a maximum earnings cap, just like social security. This results in the 6.2% contribution stopping after an employee reach a certain amount of earnings. For 2022, the amount is \$147,000. The contribution cap has not been previously communicated to employees.

- **ERWSD Benefits Guide**

- Guide does not state there is a cap on income

- *The employee has a mandatory contribution of 5% per paycheck on a tax-deferred basis to this plan as a condition of his or her employment with the District. The District 6.20% (for employees hired after 03/31/86) to each employee's account in lieu of paying into social security for the employee. After an employee completes six months of employment, the District contributes an additional 5% match into the employee's account, for a total contribution by the District of 11.20%.*

- **414(h) Plan Document**

- *The employer shall make Additional Contributions in an amount equal to 6.2% of Compensation (not to exceed the Social Security wage base) for the payroll period for each person who has an Active Participation during that period and was hired by the employer on and after March 1, 1986.*

Impacts: 8 employees in 2022 are impacted by the social security wage cap. As salaries increase, in future years the total number of employees impacted will increase.

Recommendation: Staff recommends changing the pension plan to remove language about social security, effectively removing the wage cap, align the benefits language to this change, and correct 2022 for the impacted employees.

Budget Impacts:

2022 Budgetary impacts \$16,331

Legal Issues:


N/A

Board Actions Requested:

Approval of the Pension Policy Change, align benefits guide to the change, and address the impacted employees for 2022.

Attachments:

N/A

ERWSD New Development Report								
November 2022								
		Type of Use	SFEs Proposed	Location	Existing Service Commitment?	Augmentation Requirement	Development Approval Process Step:	Construction Approval Process Step:
	534 E Lionshead Circle - Elevation	Residential	12	Vail	No	0.49	2. Water Analysis	0. Conceptual
	500 E Lionshead Circle - Legacy	Residential	23	Vail	No	0.31	2. Water Analysis	2. Plan Approval
	Alura (Miradoro)	Residential	10	Vail	No	0.83	1. Connection Application	2. Plan Approval
	Belden Place (1200 Block Main St)	Residential	41	Minturn	Yes		N/A	2 Plan Approval
	Booth Heights	Residential	61	Vail	No	TBD	1. Connection Application	0. Conceptual
	Highline (Double Tree Expansion)	Residential	43.65	Vail	No	0.79	6. Ability to Serve Letter	1. Plan Review
	Midtown Village PUD	Res + Com	43.55	Minturn	Yes		1. Connection Application	1. Plan Review
	North Minturn PUD	Residential	184	Minturn	Yes		N/A	1. Plan Review
	The Residences at Main Vail	Residential	72	Vail	No	0.81	6. Ability to Serve Letter	2. Plan Approval
	S. Frontage Rd Roundabout	Infrastructure	N/A	Vail	Yes		N/A	2. Plan Approval
	Vail Mountain View Phase II	Mixed Use	37	Vail	Yes		6. Ability to Serve Letter	N/A
	VVMC Phase II-East Wing	Commercial	--	Vail	Yes		N/A	2. Plan Approval
	Vail Marriott Residence Inn	Mixed Use	75	Vail	Yes		N/A	2. Plan Approval
	Wolcott PUD	Mixed Use	328 + Com	Wolcott	No	TBD	0. Conceptual	0. Conceptual
	Projects Completing Warranty Period							
	3010 Basingdale (Phase II), 841/851 Main St Minturn, Red Sandstone Parking Garage							
Process	Construction Approval Process Steps:	0. Conceptual		1. Plan Review	2. Plan Approval	3. Acceptance	4. Warranty Period	5. Final Acceptance
	Development Approval Process Steps:	1. Connection Application		2. Water Demand Worksheet Analysis	3. Conditional Capacity to Serve Letter	4. Water Rights Allocation	5. Water Service Agreement	6. Ability to Serve Letter

UERWA New Development Report

November 2022



Type of Use

SFEs Proposed

Location

Existing Service
Committment?

Augmentation
Requirement

Development Approval
Process Step:

Construction Approval
Process Step:

140 W Beaver Creek Blvd (Extended Stay)

Residential

97.5

Avon

Yes

N/A

0. Conceptual

Avon Dual Brand Hotel(Traer Tract J)

Commercial

85.05

Traer

Yes

6. Ability to Serve Letter

2. Plan Approval

CMC Student Housing (Phase I & II)

Residential

72

Edwards

Yes

6. Ability to Serve Letter

2. Plan Approval

CVC Clubhouse Residences

Residential

9

Edwards

Yes

6. Ability to Serve Letter

2. Plan Approval

ECO School District Housing

Residential

37

Edwards

Yes

6. Ability to Serve Letter

2. Plan Approval

Edwards River Park PUD

Mixed Use

440+com

Edwards

No

61.8

3. Cond. Capacity

0. Conceptual

Fox Hollow Amended PUD

Mixed Use

108

Edwards

No

14

6. Ability to Serve Letter

2. Plan Approval

Frontgate (CO World Resorts)

Mixed Use

84

Avon

No

2.6

6. Ability to Serve Letter

2. Plan Approval

Kudel Parcel

Residential

4

Edwards

No

2.4

6. Ability to Serve Letter

2. Plan Approval

Margaux PUD

Residential

32

Edwards

No

3.56

3. Cond. Capacity

0. Conceptual

Maverik Gas Station

Commercial

2.6

Traer

Yes

6. Ability to Serve Letter

2. Plan Approval

McGrady Acres

Residential

24

Avon

Yes

6. Ability to Serve Letter

2. Plan Approval

Mountain Hive

Residential

110.5

Edwards

No

14.1

2. Water Analysis

0. Conceptual

NorthStar PUD Amendment

Commercial

TBD

Edwards

No

3.7

6. Ability to Serve Letter

2. Plan Approval

Riverfront Lot 1

Residential

53

Avon

Yes

N/A

2. Plan Approval

Riverwalk PUD Amendment

Residential

18

Edwards

No

1.8

5. Water Service Agreement

N/A

Stolport Restaurant (Traer Tract J)

Commercial

TBD

Traer

Yes

6. Ability to Serve Letter

1. Plan Review

Swift Gulch

Residential

42

Avon

Yes

1. Connection Application

0. Conceptual

Tract Y- Metcalf Road

Residential

54

Traer

Yes

1. Connection Application

1. Plan Review

Vogelman Parcel (Carwash)

Mixed Use

1.5

Edwards

No

1.1-2.6

2. Water Analysis

1. Plan Review

Warner Building 2 Conversion

Residential

13.25

Eagle-Vail

No

0.07

3. Cond. Capacity

N/A

West End PUD Ammendment

Residential

275

Edwards

Yes

3. Cond. Capacity

0. Conceptual

Projects Completing Warranty Period

6 West Apartments, 185 Elk Tract, Piedmont Apartments, Riverfront Village, Stillwater

Process

Construction Approval
Process Steps:

0. Conceptual

1. Plan Review

2. Plan Approval

3. Acceptance

4. Warranty Period

5. Final Acceptance

Development Approval
Process Steps:

1. Connection Application

2. Water Demand
Worksheet Analysis

3. Conditional Capacity to
Serve Letter

4. Water Rights
Allocation

5. Water Service Agreement

6. Ability to Serve Letter



BOARD COMMITTEES

DISTRICT

Audit/Budget Dick Cleveland
Steve Coyer

Employee Housing Steve Coyer
Dick Cleveland

Retirement Plans Bob Warner
Linn Brooks
David Norris

Organizational Development Bob Warner
Dick Cleveland

Facilities Master Plan George Gregory
Bob Warner

JOINT

Water Quality Sarah Smith Hymes (A)
Timm Paxson (D)

Rules and Regulations Kim Bell Williams (A)
Bob Warner (D)

Water Supply Planning Sarah Smith Hymes (A)
Mick Woodworth (A)
Kate Burchenal (D)
Steve Coyer (D)

Climate Action Plan Sarah Smith Hymes (A)
Kate Burchenal (D)
Timm Paxson (D)

(A) = Authority, (D) = District

AUTHORITY

Audit/Budget Geoff Dreyer
George Gregory



**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: November 10, 2022
RE: Summary of Authority's Oct. 27, 2022, Board Meeting

The following is a summary of items discussed at the Authority's Oct. 27, 2022, Board Meeting.

Directors present and acting were Chair George Gregory, Vice Chair Sarah Smith Hymes, Secretary Kim Bell Williams, Treasurer Geoff Dreyer, and Mick Woodworth. Alternate Director Mike Towler was present and acting. Director Kevin Hillgren was present but not acting.

Approval of minutes	Directors approved the September 22, 2022, regular meeting minutes.
Consideration of weather modification program participation	Directors supported contributing \$15,000 to the Central Colorado Mountains River Basin Weather Modification as budgeted for the 2022-23 winter season and then reevaluating future participation.
Unification of Authority and District	Directors discussed the process and potential issues related to full unification and partial unification where Authority member entities would include into the District.
2023 Budget Work Session	Directors reviewed the proposed FY 2023 budget and supported holding a public hearing on the budget as presented at its Nov. 17 meeting.
Water Dedication Policy Work Session	Jason Cowles described how the policy works as developers go through the land use entitlement process. Directors supported adding a provision requiring a deposit for conditional commitment of water rights, increasing cash-in-lieu fees for summer and winter water, and revising the provision requiring dedication of 120% of the water rights necessary for service. The Board agreed to vote on an amended policy at its Nov. 17 meeting.
Wildridge Water Tank	Brad Zachman reported on an oil sheen identified in a Wildridge tank, likely associated with a contracted tank inspection process. Sampling of residual amounts did not raise any public health concerns and staff reported it to the Colorado Department of Public Health and Environment.
Unallocated Water	Jason Cowles said the Authority has about 52-acre feet of unrestricted Eagle Park Reservoir water remaining for development. The amount could change as a better understanding of remaining unallocated water will be available after modeling is completed.

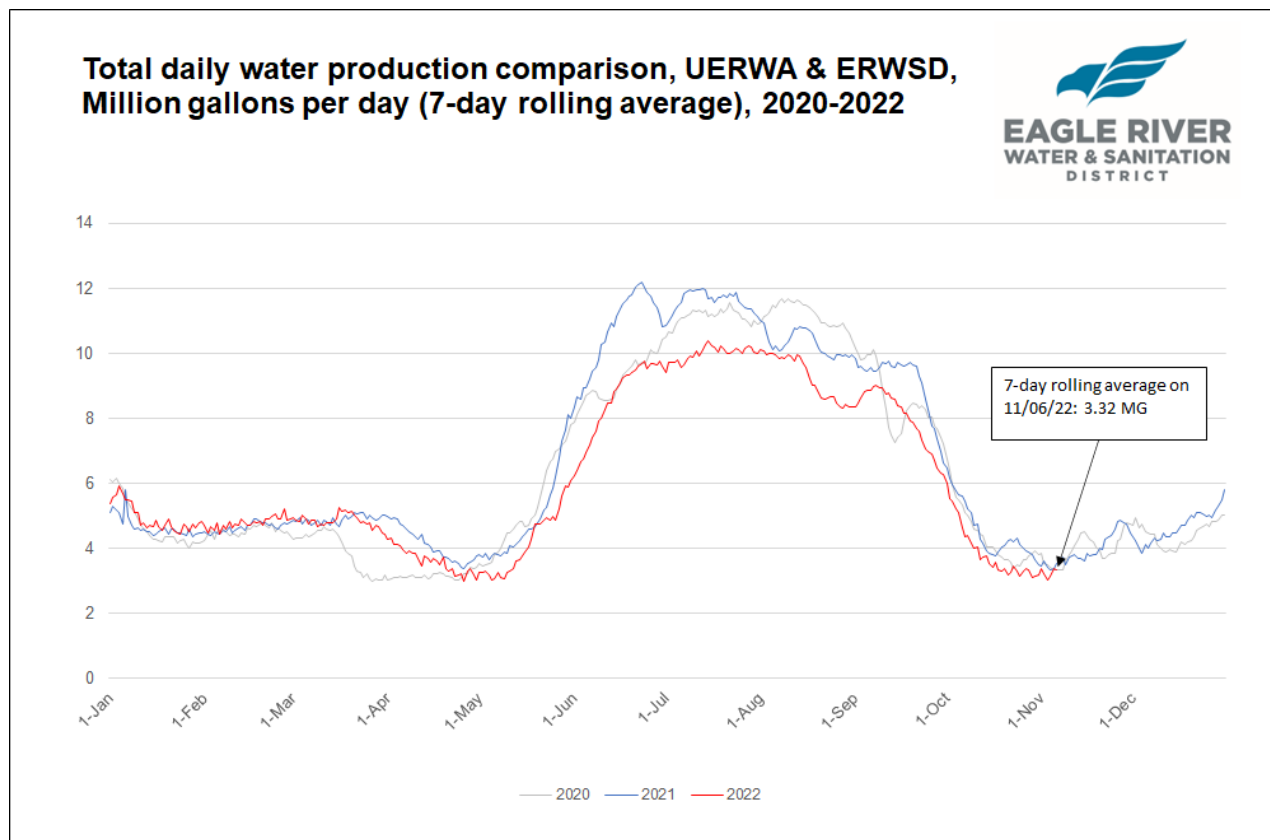


OPERATIONS MONTHLY REPORT NOVEMBER 2022

WATER

Brad Zachman

The system-wide water production comparison was updated through Nov. 6. System demand is at a seasonal low and normal for this time of year.



The Avon Drinking Water Facility (ADWF) and the Berry Creek Wellhouse are offline for planned maintenance and capital improvement projects. Both facilities will be operational prior to the Thanksgiving holiday. The work at ADWF includes installation of piping infrastructure that will allow water to be downloaded from the Avon high pressure zone to the Avon low pressure zone. The work at Berry Creek Wellhouse includes replacement of a leaking sodium hypochlorite bulk storage tank.



Pipe Fitting Work at the Avon Drinking Water Facility



Sodium Hypochlorite Storage Tank Replacement at the Berry Creek Wellhouse

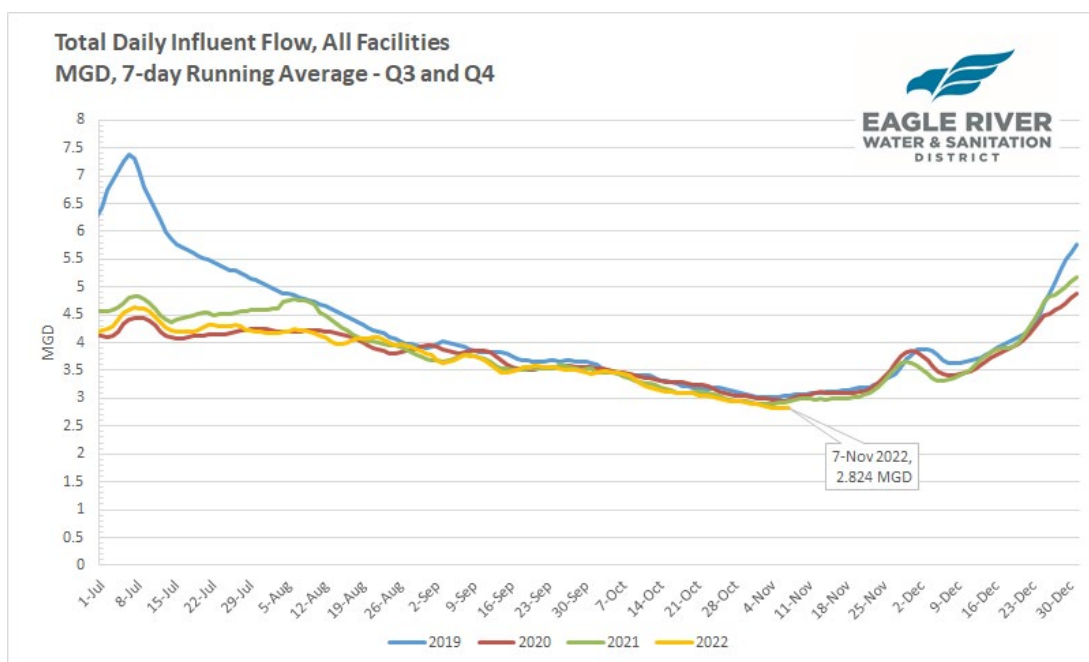
LABORATORY & WATER QUALITY

No update.

WASTEWATER

Rob Ringle

Influent wastewater flow and loading reached annual lows in the first week of November. Influent loading data has already indicated signs of an early increase. The trend is likely to further accelerate following the scheduled opening day for ski operations at Vail on Nov. 11. Staff are managing the treatment processes at all three facilities in anticipation of a strong and early start to the ski season as facilitated by relatively favorable early season mountain conditions.



Wastewater staff made progress on several significant projects during the past couple months of stable loading. Avon WW staff have continued to have success in optimizing operation of the newly constructed aeration basin #2 process train while also preparing for commissioning the final remaining process systems presently being constructed with the Nutrient Upgrade Project. Staff are preparing to transfer secondary treatment operations over to the new aeration basin #1 train while simultaneously dewatering the aeration basin #2 train for final work in that area. The full treatment process capacity is scheduled to be available for service by mid-December. New limits for total phosphorus and total inorganic nitrogen (TIN) will go into effect for the Avon facility on Jan. 1, 2024.

The WW department is preparing for the upcoming Compliance Evaluation Inspection (CEI), as conducted by CDPHE. While inspection notices have not yet been received, the inspections are

anticipated to occur in early 2023 based on the normal inspection frequency for the District wastewater facilities. Internal audits are being performed in November as one step in preparation.

FIELD OPERATIONS

Niko Nemcanin

FO team is busy supporting contractors and customers with end of season tasks including construction inspections, water service taps and construction design investigations and field work.

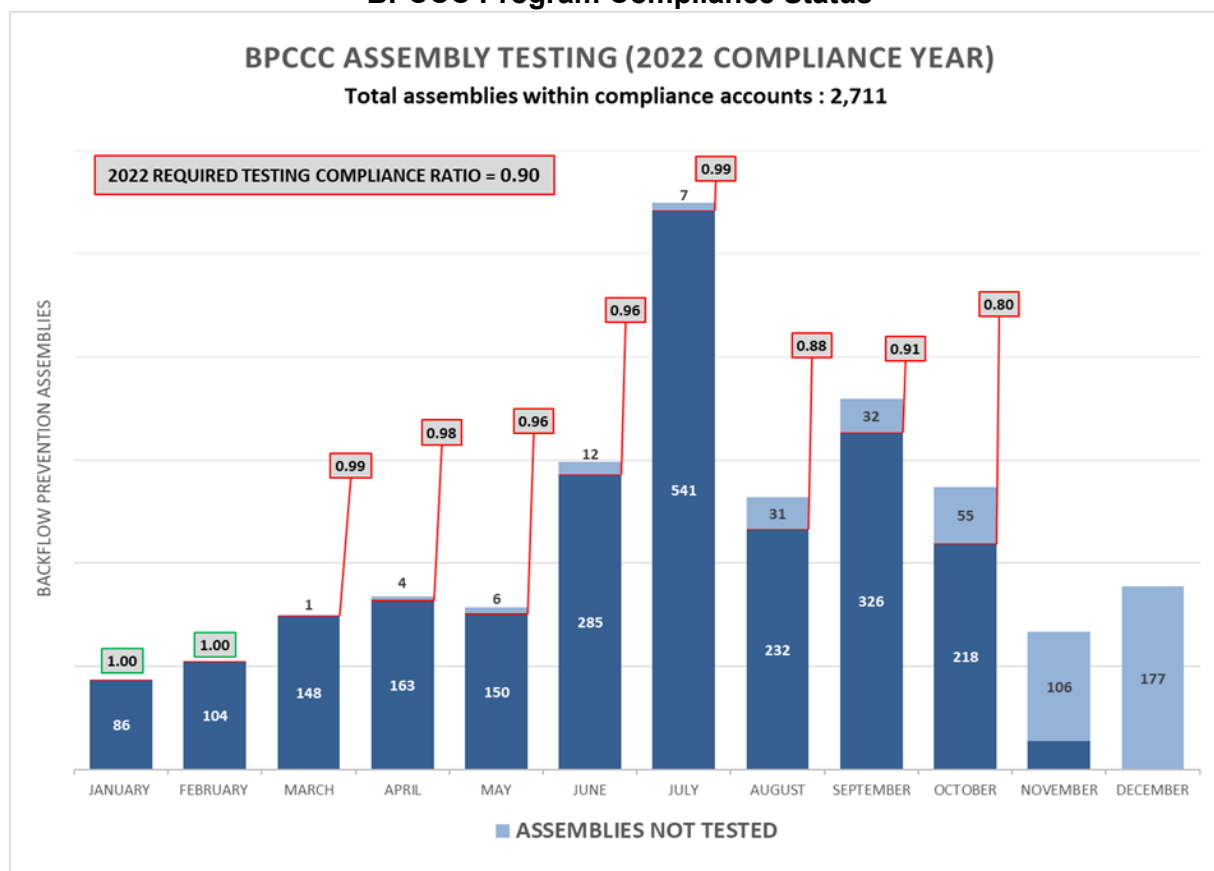
Staff continues to flush fire hydrants and maintain valves, but in general, the team is wrapping up summer maintenance projects and operations.

UTILITY SERVICES

Shane Swartwout

The BPCCC team is working hard to reach the required testing compliance ratio of 0.90 by the end of the calendar year. There are currently 168 compliance assemblies that need to be tested to reach compliance for 2022. This same time last year there were over 500 assemblies that need to be tested. Staff is currently scheduling in-house testing of the remaining assemblies and the team is confident that compliance will be achieved in the upcoming weeks.

BPCCC Program Compliance Status



Meter Services – Advanced Metering Infrastructure Status (Updated 11-8-2022)

Report Date:	11-8-2022
--------------	-----------

AMI SYSTEM STATUS	ERWSD	UERWA	TOTAL
(1) Total No. of Meters	3192	6829	10021
(2) No. of AMI Meters	3096	5734	8830
(3) System Percentage of AMI Meters	97%	84%	88%
Meters Remaining to Reach 100% AMI	96	1095	1191

The meter services team has started a comprehensive audit of accounts with meters 1.5" and larger. The audit includes verifying CIS (customer information system) meter configurations and field inspection of each meter. This effort will ensure customer meters are working properly and consumption is being registered and billed accurately.

ENGINEERING

Jeff Schneider

WATER PROJECTS

Radio Telemetry Unit (RTU) System Upgrades

Carter Keller

General Project Scope: This project is a systematic approach to install standardized communication equipment to increase the reliability of the telemetry system throughout the distribution system (82 sites) and develop a standard (i.e., non-proprietary) telemetry platform to allow competitive pricing for upgrades, replacement, and system maintenance. Implementation is anticipated over a three-year period with a highly detailed sequence and schedule to limit distribution system disruptions.

Project Update: Commissioning of all RTU sites have been completed. Currently the team is working on punch list items and closeout documents, including a deductive Change Order for \$212,000 that we were able to save throughout the final phase. The RTU project is tracking for a December, 2022 final completion. The project team will present to the board at the Nov. 17 meeting.

Traer Creek Water Storage Tank

Mark Mantua

General Project Scope: This project consists of the replacement of the Traer Creek Water Storage Tank. In addition to the tank replacement, the scope includes piping, appurtenances, and selective replacement of identified equipment including the RTUs and control cabinets.

Project Update: To align with operational conditions, District staff decided to fill the tank on Nov. 28, after the completion of the construction project at Avon Drinking Water Facility. The project is substantially complete. ERWSD staff completed a punchlist walk and identified minor items for correction. DN Tanks and their subcontractors are currently working to correct minor punchlist items before final completion is issued.

Fenno Wellhouse and Raw Water Conveyance

Jeffrey Schneider/Carter Keller

General Project Scope: The project consists of complete replacement of a small treatment facility in Cordillera that treats water from seven groundwater wells and pumps into the distribution system. The previous facility did not meet electrical code, had some safety concerns, and was generally at the end of its useful life. Improvements to the wells and raw water piping are also included in this project.

Project Update:

We continue to work with homeowners, a local HOA, and golf course staff on acquisition of additional easements at wells F5 and F7. After easements are obtained the wells will be pulled and inspected in a similar fashion. We anticipate pulling and assessing well F6 the week of Nov. 14 and pursuing some tree removals this fall to prepare for well access in the spring. Following the well assessment and repair work, permanent improvements to the raw water conveyance consisting of piping, controls, and electrical will be designed based on the findings of the current effort.

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 do a thorough risk-based analysis and provide a roadmap for future capital project implementation in light of threats from climate change, low stream flows, wildfires, etc. along with a detailed condition assessment of existing assets.

Project Update: Carollo is working on revisions to Chapter 1 and drafting of Chapters 2 and 3 of the masterplan report. The master planning team has begun building a specialty model (Blue Plan It) to better analyze the entire water system between the District and Authority. A meeting is scheduled for Nov. 15 to review the progress of the model construction. The district is working on collecting additional water quality data on some of the wells in the system, with a sampling day scheduled for Nov. 14. Workshop 4 is scheduled for Nov. 29 to discuss alternative water sources.

Contracting for the next phase of work is expected to begin late in 2022, with an anticipated change order to the engineer to continue work early in 2023.

Avon Wastewater Treatment Facility (WWTF) Fire Flow Improvements Woodson Spring

General Project Scope: The Avon WWTF Fire Flow Improvements consist of two major components. The first is installation of 1,100 linear feet of 12" water main down Millie's Lane and into the Avon WWTF site. The second is modifications within the Avon Drinking Water Facility (DWF) to transfer water from the high zone to the low zone. The project will bring the Avon WWTF into compliance with fire flow requirements and address a long-standing deficiency.

Project Update: Pipeline work has been completed with the installation of a new fire hydrant in front of the Avon admin building entrance. The existing fire hydrant will be removed the week of Nov. 14. Asphalt millings are being placed for the winter season as a temporary surface with final paving planned for spring. All pressure reducing and surge anticipator valves have been installed inside the ADWF. Planning for disinfection, testing and startup is underway and scheduled for the week of Nov. 14.

WASTEWATER PROJECTS

Avon Wastewater Treatment Facility (AWWTF) Nutrient Upgrades Jeff Schneider

General Project Scope: The Avon WWTF 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 the following: addition of 0.6 million gallons of aeration basin capacity, a new secondary clarifier, structural modifications to the existing aeration basins to remove the existing double-tees and replace with a building structure, 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 other process areas throughout the facility.

Project Update: Crews are working on startup of multiple systems in preparation for the upcoming ski season's increase in flows. New aeration diffusers are installed and tested, as well as mixer devices. WWTF staff plans on switching to the northern Aeration Basin train for secondary treatment on or around Nov. 15. In addition, equalization basin mixing including the pumping, piping, and valves are nearly complete and ready for testing prior to the holiday. Site preparation for paving was underway but the October snowstorm made the subgrade unsuitable for final paving. As a result, and in collaboration with our operations teams, we will utilize reclaimed asphalt millings as a temporary surface to ensure a successful final product in spring of 2023.

Pricing has been accepted for installation of new fencing around the entire facility and the design of a new retaining wall along the Eagle Valley Trail on the south property line is underway. Geotechnical exploration for wall design was completed in October. Both fencing and walls are in the Town of Avon design review process for approval. The extensive additional work such as walls/fencing resulted in an additional 120 days being added to the project schedule (original

substantial completion was Dec. 9, 2022), and we are currently negotiating the reduced monthly general conditions costs due to a reduced site presence and overhead. The project continues to track well below budget.

Dowd Junction Collection System Improvements

Jenna Beairsto

General Project Scope: The project consists of four major components, all of which are at the end of their useful lives: 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 project will also include capacity for growth in its respective service areas, most notably the Minturn area improvements.

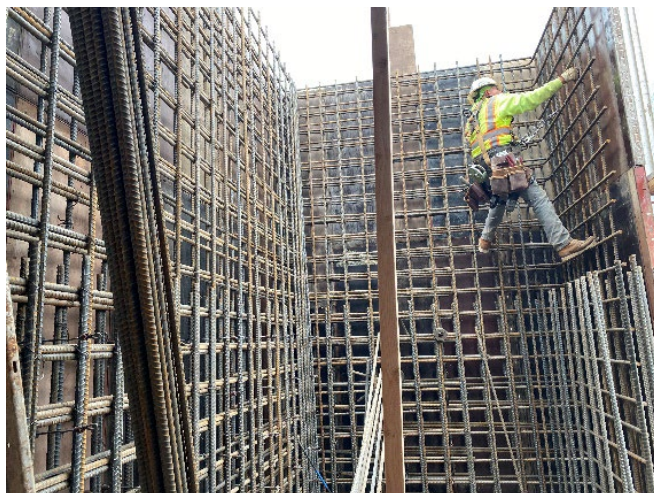
Project Update:

West Vail Interceptor Aerial Crossing: The Contractor completed all work including all of the punch list items. The trail has been closed down for the season and the project is in final closeout.

Lift Station 4 and Force Main Replacement: This project combines three packages of work into one large project. Package A includes the lift station 4 replacement, package B is replacement of the existing force main with two 8" HDPE force mains, and package C in partnership with Eco Trails (Eagle County) to connect the bike trails from the lift station to the West Vail Interceptor crossing. The Contractor's pipe crew demobilized from the site. Gould and their concrete subcontractor, Rodco, placed the walls for the wet well on Oct. 31 and Nov. 8. The contractor will begin installation of the gravity sewer and bypass sewer line once forms are removed from the wet well walls. Shoring and rebar, forms, and concrete for the lid are anticipated before Thanksgiving to allow for water testing of the wet well in early to mid-December.



Placing concrete for the wet well wall



Rodco tying rebar for the second half of the wet well walls

Avon Lab Improvements

Carter Keller

General Project Scope: A new inductively coupled plasma mass spectrometer (ICP-MS) purchased by the District will be installed in the lab. This will provide improved analytical capability to our internal and external customers. This device enables District staff to perform in-house metals analyses that are normally outsourced. Lab and architectural modifications will be constructed, including a new gas cabinet, duct chase, and fume hood. During design, the makeup air unit (MAU) serving the lab was identified to be at the end of its useful life; the HVAC system for the lab and lab offices will also be replaced.

Project Update: A design review application for a minor exterior modification to the Admin building has been submitted to the Town of Avon for staff approval. Work is anticipated to begin after the new year, with HVAC equipment delivery scheduled for April.

Vail Wastewater Treatment Facility (VWWTF) Master Plan Improvements

Mark Mantua

General Project Scope: A condition assessment of the Vail WWTF conducted as part of the 2017 Master Plan identified various upgrades required to keep the facility in reliable and operable condition. The scope includes a new, larger diesel generator and associated electrical, 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. Black and Veatch was selected and the design consultant and PCL Construction was selected as the contractor to complete this project.

Project Update: PCL is preparing to form and pour the new generator pad. Excavation and subgrade placement at the generator pad is complete. PCL and their subcontractors installed and backfilled 150 linear feet of electrical duct bank. Remaining work in Phase I includes pouring the new generator pad, electrical tie-ins to existing transformers, 50 linear feet of ductbank and site restoration. The 90% design submittal for phase II was reviewed by the District and PCL. The design engineer is working to issue 100% plans for Phase II of the project. PCL will develop the

phase II cost proposal to be submitted to the District and is expected to submit the week of Nov. 14.

GENERAL CAPITAL

Fleet Maintenance Facility


Mark Mantua

General Project Scope: The 2020 Overall Facilities Master Plan indicated an opportunity to relocate the fleet maintenance facility, along with large vehicle and equipment storage and water meter testing and storage, to the property known as “Hillcrest” at the corner of Hillcrest Drive and U.S. Highway 6. We are moving forward with that concept but located on a parcel of land immediately east of the Edwards Wastewater Treatment Facility on Lake Creek Village Drive.

Project Update: The project architectural consultant, D2C, has begun the data collection phase of the project. D2C is currently reviewing existing survey and engineering reports conducted on the existing property. To better understand the District's needs at the new facility, D2C facilitated site visits, interviews and questionnaires. D2C has begun developing preliminary site concepts. Preliminary site concepts are expected from D2C in early December.



MEMORANDUM

TO: District and Authority Boards of Directors
FROM: Jason Cowles, P.E. 
DATE: November 9, 2022
RE: Engineering & Water Resources Report

Authority Unallocated Water Update

The Authority's unallocated water projection remains at 227.31 acre feet. This includes 51.19 acre feet of unrestricted Eagle Park Reservoir water, which includes the 25 acre feet pledged to the Authority by the District. It also includes 78.13 acre feet of Eagle Park Reservoir water committed to workforce housing, and 97.98 historic irrigation season consumptive use credits.

It should be noted that the Authority has very few Brett Ditch HCU credits available in August and September and must use in-basin storage releases to augment depletions for cash in lieu of water rights customers in August in September per the Authority's decreed global augmentation plan. Thus, the limiting factor for the Authority's ability to serve new developments will be the 51.19 acre feet of remaining unrestricted Eagle Park Reservoir water. These projections will be updated next month when we discuss the results of our recent model runs.

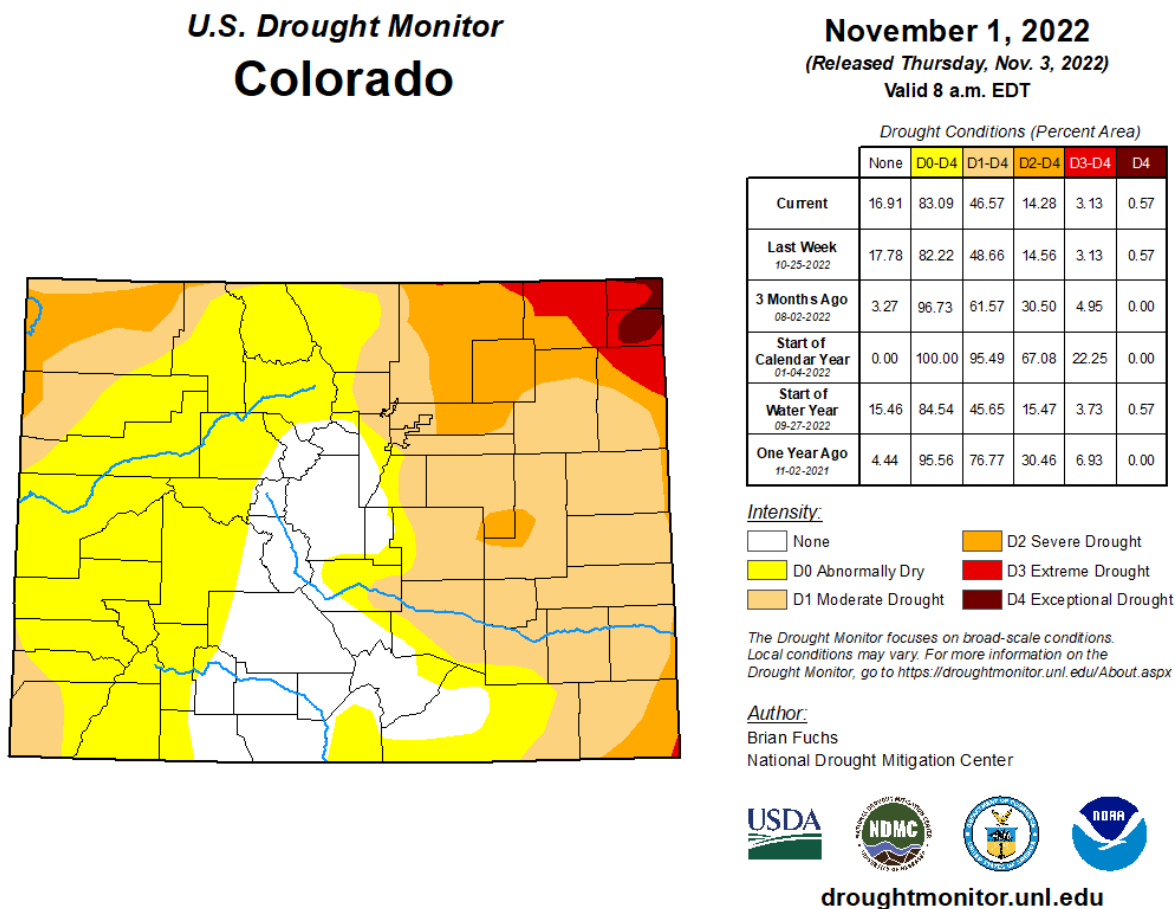
Bolts Lake

Field investigations for the preliminary design of Bolts Lake reservoir wrapped up last week. Geotechnical borings were hampered by weather and challenging, deep drilling conditions at several of the planned boring sites including collapse of one of the boreholes, substantial boulders, and the loss of one drill head. Despite the challenges, five of six planned boreholes were completed. Shannon and Wilson made the decision to forego the sixth borehole due to budget constraints, weather, and the challenging drilling conditions encountered at the other sites. Data collected from this effort will inform the design of the main dam and saddle dam structures and will add to our understanding of groundwater conditions at the site.

Water Resources Update

The latest U.S. Drought Monitor map for Colorado is shown below in Figure 1. Drought conditions have slightly improved across the state, but are largely unchanged in Eagle County with a majority of the County remaining in the abnormally dry category

Figure 1: US Drought Monitor, Colorado November 3, 2022 (National Drought Mitigation Center).



On October 20, the NOAA Climate Prediction Center issued its 2022-23 U.S. Winter Outlook. The winter outlook for temperature indicates a likelihood that above normal to equal chances of below-, near-, and above-normal temperatures will occur in our region (Figure 2). This is largely attributable to the La Niña weather pattern that continues to persist in the Pacific Ocean. The winter outlook for precipitation indicates equal chances of below-, near-, or above-average seasonal precipitation for the northern and central Colorado Rockies (Figure 3). The winter outlook for drought predicts widespread drought conditions to continue or worsen throughout much of the West, the Great Basin, and the central to southern Great Plains (Figure 4).

Figure 2: Winter 2022-23 US Temperature Outlook (NOAA Climate Prediction Center).

Winter 2022-23: U.S. Temperature Outlook

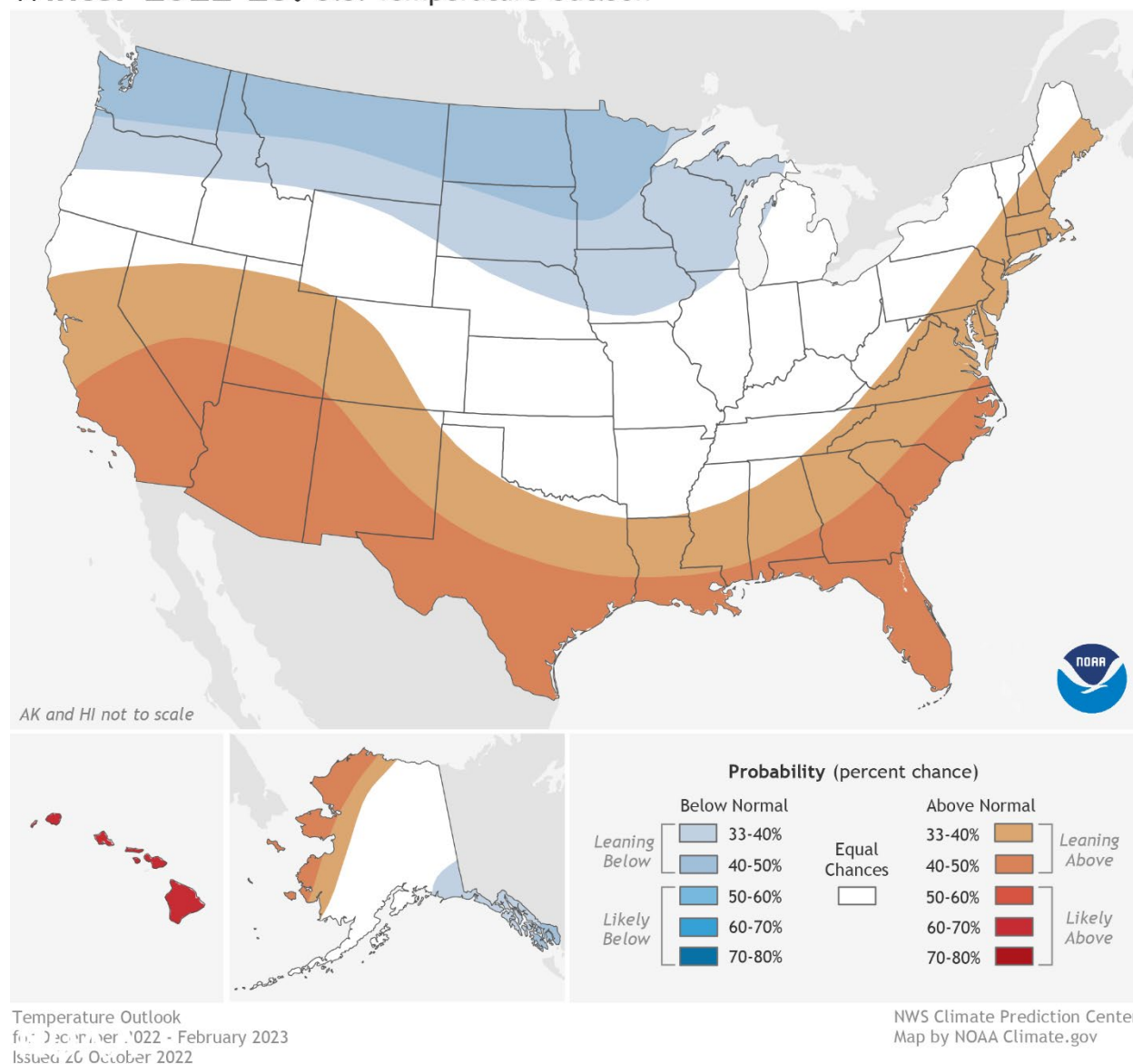


Figure 3: Winter 2022-23 US Precipitation Outlook (NOAA Climate Prediction Center).

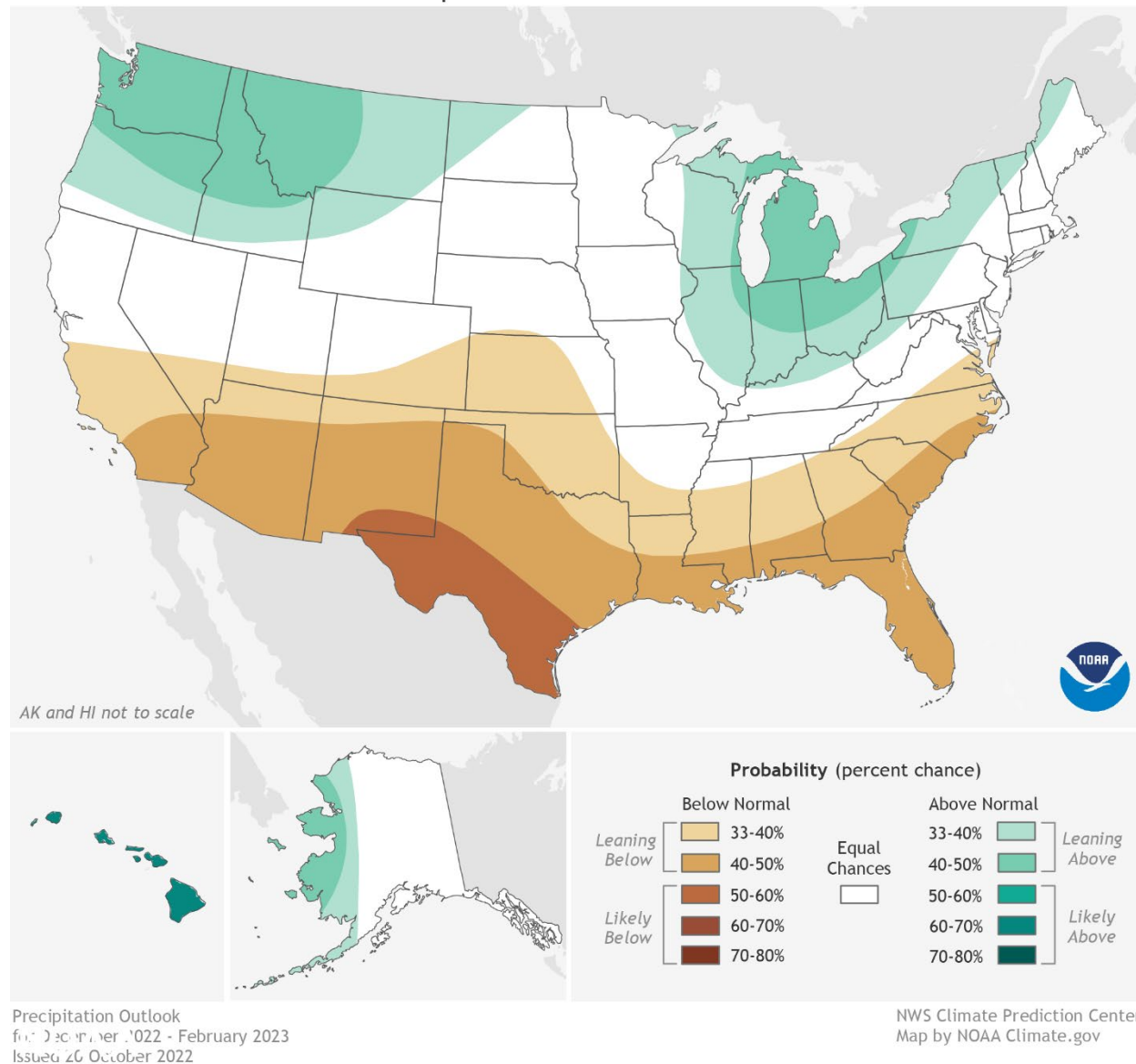
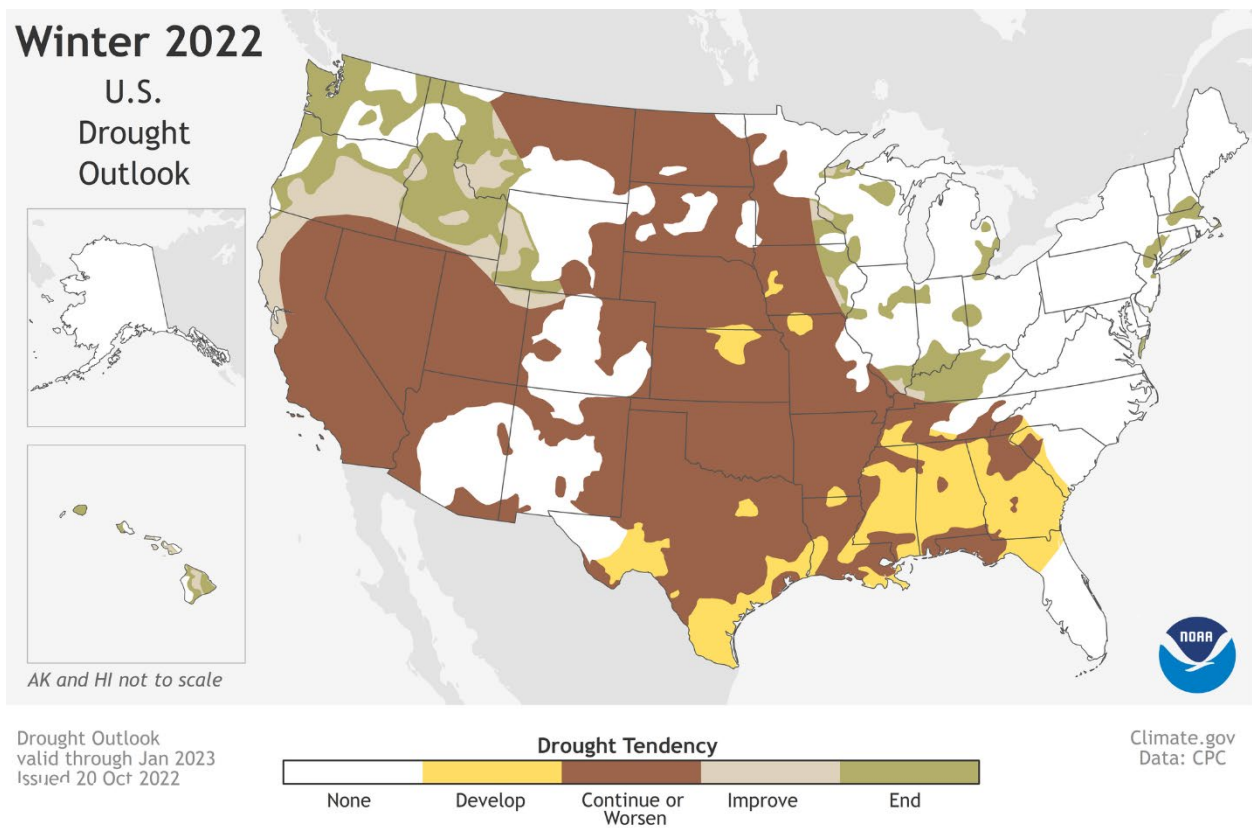
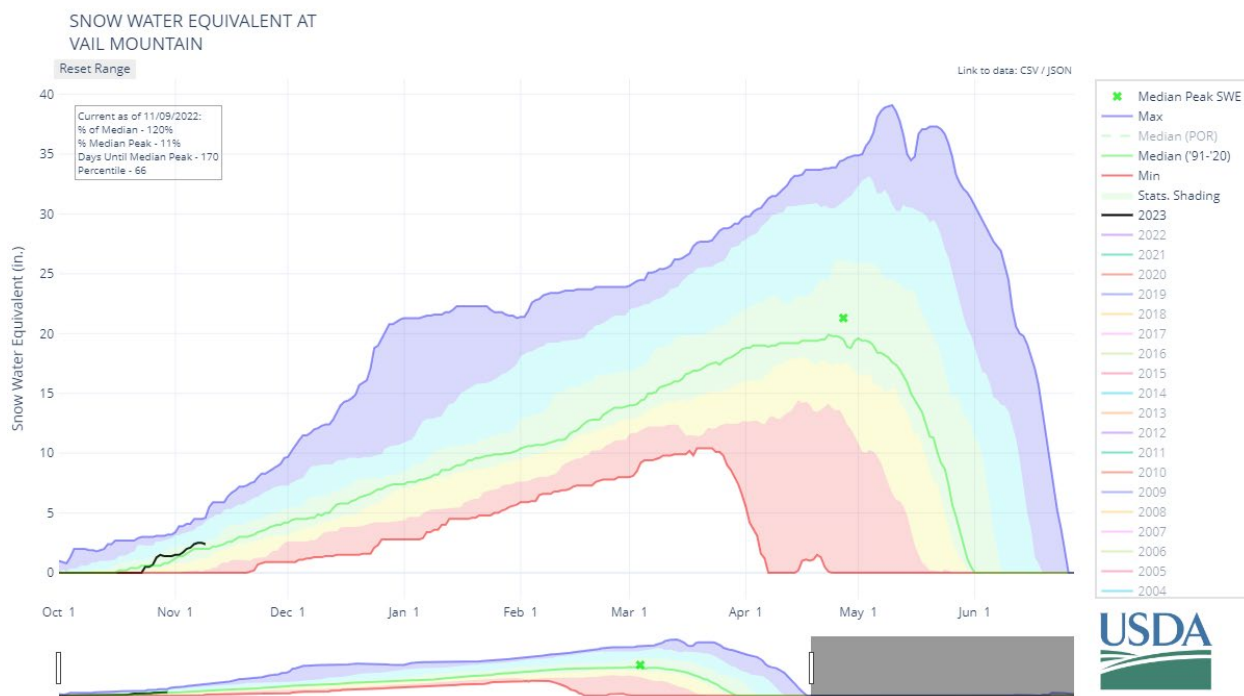
Winter 2022-23: U.S. Precipitation Outlook

Figure 4: Winter 2022-23 US Drought Outlook (NOAA Climate Prediction Center).



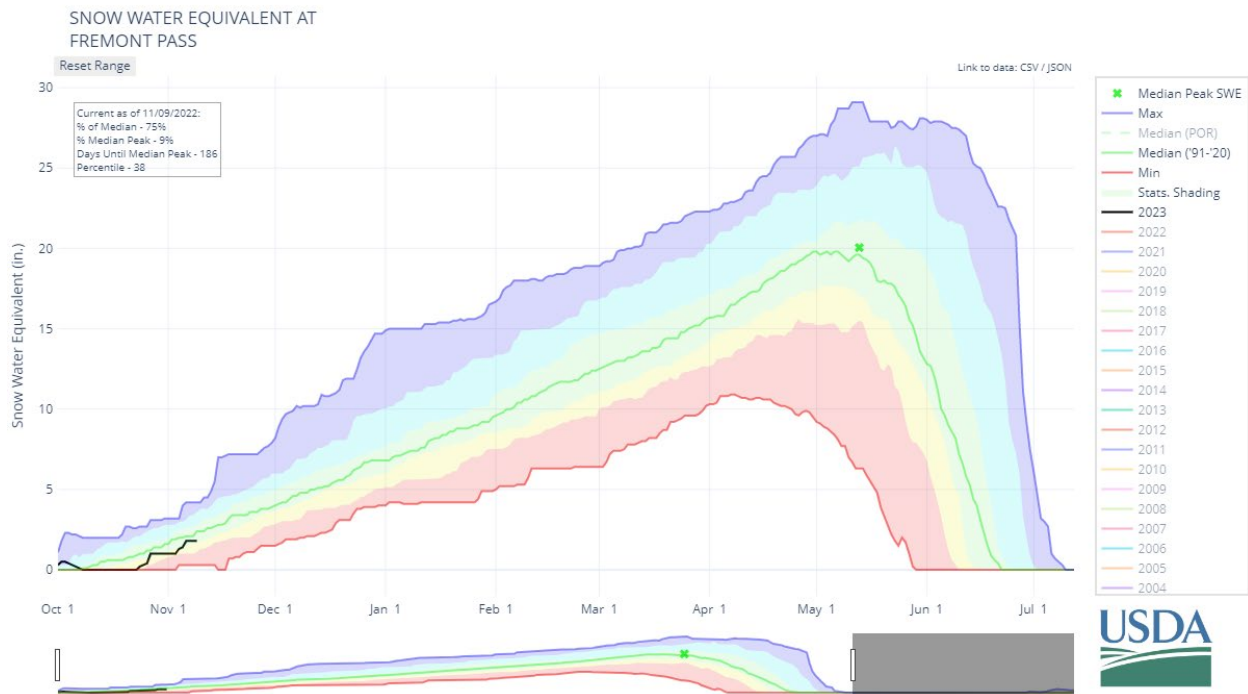
Snow water equivalent (SWE) measured at the Vail Mountain Snotel site (Figure 5) is trending slightly above normal at 2.4 inches or 120% of the 30-year median.

Figure 5: Snow Water Equivalent, Vail Mountain SNOTEL, November 9, 2022 (USDA).



SWE measured at the Freemont Pass Snotel site near Eagle Park Reservoir (Figure 6) is trending slightly below normal at 1.8 inches or 75% of the 30-year median.

Figure 6: Snow Water Equivalent, Fremont Pass SNOTEL, November 9, 2022 (USDA).



Authority Surplus Augmentation Supply

Updated: 3/16/2022 by JEC

	HCU, acft	In-basin Reservoir Storage, acft	In-basin Reservoir Storage, acft	Out-of-basin Reservoir Storage, acft	Total HCU & In-Basin Storage, acft
	Summer only	Affordable Housing Reserve	Unrestricted		
Modeled Augmentation Surplus¹	105.70	87.40	127.30		320.40
Projects with Ability to Serve Letters					
Club Residences at CVC	0.04		1.04	0.03	1.08
Current Augmentation Surplus²	105.66	87.40	126.26		319.32
Augmentation Projections for Projects in Land Use Entitlement Process					
Edwards River Park PUD	5.52	9.27	53.54	1.89	68.32
Mountain Hive	1.27		13.56	0.39	14.83
NorthStar PUD Amendment	0.45		3.16	0.09	3.61
Warner Building Dormitories	0.02		0.02	0.01	0.04
Riverwalk PUD Guide Amendment	0.07		1.67	0.05	1.74
Brown PUD	0.35		3.12	0.09	3.47
Total Pending Augmentation	7.68	9.27	75.06	2.52	92.01
Projected Augmentation Surplus	97.98	78.13	51.19		227.31

Notes:

1) Modeled Augmentation Surplus based on June 25, 2020 unallocated model runs adjusted for Edwards River Park changes.

2) Current Augmentation Surplus Projection considers all projects with Ability to Serve Letters to be allocated.

3) Projects in Land Use Entitlement Process have Conditional Capacity to Serve Letters but have not yet received land use approvals or completed the Authority's water rights dedication process.

3) Affordable Housing Reserve In-basin Reservoir Storage is Eagle Park water transferred to UERWA by Eagle County and can only be used for affordable/workforce housing projects.

4) Unrestricted In-basin Reservoir Storage includes 25 acft pledged by ERWSD.

5) Out-of-basin Reservoir Storage supplies include 711 acft Wolford Mtn. Res. Contracts and 475 acft Green Mtn. Res. Contracts.

6) The Authority's existing commitment of 34.3 acft of augmentation for the West End PUD is included in the modeled augmentation surplus.



MEMORANDUM

TO: Boards of Directors
FROM: Diane Johnson, Communications & Public Affairs Manager
DATE: November 17, 2022
RE: Communications and Public Affairs Report

Colorado River System

The U.S. Department of the Interior issued a news release on Oct. 28 that states the Bureau of Reclamation "is initiating an expedited, supplemental process to revise the current interim operating guidelines for the operation of Glen Canyon and Hoover Dams in 2023 and 2024." Further, "Reclamation will publish a Notice of Intent (NOI) to prepare a Supplemental Environmental Impact Statement (SEIS), which will include proposed alternatives to revise the December 2007 Record of Decision associated with the Colorado River Interim Guidelines."

Given the crisis in the Colorado River system, the DOI action is seeking to modify operations for 2023 and 2024 rather than having to operate per the [2007 Interim Guidelines](#) (which run through 2025 and will set operations for 2026). Separately, there is already a process to develop post-2026 operations and the DOI press release reinforces this with, "The NOI announced today to address immediate challenges does not interfere with Reclamation's separate process for determining post-2026 Colorado River Operations."

In addition to the DOI news release, two media reports are attached that address DOI's action. Two related media stories are also attached concerning the focus on evaporative loss in the lower Colorado River system and the naming of former U.S. Reclamation Commissioner Brenda Burman as the Central Arizona Project's next general manager.

Colorado Green Business Network certification

The Colorado Department of Public Health and Environment announced that the district is one of 42 Colorado companies to have earned a spot as certified members of the newly-formed [Colorado Green Business Network](#) (which is the new branded version of CDPHE's Environmental Leadership program, a statewide recognition program with over 23 years of tradition to its name). The state [news release](#) recognized the district as one of six that have made commitments to renewable energy through solar energy production, wind power renewable energy certificates, and energy offsets. Three employees attended the state's recognition event on behalf of the district.

Attachments:

1. Oct. 26 KUNC: Lower Colorado River reservoir evaporation the focus of new analysis
2. Oct. 28 U.S. Department of the Interior: Interior Department Initiates Significant Action to Protect Colorado River System
3. Oct. 28 LA Times: Feds announce new push to shore up shrinking Colorado River
4. Oct. 28 KUNC: Feds want the ability to cut back on Colorado River reservoir releases over the next two years
5. Nov. 3 Central Arizona Project: Central Arizona Water Conservation District names Brenda Burman as Central Arizona Project's next general manager
6. Nov. 3 VOX: The ugly story of how corporate America convinced us to spend so much on water

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Western Water Coverage

Throughout the history of the American West, water issues have shown their ability to both unite and divide communities. As an imbalance between water supplies and demands grows in the region, KUNC is committed to covering the stories that emerge.

Lower Colorado River reservoir evaporation the focus of new analysis

KUNC | By [Luke Runyon](#)

Published October 26, 2022 at 5:46 PM MDT



Luke Runyon / KUNC

Lake Mead's bathtub ring rises above the water in Feb. 2018.

A Nevada water agency has taken the first concrete step toward accounting for evaporation and other losses in the Colorado River's Lower Basin. The new analysis attempts to pinpoint exactly how much water is lost, and who should cut back to bring the system closer to a balance between supply and demand.

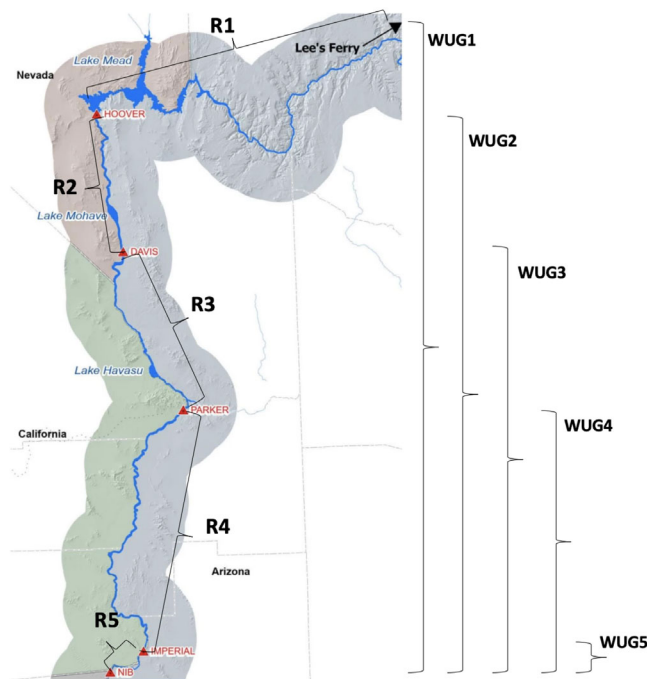
An analysis compiled by the Southern Nevada Water Authority estimates the total amount of water lost in the river's lower reaches. If implemented in its current form, the proposal would translate to significant cutbacks for users in Nevada, Arizona and California.



The agency's staff presented the analysis to representatives from the seven U.S. states that rely on the beleaguered Colorado River for drinking and irrigation water supply. Federal officials were also present at the Manhattan Beach, California meeting held in the third week of October.

Farmers and cities in the river's Lower Basin states of California, Arizona, and Nevada have never had to fully account for the amount of water lost to evaporation, or to leaky infrastructure, also called transit losses.

About 1.5 million acre-feet of water is lost to evaporation and other losses each year, according to the Southern Nevada Water Authority analysis. That's more water than the state of Utah uses from the river annually. One acre-foot is the volume of water needed to fill an acre of land to a height of one foot, or approximately 325,000 gallons.



Southern Nevada Water Authority /

The Southern Nevada Water Authority analysis divides the Lower Colorado River into five reaches in order to calculate potential evaporative and transit losses for users.

"This is work we had started internally a little while ago to get our heads around, what is the exposure to our community? And how do we make sure we have an adequate water supply?" said Colby

Pellegrino, the Southern Nevada Water Authority's deputy general manager.

The analysis examines where water loss occurs downstream of Lee's Ferry in northern Arizona to the northern boundary of the U.S.-Mexico border. Both the U.S. and Mexico rely on the river. The analysis divides the river into five reaches, and includes the large reservoirs in the Lower Basin -- Lake Mead, Lake Mohave and Lake Havasu.

The analysis then calculates which states and which users within each state could be cut back to account for the overall basin-wide loss. Users upstream, like the Southern Nevada Water Authority, carry a lesser burden than those downstream, as users upstream are not reliant on downstream infrastructure and reservoirs to deliver their water supplies. Those users further downstream on the river, like California's Imperial Irrigation District, would face the highest volume of potential cutbacks, factoring in their placement on the river and their volume of overall use, according to this analysis.

There is no set standard to account for these losses, Pellegrino said, and this initial analysis is meant to get the conversation started as a potential model for how to divvy up the cuts among users.

"We can't even build consensus unless we get a straw man out there and start talking about what the different elements of such a calculation might be," Pellegrino said.

SUMMARY OF ASSESSMENTS BY STATE / MX

State	afy
AZ	419,381
CA	773,008
NV	17,570
MX	333,040
TOTAL	1,543,000

SUMMARY OF WATER USER ASSESSMENTS

Reach	State	Major Water Users	afy
1	NV	LVVWD/SNWA - SNWP	15,514
3	AZ	Central Arizona Water Conservation District	190,474
3	CA	The Metropolitan Water District of Southern California	110,464
4	AZ	AZ Colorado River Indian Reservation	45,378
4	AZ	Wellton-Mohawk I.D.D.	51,654
4	CA	Coachella Valley Water District	70,074
4	CA	Imperial Irrigation District	509,508
4	CA	Palo Verde Irrigation District	71,335
5	AZ	Yuma County Water Users' Association	57,056
5	AZ	Yuma Mesa I.D.D.	34,342
5	MX	Mexico	333,040
Subtotal			1,488,839
Reach	State	Remaining Water Users	afy
All	AZ	Other Users in AZ	40,478
All	CA	Other Users in CA	11,627
All	NV	Other Users in NV	2,056
Subtotal			54,161
TOTAL			1,543,000

¹ Major users considered to have losses greater than 10,000 afy

Southern Nevada Water Authority /

The Southern Nevada Water Authority's analysis puts total Lower Basin evaporation and transit loss at 1.5 million acre-feet of water annually, and then divides up that loss among users based on their total use and placement on the river.

Using the Southern Nevada Water Authority's methods, the river's big users could be staring down significant cuts to their supplies to account for evaporative and transit loss. To achieve the total savings of 1.5 million acre-feet per year, the analysis assigns cutbacks of 509,508 acre-feet on the Imperial Irrigation District, 190,474 acre-feet on the Central Arizona Project system, and 110,464 acre-feet to the Metropolitan Water District of Southern California, with the rest being contributed by dozens of other smaller users.

Mexico, which is able to store some of its river water in American reservoirs because of binational agreements, is by treaty not required to share in transit losses. But if the country were to share in additional reductions related to evaporation and transit loss, the country's total could be 333,040 acre-feet per year when considering its total uses and its placement as the river's final user, according to the analysis.

Accounting for evaporation has become a rallying cry from users in the river's Upper Basin states of Colorado, Wyoming, Utah and New Mexico and a tension point in ongoing negotiations. Those states already use a system to track losses and are charged for them in their

basin-wide accounting. Upper Basin water managers say the current system is unfair.

“This is something the federal government must do right now,” said Andy Mueller, director of the Colorado River District, a water agency on Colorado’s western slope, at a September public event. “They have the right to do it under the [Colorado River] Compact. They have the right to do it lawfully. They just don’t want to do it because it hurts and it’s maybe going to bring in litigation.”

Federal officials have identified the issue as a short-term priority. At a September gathering of water managers in Santa Fe, Interior Secretary Deb Haaland [told attendees](#) it was time for a “candid conversation” about evaporation and transit loss.

In June, Bureau of Reclamation commissioner Camille Calimlim Touton told members of a Senate committee that the river system required an additional two to four million acre-foot reduction in use in order to stabilize its largest reservoirs. Accounting for evaporation could be one step toward achieving that overall reduction, water experts have said.

This story is part of ongoing coverage of the Colorado River, produced by KUNC and supported by the Walton Family Foundation.

Tags

[Environment](#)[Colorado River](#)[Topic: Western Water Coverage](#)[Colorado River Basin](#)[Water](#)[Water Supply](#)[Lake Mead](#)

Luke Runyon

As KUNC’s managing editor and reporter covering the Colorado River Basin, I dig into stories that show how water issues can both unite and divide communities throughout the Western U.S. I edit and produce feature stories for KUNC and a network of public media stations in Colorado, Utah, Wyoming, New Mexico, Arizona, California and Nevada.



Press Releases

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Interior Department Initiates Significant Action to Protect Colorado River System

Proposal to revise operating guidelines one of several decisive steps underway to protect the System

10/28/2022

Date: Friday, October 28, 2022

Contact: Interior_Press@ios.doi.gov

WASHINGTON — As collaborative work continues across the Colorado River Basin to address the ongoing drought crisis, the Department of the Interior today announced expedited steps to prepare new measures that, based on current and projected hydrologic conditions, are needed to improve and protect the long-term sustainability of the Colorado River System. To address the serious operational realities facing the System, the Bureau of Reclamation is initiating an expedited, supplemental process to revise the current interim operating guidelines for the operation of Glen Canyon and Hoover Dams in 2023 and 2024 in order to provide additional alternatives and measures needed to address the likelihood of continued low-runoff conditions across the Basin.

“The Interior Department continues to pursue a collaborative and consensus-based approach to addressing the drought crisis afflicting the West. At the same time, we are committed to taking prompt and decisive action necessary to protect the Colorado River System and all those who depend on it,” said **Secretary Deb Haaland**. “Revising the current interim operating guidelines for Glen Canyon and Hoover Dams represents one of many critical Departmental efforts underway to better protect the System in light of rapidly changing conditions in the Basin.”

Reclamation will publish a [Notice of Intent \(NOI\)](#) to prepare a Supplemental Environmental Impact Statement (SEIS), which will include proposed alternatives to revise the [December 2007 Record of Decision](#) associated with the Colorado River Interim Guidelines. The 2007 Interim Guidelines provide operating criteria for Lake Powell and Lake Mead, including provisions designed to provide a greater degree of certainty to water users about timing and volumes of potential water delivery reductions for the Lower Basin States, and additional operating flexibility to conserve and store water in the system.

The NOI outlines that, in order to ensure that Glen Canyon Dam continues to operate under its intended design, Reclamation may need to modify current operations and reduce Glen Canyon Dam downstream releases, thereby impacting downstream riparian areas and reservoir elevations at Lake Mead. Additionally, in order to

protect Hoover Dam operations, system integrity, and public health and safety, Reclamation may need to also modify current operations and reduce Hoover Dam downstream releases.

"We are taking immediate steps now to revise the operating guidelines to protect the Colorado River System and stabilize rapidly declining reservoir storage elevations," said **Reclamation Commissioner Camille Calimlim Touton**. "Today's action brings new ideas and necessary measures to the table as we consider alternatives to revise operations to better protect Colorado River System in the near term while we also continue to develop long-term, sustainable plans that reflect the climate-driven realities facing the Colorado River Basin."

As described in the NOI, this SEIS will analyze alternatives including:

- **Framework Agreement Alternative:** This alternative would be developed as an additional consensus-based set of actions that would build on the existing framework for Colorado River Operations. This alternative would build on commitments and obligations developed by the Basin States, Tribes and non-governmental organizations as part of the 2019 Colorado River Drought Contingency Plan (DCP) Authorization Act.
- **Reservoir Operations Modification Alternative:** This alternative would be developed by Reclamation as a set of actions and measures adopted pursuant to Secretarial authority under applicable federal law. This alternative would also consider how the Secretary's authority could complement a consensus-based alternative that may not sufficiently mitigate current and projected risks to the Colorado River System reservoirs.
- **No Action:** The No Action Alternative will describe the continued implementation of existing agreements that control operations of Glen Canyon and Hoover Dams. These include the 2007 Interim Guidelines and agreements adopted pursuant to the 2019 DCP. Intensive ongoing efforts to achieve water conservation actions in the Basin are underway through a number of programs, including the recent Inflation Reduction Act. Implementation and effectiveness of these efforts will inform the assessment of existing operations and agreements.

The action announced today builds on steps announced in August 2022 as part of Reclamation's release of the [Colorado River Basin August 2022 24-Month Study](#), as well as additional actions announced in September 2022 to [reduce water consumption](#) across the Basin in light of critically low water supplies and dire hydrological projections.

The Department also recently announced new [drought mitigation funding](#) opportunities to provide reliable, sustainable and equitable water and power supplies across the Basin. A newly created Lower Colorado River Basin System Conservation and Efficiency Program, funded with an initial allocation through the Inflation Reduction Act, will help increase water conservation, improve water efficiency, and prevent the System's reservoirs from falling to critically low elevations that would threaten water deliveries and power production. The Inflation Reduction Act includes \$4 billion in funding specifically for water management and conservation efforts in the Colorado River Basin and other areas experiencing similar levels of drought.

The NOI announced today to address immediate challenges does not interfere with Reclamation's separate process for determining post-2026 Colorado River Operations.

Members of the public interested in providing input on the SEIS can do so through December 20, 2022, per instructions in the *Federal Register* that will be published in the coming days.

###

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CLIMATE & ENVIRONMENT

New push to shore up shrinking Colorado River could reduce water flow to California



Water flows down the Colorado River at the Glen Canyon Dam near Page, Ariz. White surfaces along the banks of the river and lake show previous water levels in the second-largest reservoir in the U.S. (Luis Sinco / Los Angeles Times)

BY IAN JAMES | STAFF WRITER

OCT. 28, 2022 12:52 PM PT



With the nation's two largest reservoirs [continuing to decline](#), federal officials announced plans Friday to revise their current rules for dealing with Colorado River shortages and pursue a new agreement to achieve larger reductions in water use throughout the Southwest.

The Biden administration announcement represents a renewed push to scale back water use along a river that has shrunk significantly in the face of a 23-year [megadrought worsened by global warming](#).

With water levels dropping at Lake Powell, the Interior Department said operators of Glen Canyon Dam may need to release less water, which would affect flows in the Grand Canyon and accelerate the decline of Lake Mead. In order to protect public health and safety and the integrity of the system, the department said releases from Hoover Dam may also need to be reduced — which would shrink the amounts of water flowing to California, Arizona and Mexico.

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Federal officials in June called for the seven states that rely on the Colorado River to [come up with plans](#) to drastically reduce annual water diversions by about 15% to 25%

regionwide. But negotiations among the states [grew tense and acrimonious](#) and [didn't produce a deal](#).



CALIFORNIA

More water restrictions likely as California pledges to cut use of Colorado River supply

Oct. 6, 2022

The Interior Department has the authority to step in and unilaterally impose larger cuts. But federal officials appear to be pushing for a consensus on shrinking the water take from the river rather than dictating reductions in ways that could further inflame tensions or lead to legal fights. This approach increases the pressure on the states to come up with a deal in the coming months or face federal intervention.

“The Interior Department continues to pursue a collaborative and consensus-based approach to addressing the drought crisis afflicting the West,” Interior Secretary Deb Haaland said in a news release. “At the same time, we are committed to taking prompt and decisive action necessary to protect the Colorado River System and all those who depend on it.”

Water from the Colorado River is used by about 40 million people, flowing to cities, farmlands and tribal nations from the Rocky Mountains to Southern California. The river has long been overallocated. So much water is diverted that the river’s delta in Mexico [largely dried up decades ago](#).

Lake Mead and Lake Powell, the river’s two largest reservoirs, now sit nearly three-fourths empty. Declining water levels are putting the dams’ ability to generate hydropower at risk.

Without major cuts in water use, the latest projections show growing risks of the reservoirs approaching “dead pool” levels, where water would no longer pass downstream.

The current system for dealing with shortages was established in operating rules dating to 2007, and a 2019 deal laid out a series of additional cutbacks as Lake Mead’s level declines.

The federal Bureau of Reclamation said it will publish a notice to prepare a “supplemental environmental impact statement,” which will include proposed alternatives for revising the 2007 rules. Those rules, called the interim guidelines, are set to expire after 2026, and negotiations on the next round of shortage-sharing rules have yet to begin.



CALIFORNIA

As Salton Sea faces ecological collapse, a plan to save it with ocean water is rejected

Oct. 5, 2022

The Interior Department said in this “expedited” review process, officials will consider revising the current rules to “provide additional alternatives and measures needed to address the likelihood of continued low-runoff conditions.”

The Bureau of Reclamation plans to analyze options including what it calls a possible consensus-based “framework” agreement that would build on water reductions that the states and tribes have previously agreed to.

Another alternative would be for the Interior secretary to exercise federal authority to change reservoir operations. The Interior Department said this alternative would also “consider how the secretary’s authority could complement a consensus-based alternative that may not sufficiently mitigate current and projected risks.”

The department said the review will also consider the “no action” option of staying with the current rules and agreements. The agency will accept public input through Dec. 20.

Reclamation Commissioner Camille Calimlim Touton said these steps are necessary “to protect the Colorado River System and stabilize rapidly declining reservoir storage elevations.”

Touton said these measures will better protect reservoir levels and water supplies while long-term plans are developed to address “the climate-driven realities facing the Colorado River Basin.”

Scientists have estimated that about [half the decrease](#) in the river's flow since 2000 has been caused by unprecedented warming. This heat-driven contraction of the water supply is projected to worsen as temperatures continue to climb.

Scientists have warned that the West is undergoing climate-driven [aridification](#) and will have to adapt to hotter, drier conditions.

The Bureau of Reclamation is sending a signal to the states “that this is kind of their last opportunity for consensus-building, for voluntary action,” said Jaime Garcia, a water fellow at the University of Colorado Law School's Getches-Wilkinson Center.

Garcia said federal officials seem to be “covering their bases, building the paper trail for what I think is inevitable litigation” — touting their ability to act unilaterally to protect the system while also giving states, water agencies and others an opportunity to try to reach a deal.

“The fundamental issue is, whatever solution people come up with is going to hurt,” Garcia said. “The river is overallocated. It's drying up. And we have to find a way to sort of spread out the pain evenly.”



CALIFORNIA

Facing 'dead pool' risk, California braces for painful water cuts from Colorado River

Sept. 4, 2022

Negotiations among the states over additional cutbacks have been rife with tension and finger-pointing. In one of the latest barbs, Arizona Sen. Mark Kelly urged the federal government to [withhold money](#) for environmental projects at the Salton Sea until California, which uses the largest share of the river, commits to larger reductions.

Nevada and other states have urged the federal government to [start including evaporation losses](#) in the water accounting for states in the river's Lower Basin, which would translate into large water reductions for California and Arizona.

Tribes, which have rights to roughly one-fourth of the river's average supply, have also been [pushing to have more of a say](#) in talks among states and the federal government where they have long been largely excluded.

The Interior Department has [\\$4 billion available in drought mitigation funding](#) from the newly passed Inflation Reduction Act. Some of that money is expected to go toward paying farmers and others to forgo some of their water to boost reservoir levels.

As the reservoirs continue to decline, federal water managers realize that the 2026 deadline for negotiating new rules is too far ahead and that action is needed now, said Kyle Roerink, executive director of the Great Basin Water Network.

"This is a way to nicely, and within the confines of the law, spell out how painful of a process the federal government can impose on the states — rather than issuing an emergency declaration," Roerink said.

He said this sets up a framework for all parties to participate, while potential litigation remains in the background.

"They're putting all their cards on the table," Roerink said, and sending a clear message to the states: "Either get on board or sue us."

He added that it's a way to deal with the "[antiquated plumbing issues](#)" at Glen Canyon Dam, where federal water managers have acknowledged that if Lake Powell [drops below its minimum level](#) for producing power, they are unsure how the dam's infrastructure — in particular its four 8-foot-wide outlet pipes — would fare at those levels.

"This will likely be an effort to legitimize storing more water in the Upper Basin to prop up a dam that should have never been built in the first place," Roerink said. "Time is of the essence. This is better late than never. But it might be too little too late."



CLIMATE & ENVIRONMENT

With California expected to lose 10% of its water within 20 years, Newsom calls for urgent action ▶

Aug. 11, 2022

The latest forecast indicates [La Niña patterns will most likely persist](#) this winter, bringing conditions that often produce dry weather in the Southwest.

“We are in a dire situation,” said Tom Buschatzke, director of the Arizona Department of Water Resources. “I think regionwide every water user, every water use sector, every state has to reduce their water use.”

Arizona is already preparing for a 21% reduction in its Colorado River supplies next year, and farmers in parts of the state have been forced to leave fields dry and unplanted.

Buschatzke pointed out that the latest federal projections show a slight risk of Lake Powell falling to “dead pool” levels in 2024, which would stop the flow of water from Glen Canyon Dam into the Grand Canyon.

Buschatzke said he’s pleased to see the federal government taking this step. He said pressure from the federal government was key in securing previous deals in 2007 and 2019.

“We need a little bit of a stick,” Buschatzke said. “I actually wish they had started sooner.”

Earlier this month, four Southern California water districts sent the federal government a proposal [offering to reduce water use](#) by up to 400,000 acre-feet per year for the next four years, amounting to about 9% of their total allotment. While substantial, that offer remains far from the regionwide goal of 2 million to 4 million acre-feet that federal officials announced in June.

Mangers of the Metropolitan Water District of Southern California have been discussing plans for [mandatory conservation measures](#) next year to begin rationing water for cities and local agencies that supply 19 million people.

Talks between the states have grown “pretty acrimonious,” but the Interior Department’s stance could help kick-start the negotiations, said Bill Hasencamp, Metropolitan’s manager of Colorado River resources.

Federal officials have said they expect to issue a decision in July, meaning there is now a firm deadline with real consequences, Hasencamp said. “If we’re going to have a consensus plan, it’s got to be done by February or March.”

Hasencamp said he thinks the latest step by federal officials is what’s needed.

“They’re stepping up and showing leadership,” he said. “We’re willing to sit down and have those tough discussions. I think the other states are, too. We’re a lot better off if we can develop a plan rather than having it imposed on us.”

CLIMATE & ENVIRONMENT

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Ian James is a reporter who focuses on water in California and the West. Before joining the Los Angeles Times in 2021, he was an environment reporter at the Arizona Republic and the Desert Sun. He previously worked for the Associated Press as a correspondent in the Caribbean and as bureau chief in Venezuela. He is originally from California.



Latest in Climate & Environment



Western Water Coverage

Throughout the history of the American West, water issues have shown their ability to both unite and divide communities. As an imbalance between water supplies and demands grows in the region, KUNC is committed to covering the stories that emerge.

Feds want the ability to cut back on Colorado River reservoir releases over the next two years

KUNC | By [Alex Hager](#)

Published October 28, 2022 at 4:46 PM MDT



Ted Wood / The Water Desk

Water levels are at record lows and still dropping in the nation's largest reservoirs. The federal government began the process of restricting water releases from Glen Canyon Dam, which holds back a shrinking Lake Powell

The federal government wants the ability to restrict the amount of water released from the nation's largest reservoirs, Lake Mead and Lake Powell, in 2023 and 2024. On Friday, the Interior Department began the process of revising existing guidelines for water management in the Colorado River basin. The river, which supplies 40

million people across the Southwest, is strained by a supply-demand imbalance and will likely shrink further due to climate change.

The Bureau of Reclamation, which manages dams at those reservoirs, filed a [Notice of Intent](#) Friday to propose changes to water releases. An upcoming Environmental Impact Statement will contain the details of those changes. The Bureau's plans will tweak river management rules drawn up in 2007 in response to declining reservoir levels at that time.

Those rules, known as the "Interim Guidelines" were meant to last until 2025. These potential changes to water released from the dams will join a patchwork of temporary reductions and conservation agreements that have been deployed to pull the basin back from the brink of catastrophe. Ongoing dry conditions brought on by warming temperatures have worsened beyond the expectations of many water managers, and steady demand is sapping the shrinking supply. States that use water from the Colorado River are [due to rewrite](#) management guidelines by 2026, when the current set expires.

"Today's action brings new ideas and necessary measures to the table as we consider alternatives to revise operations to better protect [the] Colorado River System in the near term while we also continue to develop long-term, sustainable plans that reflect the climate-driven realities facing the Colorado River Basin," said Bureau of Reclamation commissioner Camille Calimlim Touton in a press release.

The federal government has expanded its role in river management throughout the past year. Historically, Colorado River management decisions were largely left to the seven states that use its water, but worsening drought and state reluctance to cut back on demand ushered in more direct federal intervention. This summer, the Bureau of Reclamation threatened to force unprecedented cutbacks, but did not follow through after states [failed to meet](#) a federal deadline. Later, the Bureau launched a conservation program through which it will [pay farmers to use less water](#) using a chunk of the \$4 billion it received from the Inflation Reduction Act.

"The Interior Department continues to pursue a collaborative and consensus-based approach to addressing the drought crisis afflicting the West," said Interior secretary Deb Haaland. "At the same time, we are committed to taking prompt and decisive action necessary."

These tweaks are pitched as a means of making sure water can pass through Glen Canyon Dam normally. Dropping water levels in Lake Powell have [threatened hydropower production](#) at the dam, which supplies electricity to roughly 5 million people across seven nearby states. Lower levels mean lower power output, and if levels drop so low that air enters the hydroelectric turbines, they could be damaged.

Beyond hydropower worries, some [have raised concern](#) that water from Lake Powell may soon be unable to pass through rarely-used pipes in its dam at a sufficient rate, jeopardizing the flow of water to millions of people who depend on it downstream. The lowest set of pipes — which would serve as the only exit route for water once levels fall past 3,430 feet in elevation — are not big enough to carry sufficient water for the Upper Basin states of Colorado, Wyoming, Utah and New Mexico to satisfy their legal obligation. Lake Powell was at 3,529 feet at the end of September.

Lake Mead, which stores water for the Lower Basin states of California, Arizona and Nevada, is filled with water released from Lake Powell. Because of that, any changes at Lake Powell would be felt at Lake Mead and the section of Colorado River between the two, which primarily flows through Grand Canyon National Park. Reclamation says it may modify releases at the Hoover Dam, which holds back Lake Mead, “in order to protect Hoover Dam operations, system integrity, and public health and safety.”

Restricted releases for the Lower Basin would mean water users in California, Arizona and Nevada would have to conserve further.

This story is part of ongoing coverage of the Colorado River, produced by KUNC and supported by the Walton Family Foundation.

Tags[Environment](#)[Topic: Western Water Coverage](#)[Lake Powell](#)[Lake Mead](#)[Bureau of Reclamation](#)[Department of the Interior](#)[Colorado River Basin](#)**Alex Hager**

Alex is KUNC's reporter covering the Colorado River Basin. He spent two years at Aspen Public Radio, mainly reporting on the resort economy, the environment and the COVID-19 pandemic. Before that, he covered the world's largest sockeye salmon fishery for KDLG in Dillingham, Alaska.



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Central Arizona Water Conservation District names Brenda Burman as Central Arizona Project's next general manager

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by Know Your Water News 📅 November 3, 2022

Longtime water leader to take CAP's top post

(Phoenix, AZ, Nov. 3, 2022) – The Central Arizona Water Conservation District Board of Directors has announced that Brenda Burman will be Central Arizona Project's next general manager. Burman currently serves as the organization's executive strategy advisor.

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Burman joined CAP in 2021, advising on issues as the organization prepared for its first Tier 1 Colorado River shortage. In that regard, she drew upon her experience as commissioner of the Bureau of Reclamation from 2017 to early 2021. There, she dealt with the long-term drought on the Colorado River and in other Western river basins, as well as aging infrastructure, decreased supplies due to climate change and increasing environmental concerns.

"Arizona is facing huge challenges on the Colorado River and now more than ever CAP needs a leader who can step into the ongoing negotiations and advance our perspectives," says Terry Goddard, CAWCD President. "Brenda Burman is uniquely qualified for this position, bringing with her decades of experience with Arizona and water issues nationwide. We are pleased to hire her as CAP's first female general manager."

Burman has spent more than 25 years working with diverse partners to find durable, innovative solutions for water, energy and environmental challenges. She has worked across the water community in private legal practice, as the water and energy counsel for U.S. Senator Jon Kyl, as senior water policy advisor for The Nature Conservancy, and in senior positions for water districts, including the Metropolitan Water District of Southern California and Salt River Project.

Burman holds a bachelor of arts degree from Kenyon College in Ohio. After college, she worked as a park ranger at the Grand Canyon before earning her juris doctor degree from the University of Arizona College of Law.

"I am humbled and honored to be selected as Central Arizona Project's next general manager," says Brenda Burman. "During the past year I have worked alongside my CAP colleagues and with those throughout the Colorado River basin, and what needs to be done is clear to me; protect the water supply that nearly 6 million people in Arizona depend on. There is a lot to do and no time to waste. I will be focused on navigating the path for CAP through the next few years, which I believe will set the course for the next few decades."

Burman will replace outgoing General Manager Ted Cooke, who will be retiring on January 5, 2023. Cooke will remain as general manager until that time.

"Brenda Burman has been selected as the fifth general manager of CAP," says CAP General Manager Ted Cooke. "Her vast experience, coupled with her fresh perspectives, will help her take the reins and lead the organization through what will undoubtedly be some tough times. I am especially pleased to have worked with her this year so I know the transition will be as seamless as possible."

Burman will take over leadership of CAP as its general manager on January 6, 2023.



The ugly story of how corporate America convinced us to spend so much on water

We're being packaged and sold a bottle/can/box of lies on water.

By Emily Stewart | Nov 3, 2022, 7:00am EDT



How corporate America turned a natural resource into a pricy commodity. | Amanda Northrop/Vox



Every now and again I **catch an ad** for miracle spring water, which promises to cure everything from laryngitis to debt. It's **fairly obviously a scam** seeking to separate people from their hard-earned money. Then again, the same goes for the **plastic water bottles** people buy at the convenience store every day, or the box of water or **can** of water that promises to be more environmentally friendly but **isn't especially**.

If you live in the United States, chances are that **the water coming from your faucet is perfectly fine to drink** (though there are, of course, **some exceptions**). The same goes for the glass that's sitting in your kitchen cabinet to drink it from. So why have we spent decades buying it packaged up?

Some of us try to be more climate- and budget-friendly by using a **metal tumbler**, but if you're anything like me, you probably have more of them than you need. (I'm not even sure how I've managed to accumulate so many of them — they

seem to be On Trend in corporate swag.) And what about that filter you might have on your faucet? Do you know what it's even filtering for, or whether that's in your water? And when was the last time you changed the filter anyway?

"We've gotten here, step by step, down a dangerous road of converting a public resource into a private commodity," said Peter Gleick, a scientist and expert on global water and climate and co-founder of the Pacific Institute, a research institution focused on water. "Water utilities don't have advertising budgets; private companies do."



The Big Squeeze

We're all being squeezed by capitalism. Emily Stewart explains how.

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For years, we have fallen into a trap of paying to consume a natural resource that's generally widely available for very cheap or free.

As Gleick wrote in his 2010 book ***Bottled and Sold: The Story Behind Our Obsession with Bottled Water***, the way we've commercialized water is "a symptom of a larger set of issues," including the decline of public water systems that has led to distrust in those systems, advertising and marketing from brands happy to leverage that distrust, and "a society trained from birth to buy, consume, and throw away."

In an economic system where virtually everything can be packaged and sold, of course we're going to fall for it on water, just like we do everything else.

The story of bottled water is part fear, part marketing, part laziness

The idea of individually packaged water hasn't always been a hugely popular thing in the United States. It started to be introduced through imports such as Perrier in the 1970s, explained Gary Hemphill, managing director of research at the Beverage Marketing Corporation, and was facilitated by the proliferation of **polyethylene terephthalate** (PET), the material plastic water bottles are made of.

"It was really the '90s where bottled water started to take off," Hemphill said. It's since grown to an "incredible juggernaut," **overtaking** carbonated soft drinks as the country's most popular beverage in 2016. Americans now buy **billions of plastic water bottles** each year.

Companies have a litany of tactics — and cash — to get people to buy, buy, buy. They position bottled water as a healthier alternative to sodas (which it is) and to tap water (which it often is not). They try to entice people with sleek imagery and promises of purity, positioning the packaging as sporty or sexy or extra-healthy or whatever the brand's schtick is.

"People view it as the ultimate health beverage," Hemphill said.

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That's how you wind up with Jennifer Aniston shilling water that's "**smart because it's made that way**" and Dua Lipa telling you to "**drink true**," as though either of those phrases means anything. (Aniston is **no longer partnered with** SmartWater, which has gone on to **advertise with celebrities** such as Gal Gadot, Zendaya, and, inexplicably, Pete Davidson.)

The money to be made off of monetized water is also how you get boxed water that, if we're being honest here, often tastes weird, or whatever in the world a **\$700 million startup called Liquid Death** is doing with water in a can. Boxed and canned companies say, "Hey, at least we're not as environmentally bad as the bottled guys," even though that's **not really true**. They can be pretty equally problematic, climate-wise, all the while selling themselves as a "fix" to a bottled water problem that we've manufactured.

Water advertising campaigns can prove hugely influential, said Greg Donworth, who's done research on water at the Water Center at the University of Pennsylvania, not just for disposable water but also for high-end thermoses. "It's an addition of the clothing that we're wearing and the car that we're driving and everything of the sort, the brand of the bottle that we're toting around with us," he said.

There's a convenience component here, too. If you're out and about, it's really easy to pick up a bottle of water from the store around the corner. There often aren't functioning water fountains around — again, a decay of public infrastructure. Marketers have also done a good job of convincing us we have to **constantly be worried about dehydration**, and let's face it, sometimes people are just thirsty or, frankly, lazy. (I include myself in this latter category).

Underlying the rise of pre-packaged water is a deeper issue of fear — people do have some reasons to feel unease around what's coming out of their faucets.

"The efforts to sell bottled water have been helped by growing concern about the quality of our tap water, and that's in part due to the fact that our tap water isn't being protected as well as it ought to be," Gleick said.

Health-related worries are exacerbated by the fact that, by law, every time there is a problem with a public water system, the public has to be informed, which is why you sometimes hear about boil water notices. It is a good thing that people know when their water isn't safe to drink — just take a look at high-profile water crises in **Flint, Michigan**, and **Jackson, Mississippi**. It also increases everyone's worry about the quality of their tap water, even when in the vast majority of cases, there's no reason for concern.

What's more, there are no guarantees that the bottled water you're drinking is **actually safer**. **Sometimes it's not**, nor is it as **tightly regulated** as what's coming out of the tap. There are some water trends that can **genuinely make you sick**. But ... marketers would rather the public not think about that one too much.

"There's all sorts of claims for the health powers of specially modified water, and almost all of them are bogus," Gleick said. "The FDA, which is responsible for regulating bottled water, ought to do a much better job making sure that those claims are either valid or prohibited, because people get fooled and spend a lot of money, sometimes, for products that are snake oil."

Dua Lipa isn't going to fix America's water problem, better infrastructure is

The idea that the water coming out of your faucet might be dangerous isn't just one the beverage industry takes advantage of — water filter companies do it, too. This isn't to say that water filters are never a good idea, but they're one more item consumers could stand to think about for a beat before buying.

"For the vast majority of water, filters either aren't needed because the things they filter out aren't present in our water or they don't filter out what we do need to filter out of our water," Gleick said.

He acknowledged that people do prefer to filter for taste — a personal choice — and that people in rural areas depending on wells or out of a municipal water system may want to filter, too. Still, before people buy a filter, they should know what that

filter is for and whether it's actually working on their water. There are kits and services that let you test your water, **sometimes even for free**, which is a good idea before buying a filter. "Otherwise you're wasting your money," Gleick said.

It's also worth noting that water filters have to be replaced — and when people don't, they can become a source of contamination.

Water has been turned into a highly commercial endeavor, and there are no easy answers on how to roll that back. A step in the right direction is to try to restore people's faith in the water coming out of their faucet — a faith that's, rightfully, been eroded over the years. "The first approach that needs to be taken is making it so people know that their water is safe to drink, that's the first behavioral bias that we have to get across," Donworth said.

"WE'RE NOT INVESTING IN NEW WATER SYSTEMS OR MAINTAINING OLD WATER SYSTEMS IN THE WAY WE NEED TO"

That means water utilities and state and local officials need to get the message out better. It also entails spending on infrastructure. "We're not investing in new water systems or maintaining old water systems in the way we need to, and that's part of the broader infrastructure debate in this country," Gleick said.

Grabbing a water at the corner store isn't the end of the world, but if you can avoid it, you should — the purchases of bottled water should be few and far between. And really, your tap water is probably fine. The next time you drink it, think about if it would be better in a can or if you were told it was distilled, or if you knew Rachel Green from *Friends* liked it. Pretend that's the case, and enjoy.

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