

TO: Beaver Creek Property Owners Association Members

FROM: The Beaver Creek Metropolitan District Board of Directors

There is a pending proposal for an alarming political restructuring of the Vail Valley's water governance system. The proposal promises minimal benefits yet jeopardizes the stability, collaboration, and careful planning that has characterized our region's water planning for decades – all without adding one drop of new water to current or future water supplies.

To set the big picture, Beaver Creek is one of six voting "Members" of the Upper Eagle River Water Authority (which we will refer to simply as the "Authority"). Eagle-Vail, Avon, Arrowhead, Edwards, and Singletree (known also as Berry Creek) are the other Members. Bachelor Gulch and Cordillera are customers of the Authority by contract, but they are not Members. The Authority was established so down-Valley communities could better coordinate water service and supply planning to their constituents.

The Eagle River Water and Sanitation District (which we will refer to as the "District") provides water service to Vail and a portion of Wolcott (This District also provides sanitation service throughout the Vail Valley but sanitation service is not part of this discussion – just the water).

The District proposes a "unification" that would do away with the Authority governance structure and place all decision-making with the District's Board of Directors. The "unification" is based strictly on governance, as the District's and the Authority's water systems are already interconnected, and the District operates the Authority's system in conjunction with its system via contract with the Authority.

If all this is starting to seem very complicated that's because it is! In fact, this complexity – which makes it hard for residents to assess the proposal – is one of the many reasons why it is a bad idea.

So before embarking in this complex, divisive and risky new direction, let's first ask what problem we're trying to fix.

There is no compelling answer.

The current water system and governance works well for all Members and customers of the Authority. For over three decades, the Authority has provided a reliable and affordable water supply. At the same time, the current structure has supported collaborative regional planning around our future water supply – which is intertwined with the Vail Valley's future.

The proposed restructuring does not offer anything that cannot be accomplished under the current system. The stakes are simply too high to consolidate all decision-making into one bucket and risk upsetting the careful balance our region has achieved on water supply issues since the 1980s.

The interconnected water systems and productive planning for the potential Bolts Lake project (south of Minturn) show that the different political entities in the Valley can and do already work together effectively and collaboratively on water issues. The Bolts Lake project, which will create more stability for the region's water supply to benefit current and future generations, doesn't require any changes to the current governance structures.

The pending restructuring proposal contains many inaccuracies, and the conflict and disruption caused by attempts to impose radically a new political structure will erode goodwill and cooperation regarding

the Valley's water supply. The proposal offers minimal benefits – cost savings that are minuscule compared to the overall budget. Yet there are enormous risks of disrupting the region's water planning.

In short, this proposal comes with few benefits but big risks.

Those risks include:

- Potential new debt, taxes, and fees without requiring Beaver Creek's vote, or the votes of other Members.
- Potential condemnation of lands between Vail and Wolcott without Beaver Creek's vote, or the votes of other Members.
- Loss of the authority of Beaver Creek, and the other Members, to appoint a representative to vote on water matters; all decision-making would be made by a single entity, the District. If the pending proposal is approved, Beaver Creek lose its 1/6<sup>th</sup> direct vote appointed in the Authority in favor of an advisory non-voting role, and the voice of Beaver Creek voters would be pooled with voters in Arrowhead, Bachelor Gulch, and a portion of Edwards to elect a single representative with a 1/7<sup>th</sup> vote in the District. This would represent a substantial dilution of Beaver Creek's (and other communities') voice in water supply and use decisions. For example, the proposal will grant Vail close to a 1/3<sup>rd</sup> voice in decisions over the Members' water; today Vail has none. The District could also perform a redistricting that would further dilute our voice on water matters. All Members of the Authority should be equally concerned on this point.
- Less control over how and whether the Valley grows and how Beaver Creek's current excess water is used. For example, will our limited current excess water supplies be preserved for current residents and pressing Valley needs (like more affordable workforce housing) – or will they be used to subsidize uncontrolled and unwise growth elsewhere in the Valley?
- Disruption of the goodwill that has characterized water planning in the region to date.

The pending proposal is so complex that even legal experts in these issues have found dissecting it a challenge. The only apparent meaningful benefit to the District is the consolidation of voting control, strengthening Vail's control over water matters for the whole Valley. Placing control of all water matters into the hands of the District drastically reduces Beaver Creek's and other Members' voices in how their water is used and raises the risk of new debt, taxes, and fees on your property.

We condemn the pending proposal as nothing more than a power grab by a few unelected District employees determined to consolidate their authority. They are using selective disclosure of self-serving facts. Their strategy is to divide and conquer. As a region, we're better than this. Our history shows we can and will collaborate on water issues without this sort of Machiavellian politics.

The District has attempted to push proposals similar to this for over 20 years, never providing or proving value to Beaver Creek or other Member communities. But never before have they pursued this with the gusto or deception they are exerting this time. The Beaver Creek Metro District has engaged outside counsel, experienced in Colorado water rights and local government laws, to stop this power grab. We will update you with any significant developments.

**The current system and Authority governance work well for your benefit and the benefits of all Authority Members. The Authority was established to serve and protect the rights of the down-Valley constituents, and the District cannot be allowed to take this from us or any of the Members.**

If you have questions or comments, please direct them to Bill Simmons, General Manager at [bsimmons@beavercreekmetro.com](mailto:bsimmons@beavercreekmetro.com).

On your behalf, the Beaver Creek Metro District

Dave Eickholt   Pam Elsner   Kevin Hillgren   Mac Slingerlend   Ray Shei