

SERVICE PLAN  
EDWARDS METROPOLITAN DISTRICT

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## TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
PROPOSED SERVICE AREA	2
PRESENT DEVELOPMENT	2
PROPOSED LAND USE	2
POPULATION PROJECTIONS	4
ASSESSED VALUATION	5
FACILITIES	6
Water Facilities	6.
Street Construction and Maintenance	10
Drainage	11
Traffic Signalization	11
Parks and Recreation	11
Transportation	12
Fire Protection	12
Mosquito Control	12
Other Public Services	13
STANDARDS OF CONSTRUCTION	14
ESTIMATED COSTS	15
FINANCIAL SURVEY	17
General	17
Estimated Use of Proceeds	17
Water Tap Fee Revenue	18
Water Service Charge Revenue	19
Availability of Service Charges	19
Cost Recovery Contracts	19
Bond Issues Detail	19
Projection of Assessed Valuation	20
Operation and Maintenance Expenses	20
Cash Flow Summary	20
Financing Summary	21
CONCLUSION	22

## EXHIBITS

- A. Legal Description
- B. District Boundary Map
- C. Land Use Map
- D. Master Water Plan
- E. Master Roadway Plan
- F. Master Drainage Plan
- G. Construction Phasing Map

## APPENDICES

- A. Proposed Agreements
- B. Revenue and Expense Projection
- C. Cash Flow
- D. Construction Costs
- E. Water Rights Summary
- F. Summary of Dedicated Senior Irrigation Water Rights
- G. Judgement and Decree
- H. Well Permit Applications

SERVICE PLAN FOR THE PROPOSED  
EDWARDS METROPOLITAN DISTRICT

May, 1983

INTRODUCTION

The purpose of the Edwards Metropolitan District is to supply the necessary services of domestic water, fire protection, roads, drainage, traffic signalization, transportation, and mosquito control. The State Legislature, as provided in the Sections 32-1-207 and 32-1-1006 (2) Colorado Revised Statutes, as amended has recognized that a centralized public authority can promote comprehensive planning of community needs and provide a program of municipal debt financing to equitably distribute the costs over an extended period of time. The Edwards Metropolitan District will provide the best possible vehicle for the provision of these services. While meeting the community needs, no peripheral financial burden will be placed on other residents of Eagle County. This plan consists of a financial survey and a preliminary engineering survey showing how the proposed services are to be provided and financed.

## PROPOSED SERVICE AREA

The proposed Edwards Metropolitan District is located in portions of the south one-half of the south-west one-quarter of Section 4, the east one-half of the east one-half of Section 5, and portions of Sections 8 and 9, all of which are in Township 5 South, Range 82 West of the 6th Principal Meridian, County of Eagle, State of Colorado. The land to be included in the district includes approximately 1,117 acres. A legal description and a map of the Edwards Water District is attached hereto as Exhibit A and Exhibit B respectively.

## PRESENT DEVELOPMENT

At the present time, the area included within the proposed District is in various stages of development. The existing development consists of several mobil home parks, a number of single family residential homes, some multi-family dwelling units, a church, and some small commercial buildings. Information obtained from the Eagle County Assessor indicates that there are 147 units currently existing within the District boundaries.

## PROPOSED LAND USE

The major types of proposed land use within the District include single family residences, multi-family condominium and townhouse communities, a hotel and light commercial space.

It is expected, at the completion of the build out schedule, that the District will contain approximately 1,293 units, 150 hotel rooms, and 473,000 square feet of commercial space. The owners will phase the construction schedule in a manner to ensure an orderly development with provisions for public services.

Capital improvements will be installed promptly with the start of each new phase of the development as indicated in Exhibit G Construction Phasing Map and Appendix D "Construction Costs".

In conjunction with the planned unit development schedule, certain development restrictions and covenants provide for the relative rights, responsibilities and obligations of the property owners within the District. A Design Review Committee will be provided to administer and enforce these restrictions and protective covenants including drainage, land use, and nuisance matters, which will also be administered in coordination with the Eagle County Department of Planning and Development.

The proposed land use of the area to be included within the proposed District may be summarized as follows:

<u>Type</u>	<u>Units</u>	<u>Acres</u>
Residential (includes single family, multi-family, cluster homes, parks and/or open space)	1,226	747.84
Commercial/Office	473,000 sq/feet	37.86
Hotel	150	6.90
Mobil Home	67	11.30
Church	1	3.10
Undeveloped Land	8	250.00
Other (easement, streets right-of-ways, etc.)		60.00
TOTAL	1,293*	1117.0 acres

\*Includes Residential and Mobile Homes.

Exhibit "C" illustrates the proposed land use plan in the proposed District.

POPULATION PROJECTIONS

After consultation with the Eagle County Planning Department, a density of 3.0 persons per unit was selected for use in estimating the future population within the proposed District. By applying the land use plan previously outlined with a density of 3.0 persons per unit, the planning area would contain an approximate total population of 3,879 persons in 1,293 total housing units. The existing population of the District may be estimated by using the 147 existing units, obtained from the Eagle County Assessor, and multiplying by 2.8 persons per unit as recommended by the Eagle County Planning Department yielding a population of 411 persons. The following table presents what is believed to be a very conservative preliminary residential development schedule using the above assumptions.

PRELIMINARY RESIDENTIAL DEVELOPMENT SCHEDULE  
10 YEAR PROJECTION

YEAR	UNITS PER YEAR	TOTAL	POPULATION TOTAL
1982 (Existing)	(0)	147	411
1983	(50)	197	591
1984	(75)	272	816
1985	(80)	352	1,056
1986	(105)	457	1,371
1987	(130)	587	1,761
1988	(130)	717	2,151
1989	(140)	857	2,571
1990	(140)	997	2,991
1991	(140)	1,137	3,411
1992	(156)	1,293	3,879

- Assumptions:
1. 3.0 Persons per unit (future). 2.8 Persons per unit (existing).
  2. Includes single family, multifamily, cluster homes.

## ASSESSED VALUATION

The present assessed valuation of the property included within the proposed District is \$2,141,630. The projected assessed valuation of the property to be included within the proposed District, based upon the land use plans and population projections previously noted, is included in Appendix C.

## FACILITIES

The existing facilities and the facilities to be constructed, installed or acquired by the proposed District, in order to carry out its powers and purposes, are described in Exhibits D, E, F, and G. An estimate of the costs of such facilities is also set forth in Appendix "D", "Construction Costs".

After consideration of the engineering criteria for the required facilities, a construction program and method of system operation were developed for each separate District facility. This description of the proposed improvements, schedules and method of service will enable the District and developers to assess the development situation and insure that the proper growth is maintained. This information will also be used to schedule needed capital improvements to insure that adequate system capacity is maintained as the build-out within the District continues.

### Water Facilities

#### Domestic Demands:

At total build-out, the District will require an estimated total daily demand of approximately 638,000 gallons per day of treated water computed as follows:

#### Maximum Daily Demand:

150 gallons/capita day x 3.0 persons/unit x 1,293 units = 581,850 gallons per day.

#### Commercial/Business Demand:

1.02 GPM/acre x 38 acres x 60 minutes x 24 hours = 55,814 gallons per day.



Residential Demand      Commercial/Business Demand      Total Demand  
 562,455 gal/day      +      55,814 gal/day      = 637,665 gal/day

The following table sets forth the projected maximum daily water demand within the proposed District:

MAXIMUM DAILY WATER DEMAND SCHEDULE  
 10 YEAR PROTECTION

YEAR	UNITS PER YEAR	TOTAL	POPULATION TOTAL	MAXIMUM DAILY DEMAND (MILLION GALLONS DAILY)
1982 (Existing)	(0)	147	411	0.066
1983	(50)	197	591	0.089
1984	(75)	272	816	0.122
1985	(80)	352	1,056	0.158
1986	(105)	457	1,371	0.206
1987	(130)	587	1,761	0.264
1988	(130)	717	2,151	0.323
1989	(140)	857	2,571	0.386
1990	(140)	997	2,991	0.449
1991	(140)	1,137	3,411	0.512
1992	(156)	1,293	3,879	0.582

Units Per Year -                      Yearly Accumulative of Units Built Per Year.

Maximum Daily Demand -      Amount of treated water that must be produced to service District in million gallons per day.

Assumptions:      3.0 Persons/Unit (Future). 2.8 Persons/Unit (Existing).

Does not include commercial/business and parks contribution to total water demand.

For planning purposes it is assumed that the 38 acres of commercial/business land would be occupied with 30% buildings with 70% covered by parking, landscaping, internal streets and storage. The commercial land is not expected to sustain any permanent population, but for planning purposes an estimated 500 people may be employed in such areas. A water demand of 1.02 GPM per acre was used to estimate the commercial water demand based upon the recommendations of the Eagle County Planning Department. This demand was not included in the above table.

Fire Demands:

The Edwards Water System has been designed to supply the following fire flows to each class of structure according to ISO guidelines and Eagle County requirements as itemized below:

3,000 ft. <sup>2</sup> Single Family Residential (low density 2.0 units per acre)	1,250 gpm
5,000 ft. <sup>2</sup> Duplex	1,750 gpm
Cluster and Quadraplex	2,500 gpm
Fire Resistant Commercial	3,000 gpm
High Density Commercial	3,500 gpm

For estimating the storage requirement for the District, the fireflow used is 3,500 gpm for 3 hours.

Potable Water Storage Required:

The storage required for the District at total buildout may be estimated as follows:

Domestic Demand: Store 50% of maximum day domestic demand.

$$\frac{637,665 \text{ gal/day}}{2} = 318,832 \text{ gal.}$$

Fire Flow: 3,500 gpm x 60 x 3 = 630,000 gal.

Total Storage Required: 948,832 gallons

Recommended Storage: 1,000,000 gallons

The storage for the District will be built in two phases due to the build out rates projected within the District. The first phase construction will consist of a 500,000 gallon storage tank with a transmission line and booster pump station. The second phase construction will include construction of another 500,000 gallons of storage which will complete the total 1,000,000 gallons of total storage required for the District.

## Water System Description

### General:

The Edwards Water System is a gravity feed system which utilizes shallow alluvial wells as a water supply. The water obtained from the wells is treated and disinfected at the well site, then pumped to a 50,000 gallon holding tank where a booster pump station pumps the water to a 500,000 gallon water storage tank. The water system consists of two pressure zones, the lower zone, which extends from approximately elevation 7240 feet to elevation 7400 feet with the normal static pressures ranging from 120 psi to 35 psi, and the upper zone which extends from elevation 7400 feet to elevation 7665 feet with the normal static pressures in the same range as in the lower zone. The zones are interconnected with pressure-reducing valves (PRV) and all individual services to buildings within the District are to be equipped with individual PRV's to provide backup protection in the event of a failure of the mainline PRV's.

The advantages of this type of gravity feed system include the following: the pressure at individual services will stay more uniform, the supply pumps at each well can be sized to provide water at a rate corresponding to the maximum daily use, instead of the peak hourly rate or the fire flow demand rate, in case of emergencies, no power or pumps are required to continue supplying water to the residences, provided the storage tanks are at capacity and the system can more easily be controlled and monitored. These advantages are possible since the water stored in the tanks is used for equalization storage to supply water at the many different rates required during the day, thus leaving the well pumps to produce at a constant rate throughout the day. The result is a lower operation and maintenance cost associated with the water supply pumping and a lower capital cost associated with using smaller pumps. The pumps are controlled by the water level in the upper zone tanks and are set to pump at a rate that keeps the tanks 75% to 100% full throughout the day. Exhibit "D" presents the Master Water Plan for the District.

### Water Rights:

The water from the wells is considered tributary or surface water due to the direct hydraulic connection between the Eagle River and Lake Creek. Since the water is tributary, its use is governed by the appropriate water laws of the State of Colorado. To ensure that the District is able to withdraw water in adequate quantities to meet its water demands, the District requires that each development dedicate to the District, senior water rights which have historically diverted sufficient quantities of water on a consistent basis. The point of diversion of these rights will be changed to the various district wells and storage ponds. Appendices "E" and "F" summarize the water rights status of the District. These rights will be integrated into the District's plan for augmentation which will allow the District wells to divert adequate amounts of water throughout the year.

### Wells:

The Edwards system will provide shallow alluvial wells operated pursuant to an approved plan for augmentation to supply water to the distribution and storage system. The existing well system consists of Well E1, E2, and E2b each of varying capacity with a total production capability of 200 gpm. The wells have exhibited excellent water quality, in comparison to other wells found in the region, and a total of 600 gpm of well capacity is scheduled during the remaining years of the project. Additional well construction will be timed to coincide with the construction of additional units within the District.

### Water Lines:

The water distribution lines have been laid out using, in a looped system, a twelve inch (12") trunk line as the main transmission line with the developer lines being looped from this main line. As development proceeds outward from the initial main development, the new lines will be used to provide parallel lines and loop the distribution system, thus, increasing the system capacity as the water demands increase. The lines are sized to provide the maximum required fire protection (3,500 gpm) along the main line with the loops radiating from this line sized by the developer according to the type of building construction and the density of this construction.

### Water Operation and Maintenance:

A service contract has been executed between the existing Edwards Water District and the Upper Eagle Valley Water and Sanitation District in which Upper Eagle Valley will maintain and repair all water facilities and be responsible for customer service.

### Street Construction and Maintenance

The District will construct only arterial and collector streets and their intersections, as defined by the applicable Eagle County regulations. Streets and roads that are not arterial and collector, as defined above, and are located in individual developments within the District; will be the responsibility of the individual developments and not the District's. All streets and roads will be constructed in accordance with the applicable Eagle County or Colorado State Highway standards as each phase of the development build-out progresses. Accommodations for water and sewer stub-outs have been made by the District to avoid future damage to existing roadways and to minimize traffic disruptions. The streets, together with the necessary and appropriate appurtenant facilities presently planned to be constructed by the proposed District, are set forth in Exhibit E, "Master Roadway Plan." This exhibit shows all roads and streets that are existing and are now proposed within the District Boundaries. The arterial and collector streets that are presently intended to be the responsibility of the District are also shown on this exhibit; although it is possible that other arterial and collector classified streets may be constructed by the District in the future.

The maximum grade for the roads planned within the Edwards Metropolitan District boundaries is 8%, and the roads have been designed for 30 MPH, with no parking allowed on the main streets. Street drainage will be handled by roadside ditches and culverts as detailed in the Drainage Section of this Service Plan. It is anticipated that the operation and maintenance of the roadway system will be the responsibility of Eagle County and the Colorado State Highway Department, as applicable, if accepted for maintenance. If any or all streets are not accepted for maintenance by another entity, the District will have the power, via this reference, to maintain the streets.

In addition, the development plan includes pedestrian pathways and bikeways and equestrian ski touring areas which will be constructed and maintained by the Edwards Metropolitan District.

## Drainage

The Edwards Metropolitan District will coordinate construction of a complete storm drainage system. Concentrated runoff from the on-site drainage areas will be carried as overland flow or flow within swales as much as possible. This type of drainage design will help maintain peak discharges at existing levels and filter many of the pollutants from the runoff before it enters Lake Creek or the Eagle River. Detention storage will be provided to reduce the peak discharge before the runoff leaves each development as detailed within each development area.

Roadway crossings will be designed to pass the 10-year discharge without overtopping, and the 100-year peak discharge with controlled overtopping. The proposed district will construct all necessary storm sewers and drainage systems in conjunction with the construction and installation of streets and parks. The proposed drainage facilities to be constructed are set forth in Exhibit "F", "Master Drainage Plan". It is anticipated that the maintenance of drainageways within the District will be the responsibility of Eagle County and the Colorado State Highway Department as applicable. The District shall have via this reference the power and authority to maintain these drainage facilities.

## Traffic Signalization

The proposed District will construct or install all necessary signage and signalization in conjunction with the construction and installation of streets in accordance with the applicable Eagle County regulations and standards. The operation and maintenance of the traffic signalization and signage will be the responsibility of Eagle County, or the Colorado State Highway Department, or the District as applicable.

## Parks and Recreation

The Edwards Water District is not able to provide park and recreation services since jurisdiction for the provision of these services is presently vested in the Western Eagle County Metropolitan Recreation District. Via this reference, the Edwards Metropolitan District reserves the right to exercise park and recreation district powers and authorities should Western Eagle County Metropolitan Recreation District cease to exercise its powers and the County Commissioners approve a Service Plan Amendment for Edwards.

### Transportation

A District may establish, maintain and operate a system to transport the public by bus, rail, or any other means of conveyance, or any combination thereof, pursuant to the provisions of sections 32-1-1004(5), C.R.S. 1973, as amended. It is anticipated that the District will utilize the existing transportation systems in the region to consolidate and provide the best possible system for the area. Bus shelter benches, signage for bus routes, and lighting will be located where appropriate throughout each development as necessary. Maintenance of bus related facilities will be the responsibility of the Metropolitan District.

### Fire Protection

A high quality fire protection organization will have significant benefits to property owners within the District. Accordingly, the District proposes to contract with the Eagle-Vail Fire Department for professionally-trained fire protection services.

The equipment necessary for participation in the regional fire department will be ordered as required by the fire protection authority. The Edwards Metropolitan District plans to participate in construction of a local fire station in 1985. A proposed regional fire protection capital facilities master plan has been reviewed by the District and the District is planning to participate in the regional authority once the final master plan has been completed.

### Mosquito Control

There exists a mosquito problem within the District and it is anticipated that the proposed District will provide mosquito control in accordance with Eagle County and Colorado State Health Department standards. Additionally the District expects to provide mosquito control in conjunction with a proposed regional mosquito control plan in which multiple districts will participate at some time in the future.

## Other Public Services

Certain public services will be supplied by private and government entities already in existence as follows:

1. Electricity: The Holy Cross Electric Association includes the Edwards area in its certificated service area, and will supply electric power to the project under the rules of the Public Utilities Commission.
2. Natural Gas: The Public Service Company of Colorado and Rocky Mountain Natural Gas are now vying to include the Edwards area in their certificated service area, and one or the other will supply natural gas under the rules of the Public Utilities Commission.
3. Telephone: The Eagle Valley Telephone Company includes Edwards in their certificated service area, and will supply telephone service to the District under the rules of the Public Utilities Commission.
4. Police Protection - Construction Inspection - Animal Control: Eagle County will provide law enforcement, building inspection, and animal control to the Edwards Metropolitan District.
5. Schools: Eagle County School District RE 50-J includes the Edwards area within its boundaries. (A cash contribution in lieu of land is being made to the School District by the developers within the District.)
6. Solid Waste Disposal: Trash removal and disposal will be contracted for by individual property owners.
7. Parks, Recreation and Open Space: Each developer within the proposed District has planned for open space, parks and/or recreation within their development in accordance with the requirements of Eagle County Planning Department as outlined in their respective zoning and plat approval. The Western Eagle County Metropolitan Recreation District will be responsible for parks and recreation facilities which are publicly owned, dedicated to and accepted by that District. The Edwards Metropolitan District will maintain open spaces adjacent to rights of way within the District's boundaries. The Edwards Metropolitan District reserves the right to exercise the powers and authorities of a recreation and park district if the existing special district exercising those same powers within the District should cease exercising such powers.



8. Wastewater Facilities: Wastewater treatment in the District will be accomplished by collecting sewage in a gravity sewer system discharging the flow to the existing Squaw Creek sewage treatment plant constructed, maintained and operated by the Upper Eagle Valley Sanitation District. A small portion of the existing or newly constructed buildings within the boundaries of the proposed district are presently disposing of sanitary wastes by means of soil leaching septic systems or engineered evaporative systems in accordance with Eagle County and Colorado State Health Department regulations. The owners of these on-site disposal systems may request tap-in permission to the Upper Eagle Valley Sanitation District when the gravity sewers are available.

The Upper Eagle Valley Sanitation District will charge sewer tap fees to pay for capital investments and a monthly service charge to cover operation and maintenance costs of the Squaw Creek Plant. A service contract has been executed by the existing Edwards Water District with the Upper Eagle Valley Sanitation District whereby the Sanitation District will maintain and repair all sewage facilities and be responsible for customer service.

#### STANDARDS OF CONSTRUCTION

The proposed District water system will be constructed and maintained in accordance with the State Health Department, Upper Eagle Valley Sanitation District uniform standards and Eagle County standards.

All streets and safety protection facilities will be constructed and maintained in accordance with the standards and specifications of Eagle County and Colorado Department of Highways..

All other facilities will be constructed to the prevailing industry standards, Eagle County and/or State requirements.

## ESTIMATED COSTS

The estimated costs of construction of the capital facilities to be constructed, installed or acquired by the proposed District are detailed in Appendix "D", "Construction Costs". Engineering costs and contingency costs have been included therein.

A summary of the capital costs is as follows:

### Item

#### Costs to date - to January, 1983

Water Distribution System		\$ 1,000,000
Edwards Water District	750,000	
Developer	250,000	
Storm Drainage		50,000
Streets		-0-
Engineering		150,000
Legal/Water Rights		83,000
Administration, Operation & Maintenance		<u>55,000</u>
<b>TOTAL COSTS TO DATE .....</b>		<b>\$ 1,338,000</b>

#### 1983 Capital Costs

Water Distribution System		\$ 513,000
Fire Protection		50,000
Storm Drainage		50,000
Streets		200,000
Wells		100,000
Engineering		405,450
Contingency		<u>250,270</u>
<b>Total 1983 .....</b>		<b>\$ 1,568,720</b>

#### 1984 Capital Costs

Water Distribution System		\$ 318,000
Fire Protection		75,000
Storm Drainage		250,000
Streets		200,000
Wells		100,000
Engineering		267,600
Contingency		<u>286,590</u>
<b>Total 1984 .....</b>		<b>\$ 1,497,190</b>

Capital Cost Summary (continued)

1985 Capital Costs

Water Distribution System	\$ 81,500
Fire Protection	60,000
Storm Drainage	50,000
Streets	200,000
Wells	200,000
500,000 Gallon Water Storage Tank	500,000
Engineering	167,480
Contingency	<u>192,600</u>

Total 1985 ..... \$ 1,451,580

1986 Capital Costs

Water Distribution System	\$ 70,000
Fire Protection	50,000
Storm Drainage	25,000
Streets	200,000
Wells	200,000
Engineering	81,000
Contingency	<u>93,150</u>

Total 1986 ..... \$ 719,150

1987 Capital Costs

Water Distribution System	\$ 70,000
Fire Protection	50,000
Storm Drainage	25,000
Streets	300,000
Engineering	51,000
Contingency	<u>58,650</u>

Total 1987 ..... \$ 554,650

1988 Capital Costs

Water Distribution System	\$ 70,000
Fire Protection	50,000
Storm Drainage	25,000
Streets	300,000
Engineering	96,750
Contingency	<u>111,260</u>

Total 1988 ..... \$ 653,010

Total Capital Costs at 1982 Construction Costs \$ 7,782,300  
Inflation Factor 1,917,700

\$ 9,700,000

## FINANCIAL SURVEY

### General:

After consultation with the engineers and financial advisor to the proposed District, it has been decided that the improvements to be constructed by the District will be financed by developer contributions, subject to cost recovery, and the issuance of general obligation bonds to be authorized and issued in accordance with the procedures established by the Colorado Legislature. The bonds, when issued, will mature in not more than 20-years from date of issuance with the first maturity being not later than 3-years from their date as required by statute. The maximum interest rate will be 15% and the maximum discount 5%. The exact interest rates and discounts will be established at the time the bonds are sold by the proposed District and will reflect market conditions at the time of sale.

The proponents intend to request authorization to issue not more than \$14,600,000.00 in general obligation bonds and developer contribution notes from the electors of the District. From this total the District intends to issue an estimated \$5,000,000.00 in recovery contracts for developer contributions, some of which will be repaid from subsequent bond issue proceeds. Payment on recovery contracts shall be made only as funds are available, at the sole discretion of the District; and such obligations shall be subordinate to all other obligations of the District. The bonds will contain adequate call provisions to allow the prior redemption or refinancing of bonds sold by the proposed District. The amount of bonds sold will be based upon final engineering estimates or actual construction contracts. The use of proceeds will be allocated as follows:

### Estimated Use of Proceeds

#### \$14,600,000 Debt Authorization

Construction & Recovery Contracts	\$ 12,000,000
Capitalized Interest	2,200,000
Bond Issuance Expense	<u>400,000</u>
	\$ 14,600,000

The proposed District will have as one source of revenue to retire the bonded debt a mill levy which is estimated at 20 mills. This mill levy may vary depending upon the elected board's decision to fund the projects contemplated in the Service Plan. In addition, from the proceeds of the bonds, the proposed District will capitalize interest to permit payment of interest during the time lapse between development of taxable properties and certification of this development on the tax rolls. Additionally, this plan projects a tap fee to be charged for all water connections to the municipal water utility to provide additional income for the retirement of the indebtedness. For additional capital cost information, see Appendix "D", "Construction Costs".

#### Water Tap Fee Revenue

Water tap fees or plant investment fees are one-time payments made by property owners and builders to partially pay for the capital costs of constructing capital facilities in the proposed District. The water tap fees are to be paid by the property owner or builder at the time the connection or tap is made into the water system. This fee does not cover the costs for construction of the service lines to the structure, water meters, service line valves, or other equipment which may be related to the connection. These costs are to be paid by the property owner or the builder.

Water tap fees are based on the amortization of capital costs for water system improvements. The fees are presently \$2,000 per residential dwelling unit and \$2,000 per "equivalent dwelling unit" as produced by a commercial development. The equivalency of commercial development to a dwelling unit will be measured through the equivalency system developed by the Upper Eagle Valley Sanitation District and used by most water districts in Eagle County. Although increases are expected to occur in relation to increases in the cost of living, no such increases are assumed in this Service Plan.

### Water Service Charge Revenue

Current water service charges of \$20/unit/month minimum are shown in Appendix "B", "Revenue and Expense Projections". Water meters are required and a charge is assessed for excess usage over 10,000 gallons per unit per month. These revenue projections do not reflect any increase due to inflation over the life of the service plan, nor are the revenues from excess usage projected. This conservative approach allows for operational costs increases to be offset by this revenue, if necessary.

Service charges will follow the same equivalency system referenced earlier and in use throughout the Upper Eagle Valley. The water meters and excess use charges will encourage water conservation. District policies will also require water conserving shower heads and toilets.

### Availability of Service Charges

No assessment of an "availability of service charge" is anticipated. The District Board of Directors has the authority to assess a small charge to vacant property to which water service has been extended but no tap is made. It is not anticipated that such a charge will be necessary.

### Cost Recovery Contracts

While the District will be obligated to repay the developer contributions in later years, such repayment will be based upon the availability of excess funds. In addition, this liability will be subordinate to the bonded indebtedness of the Edwards Metropolitan District. Per Appendix "C", it is expected that funds will be available to begin reimbursing those advances in significant amounts in 1993.

### Bond Issues Detail

The schedules shown in Appendix "C" reflect the amount of bonds to be sold to finance construction costs, including related expenses of the sale of bonds. For the purpose of calculation, interest rates have been assumed to be 12.7% on the initial bond issues and 11% on the bonds sold after 1982.

### Projection of Assessed Valuation

For purposes of developing the financial plan, it was assumed that living units and commercial development within the proposed District would be assessed at various percentages depending upon the year of construction. It is also assumed that the assessed valuation will be realized one year after construction and that tax collections will be realized two years after initial construction. The assessed valuation on the properties within the proposed District's boundaries is currently \$2,141,630. The projected assessed valuation of the property to be included within the proposed district, based upon the land use plans and population projections previously described, is attached as Appendix "B".

### Operation and Maintenance Expenses

The annual cost of operation and maintenance of the facilities has been computed within the cash flow schedule shown in Appendix "C". It is estimated that the mill levy required along with other revenue to meet operation and maintenance expenses will not exceed 5 mills, such costs to be offset by specific ownership taxes and other revenue receipts projected in the cash flow schedule. A small portion of the mill levy, user fees and charges will provide adequate income for other expenses. It is anticipated that Upper Eagle Valley Sanitation District, will operate and maintain the water system and that the streets, upon completion and acceptance, will be dedicated to Eagle County for operation and maintenance.

### Cash Flow Summary

The cash flow schedule shown in Appendix "C" projects the anticipated flow of funds and is based upon developer estimates of construction and projected needs for bond financing to finance the proposed District's improvements. The cash flow schedule indicates the best estimate of growth within the proposed District and flexibility is given the Board of Directors under the law to postpone construction of certain projects if necessitated by a slowdown in home construction or other economic factors. The schedule anticipates the financing and incurring of debt obligations under a phased approach as determined later by the Board of Directors such that all debt is not incurred prior to a time when the facilities are needed to meet the growing population demands.

## Financing Summary

The full summary of financing capabilities is shown in Appendices "B" and "C". Operational costs will be met with current operating charges structured around a fair fee for the benefit received. The principal sources to financing for capital facilities are: municipal bonds, developer contributions to assist the cash flow in early years, and accumulated surpluses; primarily from the tap fees in early years.

Appendices "B", "C", and "D" show conservatively high capital construction costs, a 15% contingency, and conservative revenue projections. The surpluses shown in the later years will not be allowed to actually accumulate, but instead will be applied to early redemption of outstanding bonds, or redemption of the developer advances, or to the lowering of service charges or a combination of the three alternatives.



## CONCLUSION

The parties and entities involved in the formation of the proposed Edwards Metropolitan District are committed to providing the best possible facilities to serve the planned community proposed in Eagle County. The diligence shown to date in the preliminary coordination will result in the responsible progression of a Metropolitan District that will enhance the community and the County.

EXHIBIT A  
LEGAL DESCRIPTION

The boundaries of the proposed Edwards Metropolitan District can be defined by the following description:

That part of the East 1/2 of the East 1/2 of Section 5, the South 1/2 of the Southwest 1/4 of Section 4, and the Northeast 1/4 of the Northwest 1/4 of Section 9, Township 5 South, Range 82 West of the Sixth Principal Meridian, County of Eagle, State of Colorado, more particularly described as follows:

Beginning at the Southeast corner of said Section 5; thence S88°30'01"W along the South Line of said Section 5, a distance of 1,343.79 feet to the Southwest corner of the East 1/2 of the East 1/2 of said Section 5, Thence N01°21'27"E, along the West line of the East 1/2 of the East 1/2 of said Section 5, a distance of 2,072.17 feet, thence N52°42'44"W along the North boundary of Highway No. 6 and No. 24 a distance of 182.2 feet; Thence continuing along said North boundary on a curve to the left which has a Degree of Curvature equal to 1°58' and a Radius of 2,915 feet, a distance of 1,208.73 feet; Thence N77°01'E, a distance of 98.0 feet; Thence N89°42'E, a distance of 1,359.37 feet; Thence N01°21'27"E along the West line of East 1/2 of the East 1/2 of said Section 5, a distance of 2,576.49 feet to the Northwest corner of the East 1/2 of the East 1/2 of said section 5; Thence S89°40'52"E along the North line of said Section 5, a distance of 1,348.51 feet to the Northeast corner of said Section 5, Thence S01°25'31"W along the East line of said Section 5, a distance of 3,902.76 feet to the Northwest corner of the South 1/2 of the Southwest 1/4 of said Section 4; Thence N89°26'E along the North line of the South 1/2 of the Southwest 1/4 of said Section 4, a distance of 760 feet, more or less, to the South right-of-way line of the Denver and Rio Grande Western Railroad; Thence Southeasterly along said South right-of-way line, a distance of 2,110 feet, more or less, to the East line of the Southwest 1/4 of said Section 4; Thence southerly along the East line of the Southwest 1/4 of said Section 4, a distance of 495 feet more or less, to the South line of said Section 4; Thence N87°07'W along the South line of said Section 4, a distance of 2,640 feet, more or less, to the Southeast corner of said Section 5, which is the point of beginning.

Also including a triangular shaped parcel of land situated in the Northeast 1/4 of the Northwest 1/4 of Section 9, in Township 5 South, Range 82 West of the 6th Principal Meridian, lying southerly of the northerly boundary line of said Section 9 and northerly of the northerly boundary line of the right-of-way of U.S. Highway No. 6 and 24; said parcel of land being more particularly described as follows, to wit:

Beginning at a point on the northerly boundary line of said Section 9 whence a stone found in place and properly marked for the Northeast corner of Section 4, in said Township and Range, bears  $N32^{\circ}04'53''E$ , a distance of 6,152.77 feet; Thence  $S02^{\circ}31'55''W$ , 23.30 feet to a point on the northerly boundary line of the right-of-way of said highway; Thence along and conforming to the northerly boundary line of the right-of-way of said highway,  $N81^{\circ}44'23''W$ , 163.44 feet to a point on the northerly boundary line of said Section 9; Thence  $S89^{\circ}55'05''E$  along and conforming to the northerly boundary line of said Section 9, 162.97 feet to the point of beginning. Said parcel of land contains 0.044 of an acre, more or less, lying and being in the County of Eagle, and State of Colorado.

Also including the Southwest 1/4 of the Southeast 1/4, and the Southeast 1/4 of the Southwest 1/4 of Section 5; the Northeast 1/4, the Southeast 1/4, the North 1/2 of the Northwest 1/4, and the Southeast 1/4 of the Southwest 1/4, and the Northeast 1/4 of the Southwest 1/4 of Section 8; and the West 1/2 of the Northwest 1/4, and the Northwest 1/4 of the Southwest 1/4 of Section 9; all of which sections are located in Township 5 South, Range 82 West of the 6th Principal Meridian, County of Eagle, State of Colorado.

Also including a tract of land situated partly in the South 1/2 of the Southeast 1/4 of Section 4, and in the North 1/2 of the Northeast 1/4 of Section 9, both sections being in Township 5 South, range 82 West of the 6th Principal Meridian; lying northerly of the northerly boundary line of the right-of-way of U.S. Highway No. 6 and 24; said parcel of land being more particularly described as follows, to wit:

Beginning at a point on the northerly right-of-way fence line of U. S. Highway No. 6 and 24, from which the Northeast corner of Section 4 of said Township and Range bears  $N09^{\circ}43'33''E$ , a distance of 5,348.54 feet; Thence  $N86^{\circ}05'40''E$ , a distance of 182.50 feet along said fence line; Thence  $N16^{\circ}14'E$ , a distance of 190.86 feet; Thence  $N33^{\circ}59'E$ , a distance of 90.5 feet; Thence  $N20^{\circ}44'W$ , a distance of 50.0 feet; Thence  $S64^{\circ}45'W$ , a distance of 30 feet, more or less; Thence  $N20'44'W$ , a distance of 10 feet, more or less; Thence  $S70^{\circ}W$ , a distance of 668.13 feet; Thence  $S02^{\circ}53'E$ , a distance of 121.96 feet; Thence  $N86^{\circ}05'40''E$ , a distance of 386.99 feet to the point of beginning. Said parcel of land contains 3.04 acres, more or less, lying and being in the County of Eagle, and State of Colorado.

Also including a parcel of land situated in the South 1/2 of the Southeast 1/4 of Section 4, Township 5 South, Range 82 West of the Sixth Principal Meridian, County of Eagle, State of Colorado, lying Southerly of the center line of the Eagle River, more particularly described as follows:

Beginning at a point whence the Southeast corner of Section 4 bears  $S89^{\circ}42'33''E$ , 1162.66 feet distant; Thence along the South line of said Section 4,  $N89^{\circ}42'33''W$  a distance of 260.00 feet to a point on the center line of the Eagle River; Thence along the center line of the Eagle River  $N71^{\circ}41'14''E$ , a distance of 269.13 feet; thence  $S02^{\circ}59'53''E$ , a distance of 86.00 feet to the point of beginning, containing 0.256 acres, more or less.

Also including a parcel of land situated in the Southeast 1/4 of the Southeast 1/4 of Section 4, also in the Northeast 1/4 of due Northeast 1/4 of Section 9, Township 5 South, Range 82 West of the Sixth Principal Meridian, County of Eagle, State of Colorado, lying Northerly of the Northerly right-of-way line of U.S. Highway 6 and 24, and Southerly of the center line of the Eagle River, more particularly described as follows:

Beginning at a point in the center of said river whence the Northeast corner of Section 4 bears  $N11^{\circ}28'16''E$ , 5183.35 feet distant; Thence  $S02^{\circ}53'00''E$  a distance of 200.11 feet to a point on the Northerly right-of-way line of said highway; thence  $S85^{\circ}05'40''W$  a distance of 260.42 feet along the Northerly right-of-way line of said highway; Thence  $N02^{\circ}53'00''W$ , Thence  $N70^{\circ}00'00''E$ , a distance of 281.86 feet along the center of said river to the point of beginning.

Excepting Interstate Highway 70 and the right-of-way of Interstate Highway 70 service roads, and excepting the right-of-way of the Denver and Rio Grande Railroad, and excepting the right-of-way of U. S. Highway 6 and 24, and excepting all other public right-of-ways of record. Also excepting a parcel of land in the East 1/2 of the East 1/2 of Section 5, Township 5 South, Range 82 West of the Sixth Principal Meridian, County of Eagle, State of Colorado, containing a rest area for Interstate Highway 70, more particularly described as follows:

Beginning at the Southeast corner of Section 5; Thence  $N01^{\circ}25'31''E$  along the east line of Section 5, a distance of 1,603.93 feet to the true point of beginning; Thence  $N49^{\circ}50'59''W$ , a distance of 451.53 feet; Thence  $N27^{\circ}50'50''W$ , a distance of 690.00 feet; Thence  $N59^{\circ}50'01''W$ , a distance of 150.00 feet to a point on the east right-of-way of the access road of the Interstate Highway to U. S. Highway 6; Thence  $N30^{\circ}09'01''E$  along said right-of-way line, a distance of 262.90 feet; Thence  $N33^{\circ}19'31''E$ , a distance of 182.30 feet; Thence along a curve to the right which has a length of 229.71', a radius of 319.83 feet, and an interior angle of  $41^{\circ}09'00''$ ; Thence  $N74^{\circ}28'31''E$ , a distance of 145.90 feet to a point on the south right-of-way of the Denver and Rio Grande Railroad; Thence  $S15^{\circ}23'59''E$ , a distance of 727.90 feet; Thence  $S18^{\circ}20'59''E$ , a distance of 206.88 feet to a point on the East line of Section 5; Thence  $S01^{\circ}25'31''W$ , a distance of 629.79 feet to the true point of beginning.

INCLUSIONS  
EDWARDS VILLAGE LEGAL DESCRIPTION

A parcel of land located in Section 5, Township 5 South, Range 82 West of the 6th Principal Meridian, Eagle County, Colorado according to the Dependent Resurvey of said Township and Range as approved by the U.S. Surveyor General in Denver, Colorado on September 7, 1977. Said parcel being more particularly described as follows, to wit:

Beginning at the Southeast Corner of the Northwest One-Quarter of the Southeast one-Quarter of said Section 5 from which the Northwest Corner of said Section 5 bears  $N44^{\circ}06'19''W$ , 5595.09 feet distant, the basis of bearing being the West Line of Section 5, which is  $N01^{\circ}50'00''E$ ; thence along the Southerly Line of the Northwest one-Quarter of the Southeast one-Quarter of said Section 5  $S89^{\circ}36'48''W$ , 1345.09 feet to the West One-Sixteenth Corner on the West Line of the Southeast One-Quarter of said Section 5; thence along the South Line of the Northeast One-Quarter of the Southwest One-Quarter of said Section 5  $N88^{\circ}41'52''W$ , 2294.24 feet to a point on the Easterly Right-of-Way Boundary of Eagle County Road S-25; thence along the Easterly Right-of-Way Boundary of said Eagle County Road S-25, also known as Lake Creek Road, the following eight (8) courses and distances:

- 1)  $N15^{\circ}01'34''E$ , 414.74 feet
- 2)  $N74^{\circ}58'23''W$ , 25.00 feet
- 3)  $N15^{\circ}01'37''E$ , 122.79 feet
- 4) 246.79 feet along the arc of a curve to the left having a radius of 888.07 feet, the chord of which bears  $N07^{\circ}03'57''E$ , 246.00 feet
- 5)  $N00^{\circ}53'43''W$ , 359.68 feet
- 6)  $N89^{\circ}06'17''E$ , 20.00 feet
- 7)  $N00^{\circ}53'43''W$ , 321.63 feet
- 8) 94.48 feet along the arc of a curve to the right having a radius of 479.77 feet, the chord of which bears  $N04^{\circ}44'46''E$ , 94.33 feet;

thence departing said Easterly Right-of-Way Boundary and going along the Southerly Boundary of a parcel owned by the Eagle County School District RE50J, as occupied,  $S74^{\circ}06'46''E$ , 365.20 feet; thence along the Easterly Boundary of said parcel  $N19^{\circ}59'46''E$ , 247.80 feet to a point on the Southerly Right-of-Way Boundary of said U.S. Highway No. 6; thence along said Southerly Right-of-Way boundary the following three (3) courses and distances:

- 1) S76°33'23"E, 166.60 feet
- 2) S13°26'38"W, 9.99 feet
- 3) S76°36'06"E, 152.18 feet

thence departing said Right-of-Way Boundary and going along a private parcel known as the Hammar Parcel, as occupied and subject to further resolutions, the following four (4) courses and distances:

- 1) S01°37'30"W, 188.82 feet
- 2) S55°32'27"E, 32.50 feet
- 3) S88°08'38"E, 909.47 feet
- 4) N46°58'56"E, 17.47 feet

to a point on the Southerly Right-of-Way Boundary of said U.S. Highway No. 6; thence along said Southerly Right-of-Way Boundary S76°36'06"E, 587.80 feet; thence 1418.75 feet along the arc of a curve to the right having a radius of 2814.85 feet, the chord of which bears S62°08'26"E, 1403.78 feet, to the point of intersection of the said Southerly Right-of-Way Boundary of U.S. Highway No. 6 and the East Line of the said Northwest One-Quarter of the Southeast One-Quarter of said Section 5; thence along said East Line S02°11'33"W, 621.14 feet to the point of beginning and containing 105.427 acres, more or less;

## BRETT RANCH LEGAL DESCRIPTION

A parcel of land situated in the Northeast One-Quarter of Section 6, Township 5 South, Range 82 West of the Sixth Principal Meridian, County of Eagle, State of Colorado according to the Dependent Resurvey of said Township and Range approved September 7, 1977. Said parcel comprises all of the land in said Northeast One-Quarter of Section 6 lying Northerly of U.S. Highway No. 6 Right-of-Way Line and all of the land in the Southeast One-Quarter of the Northeast One-Quarter of said Section 6 lying Southerly of U.S. Highway No. 6 Right-of-Way Line; said parcel being more particularly described as follows, to wit:

Beginning at the Northeast Corner of said Section 6, a brass cap monument found in place; thence along the East Line of said Section 6  $S01^{\circ}50'00''W$ , 2641.51 feet to the East One-Quarter Corner of said Section 6, an iron pipe and aluminum cap; thence along the South Line of the Northeast One-Quarter of said Section 6,  $N89^{\circ}09'32''W$ , 1336.81 feet to the Southwest Corner of the Southeast One-Quarter of the Northeast One-Quarter of said Section 6; thence along the West Line of the Southeast One-Quarter of the Northeast One-Quarter of said Section 6,  $N01^{\circ}38'35''E$ , 1071.30 feet to a point on the Northerly Right-of-Way Line of U.S. Highway No. 6; thence along said Northerly Right-of-Way Line the following courses and distances:

$N75^{\circ}02'55''W$ , 3.09 feet

$N68^{\circ}25'35''W$ , 1424.23 feet

to a point on the West Line of the Northwest One-Quarter of the Northeast One-Quarter of said Section 6; thence along the West Line of the Northwest One-Quarter of the Northeast One-Quarter of said Section 6,  $N01^{\circ}27'07''E$ , 50.00 feet distant; thence along the North Line of said Section 6,  $S89^{\circ}19'43''E$ , 1951.54 feet to a point on the Southerly Right-of-Way Boundary Line of the Denver and Rio Grande Western Railroad; thence along said Right-of-Way Boundary Line  $S73^{\circ}41'54''E$ , 13.43 feet; thence 343.72 feet on a curve to the left with a radius of 766.78 feet the chord of which bears  $S86^{\circ}32'20''E$ , 340.85 feet; thence continuing along said Boundary Line 109.88 feet on a curve to the left having a radius of 5779.65 feet, the chord of which bears  $N80^{\circ}04'29''E$ , 109.88 feet to a point on the North Line of the Northeast One-Quarter of the Northeast One-Quarter of said Section 6; thence along the North Line of the Northeast One-Quarter of the Northeast One-Quarter of said Section 6,  $S89^{\circ}19'43''E$ , 278.38 feet to the Northeast Corner of said Section 6, the point of beginning.

Said parcel of land contains 121.4930 acres, more or less.



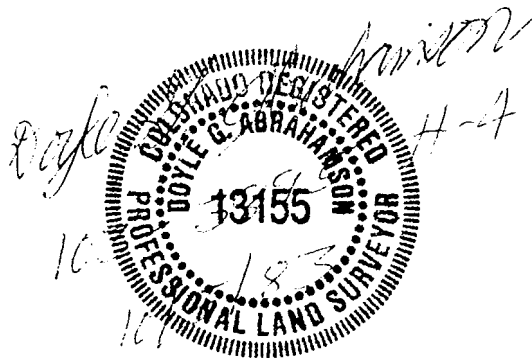
EXCEPTING THEREFROM a Right-of-Way for U.S. Highway No. 6 located in the Southeast One-Quarter of the Northeast One-Quarter of said Section 6; said Right-of-Way being more particularly described as follows, to wit:

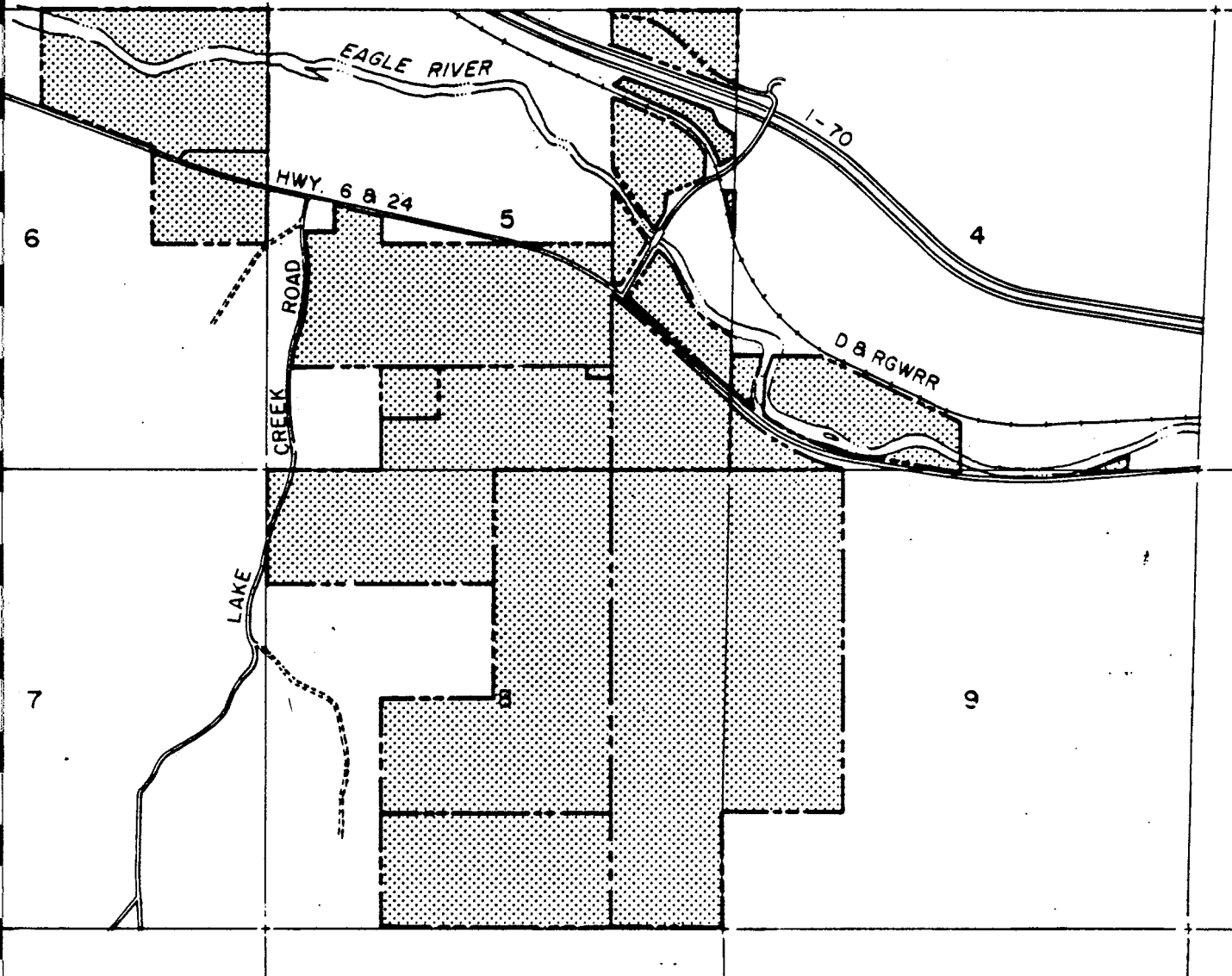
Beginning at a point on the East Line of said Section 6 and the Southerly Right-of-Way Boundary Line of said U.S. Highway No. 6 from which the East One-Quarter Corner of said Section 6 bears S01°50'00"W, 491.05 feet distant; thence along said Boundary Line 145.20 feet along a curve to the right having a radius of 1947.24 feet, the chord of which bears N71°28'35"W, 145.16 feet; thence N69°20'25"W, 1268.64 feet to a point on the West Line of the Southeast One-Quarter of the Northeast One-Quarter of said Section 6; thence along said West Line N01°38'35"E, 106.00 feet to a point on the Northerly Right-of-Way Boundary Line of U.S. Highway No. 6; thence along said Boundary Line S75°02'55"E, 88.79 feet; thence 795.32 feet along a curve to the left having a radius of 11,383.87 feet, the chord of which bears S70°52'15"E, 795.16 feet; thence S77°39'38"E, 296.25 feet; thence 208.91 feet along a curve to the left having a radius of 11,363.87 feet, the chord of which bears S74°44'59"E, 208.91 feet to a point on the East Line of the Southeast One-Quarter of the Northeast One-Quarter of said Section 6; thence along said East Line S01°50'00"W, 194.62 feet to the point of beginning.

Said Highway Right-of-Way contains 4.3045 acres, more or less.

Total Acreage	121.4930
U.S. Highway No. 6 R.O.W. Acreage	<u>- 4.3045</u>
Net Acreage	117.1885

NOTE: These inclusion legal descriptions were compiled from plans of record (Edwards Village Final Plat and the Brett Ranch Final Plat prepared by Johnson-Kunkel and Associates) and does not represent an actual field survey.





EDWARDS METROPOLITAN  
DISTRICT - BOUNDARY MAP

EXHIBIT B

APPENDIX E

WATER RIGHTS SUMMARY

APPENDIX E  
WATER RIGHTS SUMMARY

LEAVENWORTH, PATRICK & LOCHHEAD, P. C.  
ATTORNEYS AT LAW

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September 30, 1982

James P. Collins, Esq.  
General Counsel, Edwards Water District  
Collins & Cockrel, P.C.  
445 Union Boulevard, Suite 123  
Denver, CO 80218

Re: Water Rights of Edwards Water District

Dear Jim:

At the request of Merrick & Company, we are writing to outline the present status of the water rights of the Edwards Water District and the water court proceedings filed on behalf of the District. It is our understanding that this information will be included in the service plan of the proposed Edwards Metropolitan District.

The District presently consists of five major developments known as: (1) The Reserve; (2) Homestead; (3) Edwards Project (Edwards Development Associates); (4) Edwards Village; (5) Brett Ranch. In 1981, the developers of each development entered into water rights dedication agreements with the District. Two types of agreements were utilized: one for developments within the original District boundaries (Homestead, Reserve, Edwards Project) and one for developers outside the original district boundaries who were petitioning for annexation into the District (Edwards Village, Brett Ranch). The latter developments are now within the District boundaries.

The water rights dedication agreements with the "in-District developers" generally provided for the conveyance to the District of all water rights owned by the developers. Special warranty deeds have been executed implementing these agreements. The water rights for the Edwards Development Associates, which were conveyed to the District, include a plan for augmentation that provides for the year-round legal diversion of water for municipal use for the Edwards Project development, and recognizes 42.1 acre-feet of consumptive use associated with the senior irrigation water rights then owned by that developer.

The agreements with the developers who were at that time petitioning for annexation into the District (Brett Ranch,

James P. Collins, Esq.  
September 30, 1982  
Page 2

Edwards Village) required those developers to obtain final water court decrees approving plans for augmentation providing for the year-round legal diversion of water for municipal use for these developments. Once these decrees are obtained, the "out-of-district developers" are required to dedicate the decrees for the plan for augmentation and the water rights involved therein to the District.

The District's water right dedication requirement in both types of agreements is 120 percent. In other words, the District will receive 20 percent more water rights than is necessary to actually serve each development. This means that the District will have water rights to serve 1387 EQR involved in the five major developments and also have the ability to serve an additional 277 EQR for future growth.

The water rights obtained by the District are summarized on the table attached to this letter. Also included is a table showing the consumptive use requirements for the five developments. The historic consumptive use figures and the future consumptive use requirements listed were calculated by Woodward-Clyde Consultants, the District's water rights engineers.

As noted earlier, the water rights dedicated by Edwards Development Associates included an adjudicated plan for augmentation. The water rights dedicated by the other "in-District" developers (Homestead, Reserve) include the Howard Ditch, Peterson Ditch, and Creamery Ditch irrigation rights which require water court approval to permit the District to use these water rights for municipal use. Therefore, two water court proceedings, reflecting a short-term and long-term water rights strategy, were pursued on behalf of the District. In addition, a water court proceeding was filed to implement a water service agreement with the Berry Creek Metropolitan District. These proceedings, as well as the status of the water court cases filed by the two "out-of-District" developers, are discussed below:

A. Case No. 81CW162; Application for Alternate Points of Diversion for South Forty Well water right. This Application was filed so that the District could meet its short term water diversion requirements by diverting water through the Edwards Water District Well Nos. 2 and 3 pur-

James P. Collins, Esq.  
September 30, 1982  
Page 3

suant to the South Forty Plan for Augmentation previously decreed in Case No. W-3132.

A final Judgment and Decree (a copy of which is attached) was entered on July 26, 1982. Pursuant to the terms of this Decree, the District may use Well Nos. 2 and 3 as alternate diversion points for the South Forty water right with total diversions of up to approximately 70 acre-feet annually, up to a combined pumping rate of 300 g.p.m. Thus, the affect of this decree is the continued legal right of the District to divert sufficient water quantitiy for the service of up to 210 EQR's.

B. Case Nos. 8CW161 and 81CW195; Application for Water Rights for Edwards Water District Well Nos. 2 and 3 and Approval of Plan for Augmentation. Case No. 81CW161, filed in June of 1981, is an Application for Water Rights for the Edwards District Well Nos. 2 and 3 for 200 g.p.m. each for all municipal purposes. In addition, application for well permits from the State Engineer were filed. As stated above, well permits for these two wells as alternate points of diversion for the South Forty Well water right were issued and said alternate point of diversion was approved in Case No. 81CW162.

In July of 1981, a Plan for Augmentation for the entire District was filed. The plan is designed to permit the diversion of water through all of the points of diversion proposed by the District. The District's Plan for Augmentation is estimated to provide a legal suply for 1664 EQR (5824 people). Statements of Opposition were filed by Lake Creek Meadows District, the Union Oil Company of California, the Vail Valley Consolidated Water District (substituted for Objector Vail Water and Sanitation District by Order of the Court on March 25, 1982), Brett Ranch Properties, and Richard B. Scudder, et al. The Applications in 81CW161 and 81CW195 have been consolidated to facilitate the entry of a decree in each case. Stipulations protecting the District's interests have been negotiated with the Objector Richard Scudder, et al., and Objector Brett Ranch Properties, which Stipulations have been filed with the Court and effectively remove these Objectors from the case.

A proposed Ruling in this case has been forwarded to the Objectors in order to begin settlement negotiations. At

James P. Collins, Esq.  
September 30, 1982  
Page 4

this time, we have no reason to believe that the case cannot be resolved by stipulation. Several of the Objectors were also Objectors in the Edwards Village case which is near completion and which is discussed below. During our negotiations with these Objectors in that case, we have learned many of their concerns and have attempted to incorporate certain language in our proposed Ruling that in no way comprises the District's position but will make the negotiation process with the Objectors an easier task. We estimate a final decree in this case by spring of 1983.

C. Case No. 82CW228; Application for Alternate Points of Diversion, Change of Water Rights, and Plan for Augmentation filed on behalf of the Edwards Water District pursuant to the Berry Creek/Edwards Water District Water Service Agreement. On August 31, 1982, Application for Alternate Points of Diversion, Change of Water Rights, and Approval of Plan for Augmentation was filed on behalf of the District in order to allow for diversions of up to 30 g.p.m. (0.067 c.f.s.) of the South Forty Well water right through the Berry Creek Water District diversion structures as decreed in Case No. W-3999, Water Division No. 5. In addition, this Application proposes an augmentation plan using 3.1 acre-feet of excess consumptive use recognized in the South Forty Decree (W-3132) to augment the portion of the South Forty Well water right to be diverted through the Berry Creek structures during the historic irrigation season. Also, this case proposes to use 1.4 acre-feet of water from the Williams Reservoir water storage right decreed in Case NO. W-3135 for augmentation purposes for that portion of the South Forty Well water right to be diverted through the Berry Creek diversion structures during the historic non-irrigation season, November through April.

Approval of this plan for augmentation will satisfy the Berry Creek/Edwards Water District Water Service Agreement by providing Berry Creek with augmentation water for their diversion structures to satisfy 67 multi-family residential units and a hotel with 150 rooms including a restaurant, bar, commercial area, and swimming pool, that is physically located within the Edwards Water District.

D. Status of Edwards Village and Brett Ranch water cases.

James P. Collins, Esq.  
September 30, 1982  
Page 5

(1) Edwards Village: Case Nos. 80CW550 and 81CW61 (Water Division No. 5) were filed on December 31, 1980, to secure approval of plan for augmentation for the Edwards Village Development. This case was opposed by four Objectors: (1) Union Oil Company; (2) Lake Creek Meadows Water District; (3) The Vail Consolidated Water District; and (4) Richard Scudder, et al. A stipulation in the form of a Consent Decree was entered into with all Objectors and the case is now unopposed. The final decree should be forthcoming within the next several months. Because all objectors have withdrawn, we do not anticipate any problems in obtaining a final decree.

(2) Brett Ranch. A final Decree was obtained on May 28, 1982, in Case No. 81CW73. This Decree provides for a plan for augmentation which permits the year-round legal right to divert water for municipal use.

#### CONCLUSION

The District Decree in 81CW162 provides for the year-round legal right to divert water from the Edwards Water District Well No. 2 to serve up to 210 EQR. The Brett Ranch Decree, Case No. 81CW73, provides for the year-round legal right to serve an additional 19.2 EQR. The Edwards Village Decree, Case Nos. 80CW550 and 81CW61, which is expected to be final in two months, will permit an additional 562.8 EQR to be served by the District. The District's comprehensive plan for augmentation, Case Nos. 81CW195 and 81CW161, which we hope to finalize in approximately six to eight months, will permit service to a total of 1164 EQR. In conclusion, we believe the proposed Metropolitan District is and will be able to legally divert water to serve the present and future customers of the District.



LEAVENWORTH, PATRICK & LOCHHEAD, P.C.

James P. Collins, Esq.  
September 30, 1982  
Page 6

If we can provide any additional information or if there are any other questions concerning the above, please feel free to contact us.

Very truly yours,

LEAVENWORTH, PATRICK & LOCHHEAD, P.C.

Loyal E. Leavenworth

LEL:jas

Encs.

cc w/encs: Duane D. Helton  
Merrick & Company

PROJECTED DEPLETIONS OF EDWARDS WATER DISTRICT  
(Units = Acre-feet)

<u>Development</u>	<u>Projected EQR's<sup>2</sup></u>	<u>Lawn Acres</u>	<u>Annual Depletion</u>
The Homestead	490	17	36.8
The Reserve	177	3	8.2
Brett Ranch	16	1	2.0
Edwards Projects	235	6	14.2
Edwards Village	469	15	33.2
<b>TOTAL</b>	<b>1387</b>	<b>42</b>	<b>94.4</b>

- 
- 1) Assumptions:
- a) An EQR contains 3.5 people, each of whom uses 100 gallons of water per day.
  - b) Depletion resulting from in-house use is 5 percent of the total demand.
  - c) Lawn area varies between 500 ft<sup>2</sup> per EQR (multi-family units) to 2500 ft per EQR (single-family units).
  - d) Lawn irrigation water demand averages 2.5 acre-feet per acre, based on irrigation efficiency of 65 percent.
  - e) Depletion resulting from lawn irrigation averages 1.6 acre-feet per acre.
- 2) An EQR is an "equivalent residential unit."

APPENDIX G

DISTRICT COURT, WATER DIVISION NO. 5, STATE OF COLORADO

Case No. 81 CW 162

---

AMENDED JUDGMENT AND DECREE

---

IN THE MATTER OF THE APPLICATION FOR WATER RIGHTS OF THE  
EDWARDS WATER DISTRICT

IN THE EAGLE RIVER OR ITS TRIBUTARIES

IN EAGLE COUNTY,

---

The above-entitled application for alternate points of diversion of the Edwards Water District (applicant) was referred to the water referee for Water Division No. 5 by the water judge on July 29, 1981. The referee entered a ruling granting the application on February 4, 1982. On March 3, 1982, no protest having been filed, the water judge entered a judgment and decree confirming the ruling of the referee. On April 6, 1982, the state engineer and the division engineer (movants) filed a motion for relief from judgment or, in the alternative, to correct a substantive error (motion). On July 22, 1982, the applicant and the movants filed a stipulation to the granting of the motion and the entry of this amended judgment and decree by the water judge.

FINDINGS OF FACT

1. On June 30, 1981, the Edwards Water District filed an application for alternate points of diversion. On November 30, 1981, an amended application for alternate points of diversion was filed to correct errors in the legal descriptions of the alternate points of diversion in the original application.

2. The statements contained in the application are true.

3. The name and address of applicant is Edwards Water District, c/o Leavenworth, Patrick & Lochhead, P.C.; 1011 Grand Avenue, P.O. Drawer 2030, Glenwood Springs, CO 81602.

4. The name of the structure is the South Forty Well. In case No. W-3136 the water judge for Water Division No. 5 entered a decree on December 14, 1977, awarding to the South Forty Well 0.67 c.f.s. conditional with an appropriation date of June 15, 1977, for domestic, municipal, irrigation, commercial, industrial, and all associated beneficial uses to which water is susceptible of being put in and around residential and commercial establishments. Said decree:

/I/s conditioned on the operation of the South Forty Well as a feature of the plan for augmentation described and approved in Case No. W-3132, Division No. 5, and diversions from said well may be made only pursuant to said plan.

5. In case No. 81CW93 a ruling was entered by the water referee for Water Division No. 5 on November 10, 1981, in which 0.022 c.f.s. of the total 0.67 c.f.s. awarded conditionally was made absolute. It was also found by the referee that reasonable diligence in the development of the remaining conditional water right had been exercised by the claimant. This ruling was confirmed and approved and made the decree of the court on December 9, 1981.

6. The original decreed point of diversion of said well is a point in the NE/4 of the SE/4 of Sec. 5, T5S, R82W of the 6th p.m. at a point whence the southwest corner of sec. 4, T5S, R82W of the 6th p.m. bears south 19 deg. 00' East 2,600 feet.

7. In case No. 79CW47, by decree dated April 9, 1980, use of the South Forty Well water right was approved at the alternate point of diversion situated in the SE/4 of the SE/4 of sec. 5, T5S, R82W of the 6th p.m. at a point 50 feet North of the South line and 1,300 feet West of the East line of said section 5.

8. Applicant proposes to divert the South Forty Well water right at two additional alternate points of diversion located:

a. A point in the SE/4 of the SW/4 of sec. 4, T5S, R82W of the 6th p.m., more particularly at a point 750 feet North of the South section line and 2100 feet East of the West section line of section 4.

b. A point in the NE/4 of the SE/4 of section 5, T5S, R82W of the 6th p.m., more particularly at a point 2600 feet North of the South section line and 1300 feet West of the East section line of section 5.

9. Applicant also proposes to change the location of use of the South Forty Well water right to all lands located within the Edwards Water District service area, located generally in sections 4, 5, 8, 9, and 10, and T5S, R82W of the 6th p.m.

10. Applicant seeks approval of the use of the South Forty Well water right at the two additional points of diversion set forth above and within the Edwards Water District service area pursuant to the terms and conditions of the decree entered in case No. W-3136 (Water Division No. 5) and W-3132 (Water Division No. 5), subject to the following conditions:

a. Total diversions pursuant to this ruling from the original point of diversion decreed in W-3136, the alternate point of diversion decreed in 79CW47, and the two additional points of diversion shall not exceed 0.67 c.f.s. (300 gpm).

b. (1) Diversions from the first proposed alternate point of diversion shall not exceed .445 c.f.s. (200 gpm).

(2) Diversions from the second proposed alternate point of diversion shall not exceed .445 c.f.s. (200 gpm).

(3) Diversions from the proposed alternate points of diversion shall be subject to the terms and conditions of the plan for augmentations in case No. W-3132.

11. The application in this case has been supplemented by two permits to construct a well (permit No. 25774-F and 25775-F) issued by the state engineer on June 22, 1982, pursuant to C.R.S. 1973, 37-90-137. These permits, copies of which are attached as exhibits 1 and 2, are hereby incorporated into this judgment and decree by reference.

JUDGMENT AND DECREE

IT IS THEREFORE, ORDERED, ADJUDGED, AND DECREED THAT:

1. The above-entitled application is granted and additional alternate points of diversion are established for the South Forty Well at the locations described in findings of fact 8(a) and (b), supra.

2. The change of place of use to the location set forth in finding of fact 9, supra, is approved.

3. The above-entitled application is granted subject to the terms and conditions set forth in findings of fact 10, 11, and 12, supra.

4. It is further ORDERED that a copy of this amended judgment and decree shall be filed with the division engineer for Water Division No. 5 and the state engineer.

26<sup>th</sup> DONE at the City of Glenwood Springs, Colorado, this  
day of July, 1982.

  
-----  
Water Judge

AG Alpha NR WE IABLB  
AG File No. CNR8201680/1JR

APPENDIX H

COLORADO DIVISION OF WATER RESOURCES  
818 Centennial Bldg., 1313 Sherman St., Denver, Colorado 80203

RECEIVED  
OCT 19 1981

WATER RESOURCES  
STATE ENGINEER  
COLD.

PERMIT APPLICATION FORM

Application must be complete where applicable. Type or print in BLACK INK. No overstrikes or erasures unless initialed.

- (X) A PERMIT TO USE GROUND WATER  
(X) A PERMIT TO CONSTRUCT A WELL  
FOR: (X) A PERMIT TO INSTALL A PUMP

- ( ) REPLACEMENT FOR NO. \_\_\_\_\_  
( ) OTHER \_\_\_\_\_

WATER COURT CASE NO. 81CW161, 162, and 195  
Water Division No. 5

RECEIVED  
DEC 0 1981

(1) APPLICANT - mailing address

NAME EDWARDS WATER DISTRICT  
STREET c/o Leavenworth, Patrick & Lochhead  
1011 Grand Avenue, P. O. Drawer 2030  
CITY Glenwood Springs, CO 81602  
(State) (Zip)  
TELEPHONE NO. (303) 945-2261

FOR OFFICE USE ONLY: DO NOT WRITE IN THIS COLUMN

Receipt No. 20424 A  
P.C. \_\_\_\_\_  
Basin \_\_\_\_\_ Dist. \_\_\_\_\_

(2) LOCATION OF PROPOSED WELL

County Eagle  
SW SE 1/4 of the SW 1/4, Section 4  
Twp. 5 S, Rng. 82 W, 6th P.M.  
(N.S.) (E.W)

CONDITIONS OF APPROVAL

This well shall be used in such a way as to cause no material injury to existing water rights. The issuance of the permit does not assure the applicant that no injury will occur to another vested water right or preclude another owner of a vested water right from seeking relief in a civil court action.

(3) WATER USE AND WELL DATA

Proposed maximum pumping rate (gpm) 200  
Average annual amount of ground water to be appropriated (acre-feet): 320  
Number of acres to be irrigated: 53  
Proposed total depth (feet): 75  
Aquifer ground water is to be obtained from:  
Eagle River Alluvium

- 1) APPROVED AS AN ALTERNATE POINT OF DIVERSION THE SOUTH FORTY WELL DECREED BY THE DIVISION 5 WATER COURT IN CASE NO. W-3136.
- 2) THE USE AND OPERATION OF THIS WELL IS SUBJECT TO THE TERMS AND CONDITIONS OF THE AUGMENTATION PLAN DECREED BY THE DIV. 5 WATER COURT IN CASE W-3132.
- 3) THE PUMPING RATE OF THIS WELL SHALL NOT EXCEED 300 GPM. THE SIMULTANEOUS PUMPING RATE OF THIS WELL COMBINED WITH THE PUMPING RATE OF WELL PERMITS NOS. 23681-F, 25775-F, AND THE SOUTH FORTY WELL IS LIMITED TO 300 GPM AT ANY ONE TIME.
- 4) THE ANNUAL APPROPRIATION FROM THIS WELL COMBINED WITH THOSE OF WELL PERMIT NOS. 23681-F, 25775-F AND THE SOUTH FORTY WELL SHALL NOT EXCEED 69.06 ACRE-FEET OF WHICH 21 ACRE-FEET SHALL BE LIMITED TO IRRIGATION PURPOSES AND THE REMAINING 48.06 ACRE-FEET SHALL BE USED FOR MUNICIPAL PURPOSES. CASE NO. W-3132 SHALL BE CONSULTED FOR DETAILED LIMITS ON THE AMOUNT TO BE PUMPED DURING EACH SEASON.
- 5) A TOTALIZING FLOW METER MUST BE INSTALLED ON THIS WELL AND WELL NOS. 25775-F, 23681-F AND (CONT. ON ATTACHED SHEET)

Owner's well designation EWD Well No. 2

GROUND WATER TO BE USED FOR:

- ( ) HOUSEHOLD USE ONLY - no irrigation (0)  
( ) DOMESTIC (1) ( ) INDUSTRIAL (5)  
( ) LIVESTOCK (2) ( ) IRRIGATION (6)  
( ) COMMERCIAL (4) (X) MUNICIPAL (8)  
( ) OTHER (9) \_\_\_\_\_

DETAIL THE USE ON BACK IN (11)

APPLICATION APPROVED

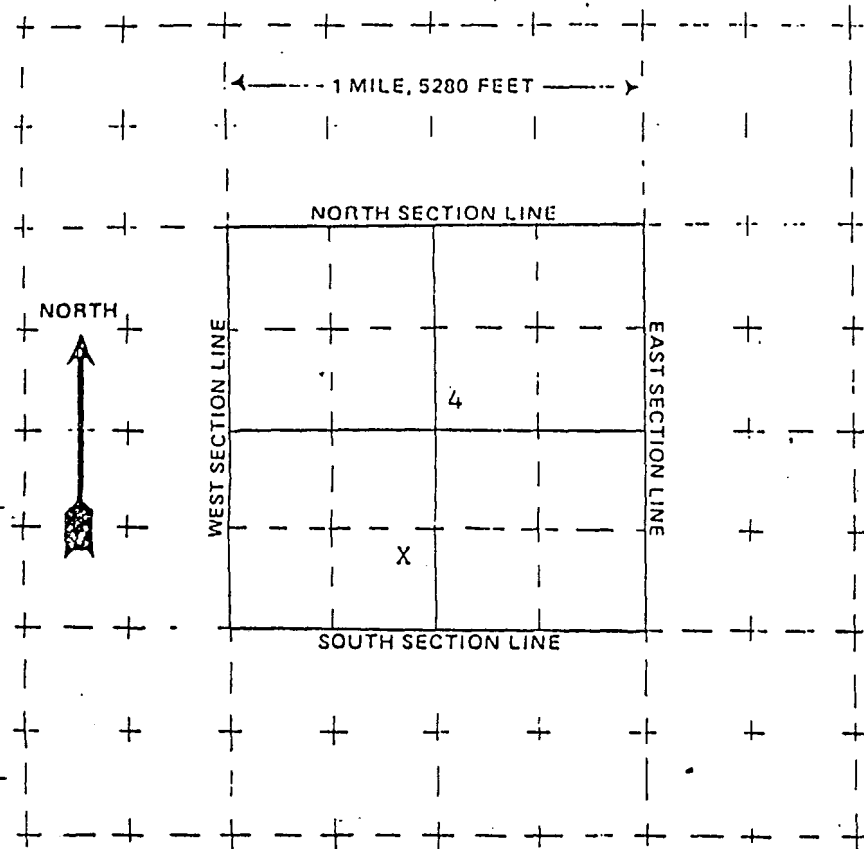
(4) DRILLER

Name Licensed  
Street \_\_\_\_\_  
City \_\_\_\_\_  
(State) (Zip)  
Telephone No. \_\_\_\_\_ Lic No. \_\_\_\_\_

PERMIT NUMBER 25775-F  
DATE ISSUED JUN 22 1982  
EXPIRATION DATE JUN 22 1983

John A. Danielson  
(STATE ENGINEER)  
BY Robert L. [Signature]

(5) THE LOCATION OF THE PROPOSED WELL and the area on which the water will be used must be indicated on the diagram below. Use the CENTER SECTION (1 section, 640 acres) for the well location.



The scale of the diagram is 2 inches = 1 mile  
Each small square represents 40 acres.

**WATER EQUIVALENTS TABLE (Rounded) Figures)**

- An acre-foot covers 1 acre of land 1 foot deep
- 1 cubic foot per second (cfs) . . . 449 gallons per minute (gpm)
- A family of 5 will require approximately 1 acre-foot of water per year.
- 1 acre-foot . . . 43,560 cubic feet . . . 325,900 gallons.
- 1,000 gpm pumped continuously for one day produces 4.42 acre-feet.

(6) THE WELL MUST BE LOCATED by distances from section line.

48750 ft. from South (north or south)  
482100 ft. from West (east or west) sec. 1.

LOT... BLOCK... FILING #...  
SUBDIVISION...

(7) TRACT ON WHICH WELL WILL BE LOCATED Owner: Edwards Water Distri  
No. of acres Approx. .09 acre Will this be the only well on this tract? Yes

**(8) PROPOSED CASING PROGRAM**

Plain Casing  
10 in. from 0 ft. to 55 ft.  
     in. from      ft. to      ft.  
Perforated casing  
10 in. from 55 ft. to 75 ft.  
     in. from      ft. to      ft.

(9) FOR REPLACEMENT WELLS give distance and direction from old well and plans for plugging it:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**(10) LAND ON WHICH GROUND WATER WILL BE USED:**

Owner(s): Owners within the Edwards Water District No. of acres: About 53 acres will be irrigated  
Legal description: Lands within the Edwards Water District service area, located generally in Sections 4, 5, 8, 9, and 10, T5S, R82W of the 6th P.M.

(11) DETAILED DESCRIPTION of the use of ground water: Household use and domestic wells must indicate type of disposal system to be used. All municipal uses.

**(12) OTHER WATER RIGHTS** used on this land, including wells. Give Registration and Water Court Case Numbers.

Type or right	Used for (purpose)	Description of land on which used
<u>See attached report</u>	<u>Municipal</u>	

(13) THE APPLICANT(S) STATE(S) THAT THE INFORMATION SET FORTH HEREON IS TRUE TO THE BEST OF HIS KNOWLEDGE.

LEAVENWORTH, PATRICK & LOCHHEAD P.C.  
By: Loyal E. Leavenworth 10/15/81  
SIGNATURE OF APPLICANT(S)  
Loyal E. Leavenworth, #6696  
Attorney for Applicant



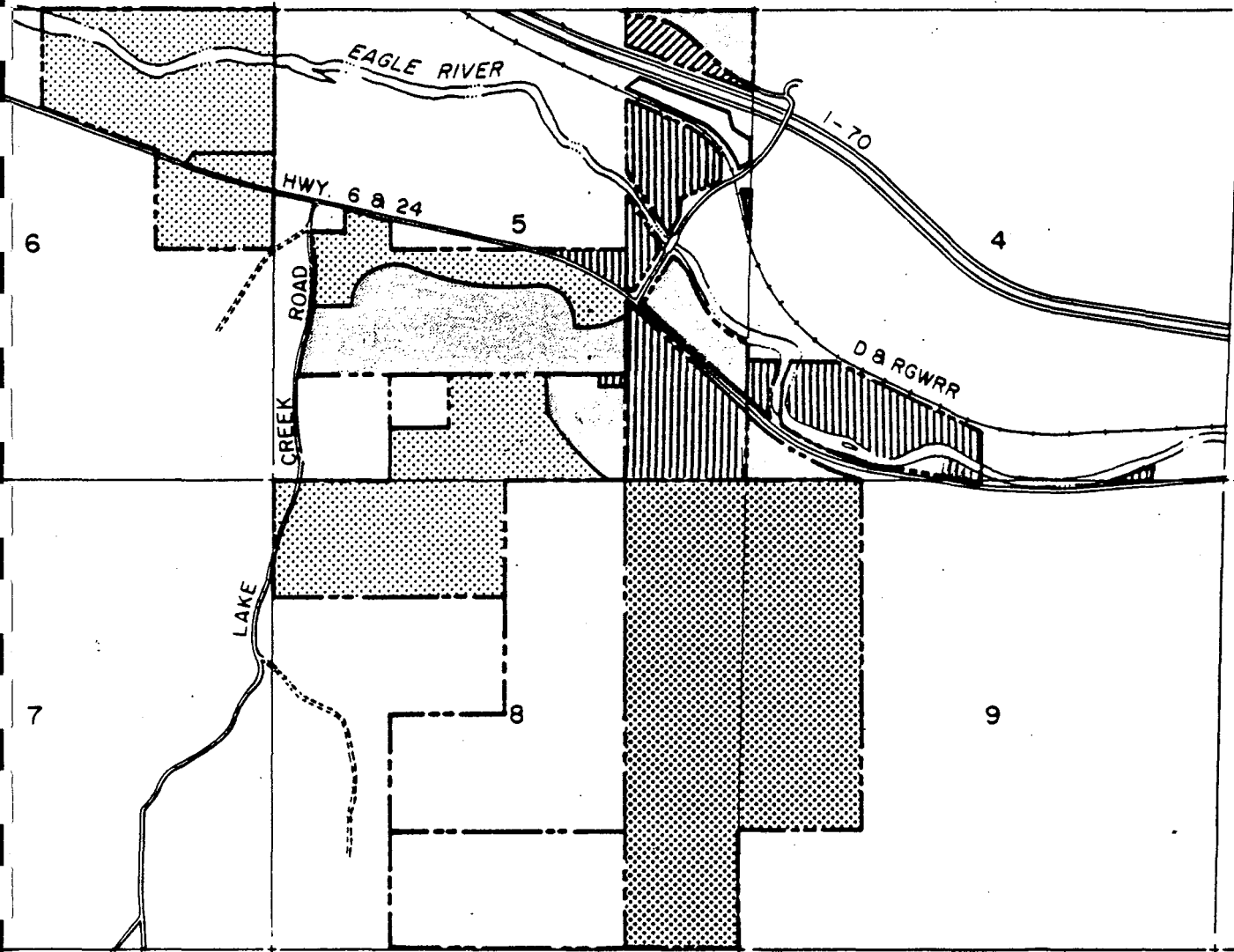
APPENDIX F )

SUMMARY OF DEDICATED SENIOR IRRIGATION WATER RIGHTS,

EDWARDS WATER DISTRICT







<u>Development</u>	<u>Structure Name</u>	<u>Amount (cfs)</u>	<u>Source</u>	<u>Date of</u>		<u>Basin Rank</u>	<u>Ave. C.U. (acre-ft)</u>	<u>C.U. Owned by EWD (acre-ft)</u>
				<u>Adjud</u>	<u>Approp</u>			
The Reserve	Howard Ditch	0.33 <sup>1)</sup>	Eagle River	3/5/1901	6/13/1898	1022	45 <sup>2)</sup>	9.84
	Howard Ditch	1.29 <sup>1)</sup>	Eagle River	10/3/1936	6/13/1899	2741		
	Peterson Ditch	1.0	Eagle River	2/7/1956	5/6/1946	3884	10	
Homestead	Creamery Ditch	2.65	E. Lake Creek	3/5/1901	5/5/1897	991	140 <sup>2)3)</sup>	44.16
	Creamery Ditch	3.88	E. Lake Creek	10/3/1936	5/5/1898	2739		
Edwards Project	Howard Ditch	N/A	Eagle River	3/5/1901	6/13/1898	1022	37.8 <sup>2)4)</sup>	20.14
	Howard Ditch	N/A	Eagle River	10/3/1936	6/13/1899	2741		
	Dutton Ditch	0.0628	Berry Creek	6/26/1908	5/1/1888	1607	4.3 <sup>4)</sup>	
Edwards Village	J.M. Dodd Ditch	2.3	Lake Creek	12/8/1903	8/1/1894		126 <sup>2)5)</sup>	39.84
	J.M. Dodd Ditch	3.66	Lake Creek	10/3/1936	5/1/1900			
Brett Ranch	Brett Ditch	1.50	Lake Creek	12/17/1889	4/1/1887	433	87.75 <sup>2)6)</sup>	2.4
	Brett Ditch, 2nd. Enlargement	1.225	Lake Creek	10/3/1936	6/10/1904	2746		
TOTAL							538.1	116.38

- 
- 1) Total decreed amount prorated according to Mr. Peterson's interest, estimated to be 10.8 percent.
  - 2) Consumptive use corresponding to all priorities listed under senior priority.
  - 3) Data obtained from previous engineering by Wright Water Engineers.
  - 4) Data obtained from decree from Case No. W-3132, Water Division No. 5.
  - 5) Data obtained from water rights application in Case No. 81CW61, Water Division No. 5.
  - 6) Data obtained from resume in Case No. 81CW73.



# CONSTRUCTION PHASING MAP

# EXHIBIT G

-  EXISTING
-  1983
-  1984
-  1985
-  1985 - 1988
-  1988



APPENDIX A

PROPOSED AGREEMENTS

APPENDIX A  
PROPOSED AGREEMENTS

Fire Protection Services

The Edwards Metropolitan District plans to join the regional fire department, which now services Eagle-Vail, Avon, Beaver Creek and Berry Creek Metropolitan Districts. The form of agreement with the District and Eagle-Vail will be similar to those already in existence. Costs will be shared based upon relative assessed valuation levels and economies of scale, and higher levels of effectiveness will continue to be realized.

Administration, Water Maintenance, and Water Service Billing

The Edwards Water District has contracted with Upper Eagle Valley Sanitation District to operate and maintain the water system and to handle other administrative duties for the District. Upper Eagle now provides these services to all other water and sewer utilities in Eastern Eagle County with the exception of Minturn and Redcliff. Economies of scale and higher levels of effectiveness are available through this arrangement.

Inter-District Water Supply Agreements

Interconnections with Avon, Berry Creek and/or Arrowhead water systems are highly probable. Such interconnections provide back-up assurances that water will be available in emergencies. These connections will be determined at a later date when the developments of each area are at such a point to consider these interconnections. Presently an inter-district connection exists between the Edwards Water District and Berry Creek Metropolitan District which services a small southerly portion of the District.

**APPENDIX B**

**REVENUE AND EXPENSE PROJECTION**

REVENUE AND EXPENSE PROJECTION

	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
<u>GROWTH</u>										
Number of units built	0	50	75	80	105	130	130	140	140	140
Units built/cumulative	147	197	272	352	457	587	717	857	997	1137
Population projection	411	591	816	1056	1371	1761	2151	2571	2991	3411
Assessed value/millions (at 15% market)	.75	2.2	5.2	7.0	9.3	12.4	15.6	19.2	23.0	27.0
<hr/>										
<u>OPERATING REVENUE (000's)</u>										
Water tap fees (2,000 unit)	18	100	150	160	210	260	260	280	280	280
Water service fees/\$20.00 month/unit	15.75	47.28	65.28	84.4	109.68	140.88	172.08	205.68	239.28	272.88
Property tax revenue (20 mills) 1982 at 10 mill	7.53	44.4	104.00	140.00	186.00	248.00	312.00	384.00	460.00	540.00
<b>TOTAL OPERATING REVENUE</b>	<b>41.28</b>	<b>191.68</b>	<b>319.28</b>	<b>384.40</b>	<b>505.68</b>	<b>648.88</b>	<b>744.08</b>	<b>869.68</b>	<b>979.28</b>	<b>1092.88</b>
<hr/>										
<u>OPERATING EXPENSES (000's)</u>										
Fire protection operations			12	20	20	20	30	30	35	35
Water system operation	11.6	18	20	30	35	40	45	50	60	70
Administration, accounting, and engineering expense	8	32	55	65	65	75	85	95	95	105
Legal expenses	20	12	14	14	15	15	20	20	25	25
<b>TOTAL OPERATING EXPENSE</b>	<b>39.6</b>	<b>62.0</b>	<b>101.0</b>	<b>129.0</b>	<b>135.0</b>	<b>150.0</b>	<b>180.0</b>	<b>195.0</b>	<b>215.0</b>	<b>235.0</b>
<b>EXCESS OPERATING REVENUE</b>	<b>1.68</b>	<b>129.68</b>	<b>218.28</b>	<b>255.40</b>	<b>370.68</b>	<b>498.88</b>	<b>564.08</b>	<b>674.68</b>	<b>764.28</b>	<b>857.88</b>

EDWARDS METROPOLITAN DISTRICT  
APPENDIX "B"  
(continued, Page 2 of 2)

EXPENSE AND REVENUE PROJECTION

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
<u>GROWTH</u>										
Number of units built	156	10	10	10						
Units built/cumulative	1293	1303	1313	1323	1323	1323	1323	1323	1323	1323
Population projection	3879	3907	3935	3963	3963	3963	3963	3963	3963	3963
Assessed value/millions (at 15% market)	31.6	32.8	34.1	35.4	38.2	41.3	44.6	48.2	52.0	56.2
<hr/>										
<u>OPERATING REVENUE (000's)</u>										
Water tap fees (2,000 unit)	312	20	20	20						
Water service fees/\$20.00 month/unit	310.32	312.72	315.12	317.52	317.52	317.52	317.52	317.52	317.52	317.52
Property tax revenue (20 mills)	632	656	682	708	764	826	892	964	1040	1124
<hr/>										
TOTAL OPERATING REVENUE	1254.32	988.72	1017.12	1045.52	1081.52	1143.52	1209.52	1281.52	1357.52	1441.52
<hr/>										
<u>OPERATING EXPENSES (000's)</u>										
Fire protection operation	40	40	50	55						
Water system operation	80	90	95	100						
Administration, accounting, and engineering expense	105	115	120	135						
Legal expenses	25	30	30	30						
<hr/>										
TOTAL OPERATING EXPENSES	250	275	295	320	330	340	350	360	370	380
<hr/>										
EXCESS OPERATING REVENUE	1004.32	713.72	722.12	725.52	751.52	803.52	859.52	921.52	987.52	1061.52

APPENDIX C

CASH FLOW



	982	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
<b>FINANCIAL SUMMARY (000's)</b>												
(Net Income (Appendix B))	1.6	130	218	255	371	499	564	675	764	858		
Funds Available at beginning of year	109	134	108	2299	951	3325	2830	2002	1545	804		
Interest on funds available at 8%	8.7	35	5.0	180	73	263	230	157	120	61		
Bond proceeds (net)	654	—	2210	—	2210	—	—	—	—	—		1454
Developer contributions	550	1550	800	441	409	354	193	—	—	—		—
Interest escrow	150	—	660	—	660	—	—	—	—	—		189
<b>TOTAL FUNDS AVAILABLE</b>	<b>1473</b>	<b>1849</b>	<b>4001</b>	<b>3175</b>	<b>4674</b>	<b>4441</b>	<b>3817</b>	<b>2834</b>	<b>2429</b>	<b>3366</b>		
<b>CAPITAL OUTLAYS</b>												
	1338	1568	1497	1452	719	555	653	—	—	—		
	to date											
Developer reimbursement	—	—	—	252	45	—	—	—	—	—		—
Debt service	1.4	173	205	520	585	1056	1162	1289	1625	1095		
<b>FUND BALANCE AT YEAR END</b>												
	134	108	2299	951	3325	2830	2002	1545	804	2271		
<b>BOND ISSUES DETAIL (000's)</b>												
Interest rate	12.7	—	11.0	—	11.0	—	—	—	—	—		11.0
Discount rate	3.5	—	3.5	—	3.5	—	—	—	—	—		3.5
<b>TOTAL ISSUE</b>	<b>850</b>	<b>—</b>	<b>3000</b>	<b>—</b>	<b>3000</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>		<b>1725</b>
Discount	29.75	—	105	—	105	—	—	—	—	—		60.375
Interest escrow	150*	—	660**	—	660**	—	—	—	—	—		189.75 *
Expense of issue	16.4	—	25	—	25	—	—	—	—	—		20
<b>NET PROCEEDS</b>	<b>654</b>	<b>—</b>	<b>2210</b>	<b>—</b>	<b>2210</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>		<b>1454</b>

\* One Year Interest Escrow

\*\* Two Year Interest Escrow

Assessed valuation: \$125,000/unit increases 3% per year through construction, 8% after construction (1995)

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<b><u>FINANCIAL SUMMARY (000's)</u></b>											
Net Income (Appendix B)	1004	714	722	725	751	803	860	921	988	1061	1141
Funds available at beginning of year	2271	3727	2715	1449	1108	770	495	244	277	380	294
Interest on funds available at 8%	178	295	214	113	85	58	36	16	19	27	20
Bond proceeds	1454	—	—	—	—	—	—	—	—	—	—
Developer contributions	—	—	—	—	—	—	—	—	—	—	—
Interest escrow	189	—	—	—	—	—	—	—	—	—	—
<b>TOTAL FUNDS AVAILABLE</b>	<b>5096</b>	<b>4736</b>	<b>3651</b>	<b>2287</b>	<b>1944</b>	<b>1631</b>	<b>1391</b>	<b>1181</b>	<b>1284</b>	<b>1468</b>	<b>1455</b>
<b><u>CAPITAL OUTLAYS</u></b>											
Developer reimbursement	—	500	500	—	—	500	500	250	250	500	1000
Debt Service	1369	1521	1702 <sup>1</sup>	1179	1174 <sup>2</sup>	636	647	654	654	674 <sup>3</sup>	255 <sup>4</sup>
<b>FUND BALANCE AT YEAR END</b>	<b>3727</b>	<b>2715</b>	<b>1449</b>	<b>1108</b>	<b>770</b>	<b>495</b>	<b>244</b>	<b>277</b>	<b>380</b>	<b>294</b>	<b>200</b>
<b><u>BOND ISSUES DETAIL (000's)</u></b>											
Interest rate	11.0	—	—	—	—	—	—	—	—	—	—
Discount rate	3.5	—	—	—	—	—	—	—	—	—	—
<b>TOTAL ISSUE</b>	<b>1725</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Discount	60.375	—	—	—	—	—	—	—	—	—	—
Interest escrow	189*	—	—	—	—	—	—	—	—	—	—
Expense of issue	20	—	—	—	—	—	—	—	—	—	—
<b>NET PROCEEDS</b>	<b>1454</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

\* One Year Interest Escrow

NOTES:                   1-1984 Bonds Paid Out                   3-1991 Bonds Paid Out  
                              2-1986 Bonds Paid Out                   4-1992 Bonds Paid Out

APPENDIX D

CONSTRUCTION COSTS

APPENDIX D  
ESTIMATED CAPITAL COSTS OF  
PROPOSED DISTRICT FACILITIES

CONSTRUCTION COSTS TO DATE:  
(To January, 1983)

<u>Item</u>	<u>Total Cost</u>
<u>Water Distribution System:</u>	
District Lines/Booster Pump Station	\$ 750,000.00
District Wells	
District Storage Tank	\$ 1,000,000.00
Developer Lines: (Subdivisions, South 40, Edwards Estates, The Reserve)	250,000.00
<u>Storm Drainage:</u>	
Improvements Completed (Estimate).	50,000.00
<u>Streets:</u>	-0-
<u>Engineering:</u>	
Fees To Date	150,000.00
<u>Legal Counsel/Water Rights:</u>	83,000.00
<u>Administration Operation and Maintenance:</u>	45,000.00
<u>Bonding Counsel:</u>	10,000.00
<u>TOTAL TO DATE COSTS</u>	<u>\$ 1,338,000.00</u>

Note: All costs presented are 1982 Construction Costs.

Includes actual costs to date and estimated costs for remainder of 1982.

ESTIMATED CAPITAL COSTS OF  
PROPOSED DISTRICT FACILITIES

1986 CONSTRUCTION YEAR:

<u>Item</u>	<u>Total Cost</u>
<u>Water Distribution System:</u>	\$ 70,000.00
1,950 L.F. 8" Dia.	
5 Fire Hydrants	
8 Valves	
<u>Fire Protection:</u>	50,000.00
<u>Storm Drainage:</u>	25,000.00
Miscellaneous Drainage Improvements	
<u>Streets:</u>	200,000.00
Collector: 2,500 L.F.	
<u>Wells:</u>	200,000.00
(2) Wells	
<u>Engineering:</u>	81,000.00
<u>Contingency:</u>	93,150.00
<u>TOTAL 1986 CONSTRUCTION</u>	<u>\$ 719,150.00</u>

Note: All costs presented are 1982 Construction Costs.

ESTIMATED CAPITAL COSTS OF  
PROPOSED DISTRICT FACILITIES

1987 CONSTRUCTION YEAR:

<u>Item</u>	<u>Total Cost</u>
<u>Water Distribution System:</u>	\$ 70,000.00
1,950 L.F. 8" Dia.	
5 Fire Hydrants	
8 Valves	
<u>Fire Protection:</u>	50,000.00
<u>Storm Drainage:</u>	25,000.00
Miscellaneous Drainage Improvements	
<u>Streets:</u>	300,000.00
Arterial: 1,000 L.F.	
Collector: 1,000 L.F.	
Major Intersection Improvements	
<u>Engineering:</u>	51,000.00
<u>Contingency:</u>	58,650.00
<u>TOTAL 1987 CONSTRUCTION</u>	<u>\$ 554,650.00</u>

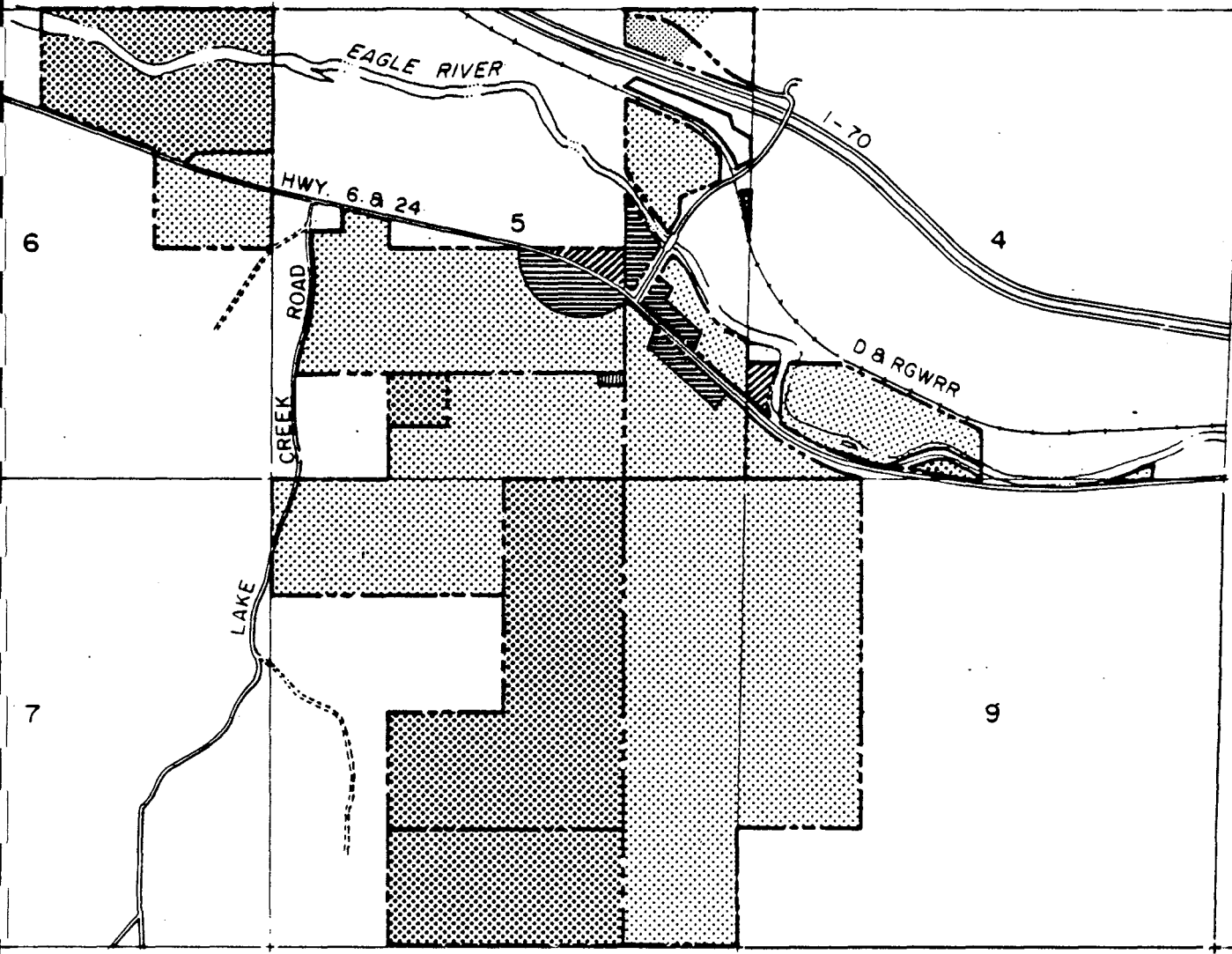
Note: All costs presented are 1982 Construction Costs.

ESTIMATED CAPITAL COSTS OF  
PROPOSED DISTRICT FACILITIES

1988 CONSTRUCTION YEAR:



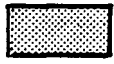



<u>Item</u>	<u>Total Cost</u>
<u>Water Distribution System:</u>	\$ 70,000.00
1,950 L.F. 8" Dia.	
5 Fire Hydrants	
8 Valves	
<u>Fire Protection:</u>	50,000.00
<u>Storm Drainage:</u>	25,000.00
Miscellaneous Drainage Improvements	
<u>Streets:</u>	300,000.00
Arterial: 1,000 L.F.	
Collector: 1,000 L.F.	
Major Intersection Improvement	
<u>Engineering:</u>	96,750.00
<u>Contingency:</u>	111,260.00
<u>TOTAL 1988 CONSTRUCTION</u>	<u>\$ 653,010.00</u>

Note: All costs presented are 1982 Construction Costs.



# LAND USE MAP

# EXHIBIT C

-  RESIDENTIAL — SINGLE / MULTI - FAMILY
-  COMMERCIAL / OFFICE
-  HOTEL / MOTEL
-  CHURCH
-  UNDEVELOPED LAND
-  MOBILE HOME

