ROXBOROUGH WATER AND SANITATION DISTRICT

LOAN FEASIBILITY STUDY

COLORADO WATER CONSERVATION BOARD LOAN APPLICATION

December 2012

FEASIBILITY STUDY APPROVAL
Pursuant to Colorado Revised Statutes 37-60-121 &122, and in accordance with policies adopted by the Board, the CWCB staff has determined this Feasibility Study meets all applicable requirements for approval.

Signed

1/28/2013
Date

Prepared By:

TST Infrastructure, LLC
61 Inverness Dr East, Suite 100
Englewood, CO 80112
303.799.5197

001.231.01

TABLE OF CONTENTS

1. BACKGROUND 1
   - 1.1 Purpose 1
   - 1.2 Study Area Description 3
   - 1.3 Previous Studies 4

2. PROJECT SPONSOR 5

3. WATER RIGHTS 7
   - 3.1 Water Availability 7
   - 3.2 Water Supply Demands 8

4. PROJECT DESCRIPTION-ANALYSIS OF ALTERNATIVES AND SELECTIVE ALTERANATIVE 9
   - 4.1 Analysis of Alternatives 9
     - 4.1.1 District Alone 9
     - 4.1.2 Regional Solutions – Water, Infrastructure, and Supply Efficiency (WISE) Project 10
     - 4.1.3 Denver Water 10
     - 4.1.4 Aurora Water Supply Agreement 11
     - 4.1.5 No Action 11
   - 4.2 Selected Alternative 12
   - 4.3 Cost Estimate 12
   - 4.4 Implementation Schedule 12
   - 4.5 Impacts 12
   - 4.6 Institutional Feasibility 12
5. FINANCIAL FEASIBILITY ANALYSIS 13
6. CONCLUSIONS AND RECOMMENDATIONS 16

TABLES AND FIGURES

Table 1 – Summary of Key Information from 2012 Master Plan 4
Table 2 – Raw Water Demand 5
Table 3 – Summary of Alternative Analysis and Evaluation Considerations 11
Table 4 – Summary of Project Cost and Funding 13

Figure 1 – Site Map ..... After Page 3
Figure 2 – Aurora Supply Network ..... After Page 12

APPENDICES

A. City of Aurora 1972 Lease Agreement

B. City of Aurora – Intergovernmental Agreement for Water Supply, 2010

C. 1971 Roxborough Park Metropolitan District Service Plan
2003 First Amendment to the Service Plan

D. 2005 Description of Meadow Ditch Water Purchase

E. Financial Cost Development and Analysis
Adopted 2013 Budget
RWSD Projected Revenues and Expenditures

F. Certification of November 2001 TABOR Election

G. Financial Audits, 2009, 2010, 2011

H. Financial Statement, November 30, 2012 (Unaudited)

1 - BACKGROUND

1.1 - Purpose

Relevant project history & need for the project:

For approximately 20 years, the Roxborough Water and Sanitation District (District) has been exploring options for developing a permanent water supply to replace its current temporary water supply under its Lease Agreement with the City of Aurora (Aurora). The District has looked at numerous options including acquiring its own water rights, partnering with Denver Water (DW), South Metro Water Supply Authority (SMWSA) or other regional suppliers, and obtaining a permanent supply from Aurora. This Loan Feasibility Study presents the results of the District's evaluation of alternatives available for developing a permanent water supply.

The District currently provides treated water service to approximately 3,400 Equivalent Residential Units (EQRs) consisting of residential, commercial, and irrigation customers, collectively (the Treated Water Customers). Current master planning estimates that the District will provide water to approximately 3,800 EQRs at ultimate buildout. In addition to the Treated Water Customers, the District also provides raw water for irrigation service to Roxborough Village Metropolitan District (Village) and the Arrowhead Golf Course (AGC), collectively (the Irrigation Customers).

In 1972 the District entered into a 25-year Lease Agreement with Aurora. A copy of the agreement can be found in Appendix A. Through the Lease Agreement Aurora provides raw water to the District. The District treats the raw water and delivers it to the users within its service boundary. The Lease Agreement was renewed for 25 years and currently is set to expire in 2022, and prior to that date the District must find and secure a permanent raw water supply.

Overview of project:

After many years of discussion, the District has reached an agreement with Aurora for a permanent raw water supply. The agreement is based on the use of Aurora's existing and future raw water supplies and infrastructure, and as a result provides significant advantages over other raw water supply options considered. Under the agreement, the District is required to pay a one-time Development and Connection Fee based on its proportionate share of Aurora's raw water supply, and raw water storage and delivery system upstream of the Rampart Reservoir.

The new water supply agreement, (the 2010 Raw Water Supply Agreement) was executed in December, 2010, a copy of which can be found in Appendix B, and becomes effective five years after the execution date, or when the District pays the then current Development and Connection Fee, whichever comes first. The 2010

Raw Water Supply Agreement provides 1,800 ac-ft/yr for the District's Treated Water Customers and up to an additional 350 ac-ft/yr for the Irrigation Customers. The Development and Connection Fee established at the time of agreement was $6,575 per EQR, which may be adjusted by Aurora from time to time based on future rate studies.

The 2010 Raw Water Supply Agreement provides for a one-time payment of a Development and Connection Fee based on the actual EQRs connected at the time, therefore the initial Development and Connection Fee for connecting the District's current 3,400 EQRs is $22.4M. In addition, the $3.9M for the 285 ac-ft/yr raw water irrigation supply would be paid by proceeds received from the Irrigation Customers.

At this time, the District intends to acquire 1,611 ac-ft/yr of raw water, for the Treated Water Customers, plus an additional 285 ac-ft/yr for the Irrigation Customers. This will provide raw water supply for the 3,400 current EQRs as well as the Irrigation Customers. At the current fee and at the District's current build-out level, the total amount due under the 2010 Raw Water Supply Agreement for 1,896 ac-ft/yr will be $26.3M.

Type of project and loan funding amount requested:

The proposed project is a water supply project based on the use of existing infrastructure and facilities. Since the delivery of raw water to the District will be accomplished using Aurora's existing raw water supply infrastructure, this project does not require construction of additional infrastructure. The $26.3M less the funds provided by the Irrigation Customers as well as funds that the District has within its Water Activity Enterprise Fund reduces the requested loan amount to $18.4M to cover the cost of the Development and Connection Fee for the existing 3,400 EQRs.

Project intention and importance to the District:

The 2010 Raw Water Supply Agreement provides adequate water supply for buildout. This project provides supply for the current customers within the District's service area. This Loan Feasibility Study presents the results of the District's evaluation of alternatives available for developing a permanent water supply. This study also presents a detailed description of the selected alternative. The new water supply agreement with Aurora was executed approximately two years ago, and it is imperative that the District complete development of its financial plan in the near future, to avoid increases to the Development and Connection Fee under the 2010 Raw Water Supply Agreement.

1.2 - Study Area Description

Description of study area including county, towns, topography and major streams:

The District is located along the eastern edge of the foothills in unincorporated northwest Douglas and southeast Jefferson Counties, south of C-470, and west of US Highway 85. The portion of the District located in Douglas County contains all of the District's residential, commercial, and irrigation water customers. The portion of the District located in Jefferson County includes only the Lockheed Martin (LM) property. The District provides sewer service only to the LM property. Since the District does not supply water to the LM property, all data addressed in this report is based on the Douglas County portion of the District.

Study area map:

A map showing the boundaries of the District is presented in Figure 1. The map shows both the Jefferson County and Douglas County portions of the District. As previously noted, this report addresses only the Douglas County portion of the District.

Socio economic characteristics including population, employment, and land use:

The following information has been collected from the Douglas County 2010 census data. The data describes the basic make-up and population characteristics of the Roxborough area and the population of the District's service area.

Population: 9,099

Households: 3,137

Capita per Household: 2.91

Median Household Income (MHI): $103,080

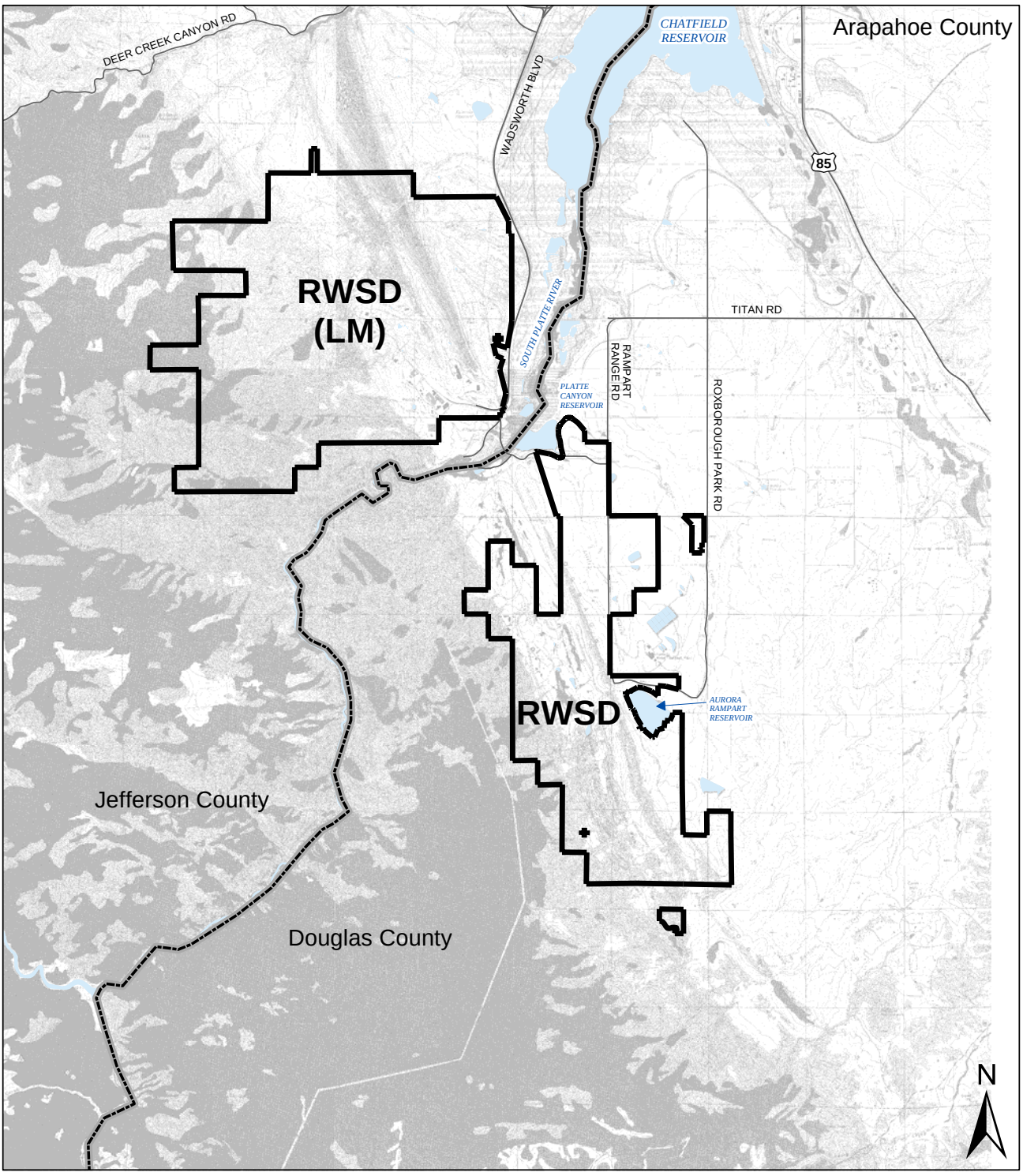
Land Area: 9.23 sq mi

-Source: US Census Bureau State & County QuickFacts

Currently the EQR's served by the District are composed of approximately 97% residential users, 2% commercial users, and 1% irrigation users. Because the District's service area is approximately 90% built out at this time, the overall distribution of users is not anticipated to change considerably from the current distribution and make-up.

ROXBOROUGH WATER AND SANITATION DISTRICT

District Boundary



Base Mapping Source: Denver Regional Council of Governments

Legend

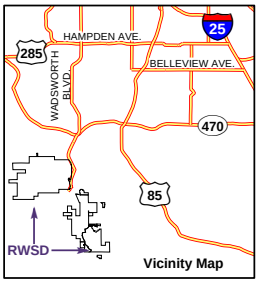
- RWSD Boundary
- County Boundary
- **LM** Lockheed Martin

0.5 0.25 0 0.5 1 1.5 2

Miles

1 inch equals 1.0 miles

FIGURE 1



TST Infrastructure, LLC
Consulting Engineers

1.3 - Previous Studies

Identify, summarize previous studies:

Original water and wastewater system planning for the District is contained in the District's Service Plan, which was initially prepared in 1971 and amended in 2003. The original 1971 Service Plan as well as the 2003 First Amendment to the Service Plan are included in Appendix C. Since the time of the original service plan, District boundaries, development schedules, the character of development, water source and the cost of constructing facilities, have all changed significantly. The most recent and relevant planning document is the 2012 Water and Sewer Master Plan (2012 Master Plan), which identifies the most current development plans and population projections, along with the required water demands and infrastructure requirements. Table 1 summarizes the key information from the 2012 Master Plan including current and ultimate EQRs and projected water demands.

Table 1: Summary of Key Information from 2012 Master Plan

USER TYPE	CURRENT EQRS	DEMAND (AF/YR)	ULTIMATE EQRS	DEMAND (AF/YR)
Residential	3,282	1,555	3,482	1,649
Commercial	72	34	206	98
Irrigation	40	19	51	24
Totals	**3,394**	**1,608**	**3,739**	**1,771**

2 - PROJECT SPONSOR

Type of organization, Official name, year formed, formation statutes:

The Roxborough Park Metropolitan District was originally formed in 1971 as a special district under Title 32 of Colorado State Statutes and was authorized to provide water, sewer, and fire protection services to its customers. Subsequently, in 1999, responsibility for fire protection service was transferred to the West Metro Fire Protection District. The name of the District was changed, in 2006, to the Roxborough Water and Sanitation District to more accurately reflect the services provided by the District.

Number of customers, taps, water usage, future growth plans and history of the District:

The 1971 Service Plan contemplated that the District would provide service to 6,400 EQRs in the general vicinity of the current District boundary. Subsequently, numerous revisions to development plans have resulted in significant changes to the District boundary and the number of units to be served. As indicated in the 2012 Master Plan, it is anticipated that at buildout, the District will provide water service to approximately 3,739 EQRs. Currently the District provides water service to approximately 3,400 EQRs. Current and historical raw water demand for the entire district, excluding raw water irrigation, is presented in Table 2. Average raw water demand is 0.34 ac-ft/yr, to meet an average treated water demand of 100 gpd/eqr.

Table 2: Raw Water Demand

	Total EQRs	Raw Water to WTP (gal/yr)	ac-ft/yr per EQR
2007	3306	383,692,000	0.36
2008	3350	403,836,000	0.37
2009	3366	347,667,000	0.32
2010	3382	361,908,000	0.33
2011	3383	346,324,000	0.31
Avg.	**3357**	**368,685,400**	**0.34**

Identification of revenue sources:

The District's legally authorized sources of revenue include ad valorem taxes, user charges, rates, fees, and tolls. Because the District's water utility is operated as an enterprise under the Taxpayer Bill of Rights (TABOR), the use of tax revenue by the enterprise is significantly restricted, and the majority of the District's water activity enterprise revenues are derived from user charges. In order to ensure adequate revenues, the District reviews rates on an annual basis in accordance with its established rate policies.

Rates are set to cover revenue requirements including operations costs, operations reserves, and capital reserves. Revenues generated by rates, and other fees and charges, will be the repayment source for the loan.

Description of existing water supply facilities owned/operated by District:

The District's current water supply is based entirely on water delivered under the 1972 Aurora lease agreement. Water is delivered to the District through water supply facilities owned and operated by Aurora. Because the 1972 lease agreement did not provide for a permanent supply, the District has been working towards developing additional water supply assets. In addition to the leased supply, the District has acquired, or has been in process of acquiring, the following water supply assets:

1. Meadow Ditch - In 2005 the District acquired approximately 80 ac-ft/year of surface water in the Meadow Ditch, located southeast of the District boundary along Indian Creek. The water right has been adjudicated for municipal use, but infrastructure to convey the water to the District has not been developed. The Meadow Ditch rights also include a storage right of approximately 17 ac-ft in the existing Lambert No. 3 reservoir. The Meadow Ditch decree is included in Appendix D.
2. Chatfield Reallocation Project – The Chatfield Reallocation project is a regional, multi-user project to develop additional storage in the existing Chatfield Reservoir. The project is currently in the approval phase, and storage in the reservoir is not available at this time. The District has been a participant in the project since inception, with a total allocation of 564.4 ac-ft, which includes 500 ac-ft RWSD and 64.3 ac-ft through SMWSA.

These facilities were acquired as a part of the District's efforts to develop its own water supply. Under the new 2010 Raw Water Supply Agreement with Aurora, neither the Meadow Ditch water nor the storage in Chatfield Reservoir will be required as part of the District's permanent water supply, and the District is currently trying to sell these assets.

3 - WATER RIGHTS

3.1 - Water Availability

The 2010 Raw Water Supply Agreement between the District and Aurora provides a sufficient water supply to meet the projected demands of the District at buildout. Under the agreement, the District will not acquire ownership of water rights; rather, Aurora will provide a permanent raw water supply to the District using Aurora's existing and future raw water supplies and facilities.

2010 Raw Water Supply Agreement summary:

Following is a summary of the major provisions of the 2010 Raw Water Supply Agreement. The full agreement is presented in Appendix B.

1. Aurora will deliver a maximum of 1,800 ac-ft/yr of raw water through its existing system to the delivery point for treatment by the District.
2. The District may use the water supplied under the agreement to serve a maximum of 3,800 units located within the then current District boundary.
3. The District will pay Aurora the then current connection fee (currently $6,575) for each EQR connected to the District's system. Payment is due at the time each new unit is connected.
4. In addition to the 1,800 ac-ft/yr of raw water for service to the District's potable water customers, Aurora will provide up to an additional 350 ac-ft/yr of raw water which may be used only for service to the Irrigation Customers. Prior to implementing the agreement, the District must make a one-time election regarding the quantity of irrigation water to be supplied.
5. In addition to the Development and Connection Fee, the District will pay Aurora a rate per 1,000 gallons for raw water supplied to the District.
6. The 2010 Raw Water Supply Agreement was approved and executed in December 2010. To allow adequate time for financial planning, the agreement allows the District up to 5 years to implement the agreement by paying the then current Development and Connection fee, at which time the 2010 Raw Water Supply Agreement will supersede in its entirety, the 1972 Lease Agreement.
7. Prior to the District paying the Development and Connection fee, Aurora will continue to provide raw water to the District pursuant to the 1972 Lease Agreement.

Drought provisions:

Aurora has developed a Water Management Plan to ensure the reliability of its water supply under varying water availability conditions. In general, the plan establishes varying levels of water use restrictions in response to varying levels of drought.

Under the 2010 Raw Water Supply Agreement, the terms of the Water Management Plan will apply to the District's supply and its customers in the same way it applies to Aurora's in-city customers.

3.2 - Water Supply Demands

Existing, future and comparison of demands:

As indicated previously in Table 2, the average raw water demand for the District's potable water customers is approximately 0.34 ac-ft/yr/EQR. The maximum 1,800 ac-ft/yr to be provided pursuant to the 2010 Raw Water Supply Agreement provides a supply of 0.4737 ac-ft/yr/EQR for the maximum 3,800 EQRs at buildout. The maximum 1,800 ac-ft/yr supply provides a 35% factor of safety over the District's current average demand.

4 - PROJECT DESCRIPTION – ANALYSIS OF ALTERNATIVES AND SELECTED ALTERNATIVE

4.1 - Analysis of Alternatives

The District considered a wide range of alternatives for developing a permanent water supply, and over the years expended considerable effort to investigate the feasibility of the alternatives considered. In general, the alternatives considered included acquiring water rights and developing its own delivery system; connecting to a larger existing supplier; or participating in a regional effort to develop new supplies.

Evaluation Factors:

Each of the alternatives was evaluated based on the following criteria:

1. Adequacy of supply – Alternatives were evaluated based on a required supply of 1,896 ac-ft/yr (1,611 ac-ft/yr for the Treated Water Customers and 285 ac-ft/yr for the Irrigation Customers).
2. Economic analysis and feasibility – Costs developed for each option include initial capital cost; 30 yr annual amortized cost including O&M and replacement costs; and cost per ac-ft/yr delivered
3. Impacts to the environment – Primarily addresses the requirement for new infrastructure.
4. Institutional requirements – required permits, court actions, contracts, agreements etc.
5. Special considerations – technical considerations, further investigations, uncertainty/risk, etc.

4.1.1 The District Alone

To develop its own water supply, the District would acquire sufficient raw water rights to meet its ultimate demand, and would develop the infrastructure required to deliver the water to the District. It was assumed that the District could acquire sufficient water rights for the required supply. The cost of acquiring new water rights cannot be accurately predicted. For the purpose of this analysis, a cost of $30,000 per ac-ft was assumed to cover both the cost of water rights and the required raw water conveyance systems. This alternative would likely have the greatest environmental impact of alternatives considered, since substantial new infrastructure would be required to convey the raw water to the District. This alternative would also have more significant institutional and special requirements than the other alternatives since the District would be starting from scratch on permitting, court actions, agreements, & technical investigations. Due to these uncertainties, this alternative would carry the highest risk to the District in terms of adequacy of supply, timing, and cost.

4.1.2 Regional Solutions – Water, Infrastructure and Supply Efficiency (WISE) Project

The WISE Project is a joint effort among Aurora, DW, and the South Metro Water Supply Authority (SMWSA) to reclaim and treat return flows from the South Platte River, and deliver the treated water to SMWSA members. The District is currently a participating member in SMWSA. In certain years, all of the water developed through the WISE project would be completely utilized by DW and Aurora, and would not be available to SMWSA members. It is estimated that the proposed supply would be available to SMWSA members in approximately 8 of every 10 years. In years when the supply is not available, SMWSA members would be required to use water from alternate supplies or storage.

Unlike most SMWSA members, the District does not have groundwater supplies to use in conjunction with the interruptible WISE supply. In addition to receiving supply directly from the WISE project, the District would have to develop a supplementary supply to meet demand when WISE water is not available. Potential options for additional supplies would include purchasing non-renewable ground water or additional surface water and storage.

Conceptual costs for participation in the WISE project were developed by the SMWSA, and the costs used in this study are based on the SMWSA estimates. Costs to acquire a supplemental raw water supply to provide for the 2 out of 10 years when WISE water would not be available have not been figured into the capital cost calculation for this alternative. As a result this option does not represent a complete water supply solution.

Environmental impacts, institutional requirements and special considerations for this alternative are similar but of a somewhat lower magnitude than impacts in Alternative 1. Under the WISE project there would be significant new infrastructure, numerous approvals and project participation agreements, and numerous additional studies and designs. Although these would be shared among the participants, the risks to the District are significant in terms of both cost and timing.

4.1.3 Denver Water

The District is located in close proximity to DW's raw water delivery system that provides raw water to the Foothills Water Treatment Facility. DW's status as the largest water provider in the area would seem to make obtaining a supply from DW a logical alternative. However the District is located outside the DW service area and DW has indicated that it will not provide water supply to the District. As a result, connection to DW was eliminated as a potential alternative.

4.1.4 Aurora Water Supply Agreement

Under this alternative, water would be supplied to the District through Aurora's existing raw water supply network and delivery system. The terms of the agreement are summarized in Section 3.1 of this report. This alternative would have no environmental impact because no new delivery systems would be required. Similarly this alternative would have minimal institutional requirements or risk, since the 2010 Raw Water Supply Agreement is currently in place. This alternative provides certainty for adequacy of supply, timing and cost.

4.1.5 No Action

Under the no action alternative, the District would continue to receive water under the 1972 Lease Agreement, which expires in 2022. At that time the District would no longer have a water supply and could not continue to provide service to its existing customers. This would lower property values, and would likely generate numerous lawsuits and court battles. A likely course of action at that time would be for the District to seek relief, in the form of continued supply from Aurora, through the legal system. This action would undoubtedly be contentious and expensive, and is not considered a responsible alternative.

A summary comparison of project features and costs is presented below in Table 3. Detailed financial cost and analysis is presented in Appendix E.

Table 3
Summary of Alternative Analysis and Evaluation Considerations

Evaluation Factors	Alternatives Evaluated				
	District Alone	Regional Solution (WISE)	Denver Water	Aurora Water	No Action
Output/Yield AF/YR[1]	1,896	1,896	0	1,896	0
Capital Costs	$56.9M	$42M	No supply	$26.3M	0
Total Annual Cost[2]	$4.5	$5.3	0	$3.7	$2.0
Annual Cost/AF	$2,398	$2,777	-	$1,960	$1,095
Impacts	High	Moderate	-	Minimal	None
Institutional Requirements	High	Moderate	-	Complete	High and unknown
Special Considerations	Difficulty acquiring available water rights	Water availability – Interruptible supply	Not a feasible option	Aurora drought restrictions	High risk of no supply in 2022

1. Based on current demand and available raw water under 2010 Raw Water Supply Agreement
2. Includes amortized capital cost as well as annual O&M and replacement costs

4.2 - Selected Alternative

Project description and map:

The selected alternative is obtaining a permanent water supply by agreement with Aurora as described in section 4.1.4. The Aurora alternative provides an adequate, reliable supply at a lower cost that the other alternatives. The District would receive water through the existing Aurora water supply system. Figure 2 shows Aurora's raw water supply network. Water from the South Platte River will be conveyed from Strontia Springs Reservoir, through Aurora's existing tunnel, Rampart Reservoir, and raw water transmission pipelines to the District's existing water treatment facility. The District's treatment facility is already connected to the transmission pipelines, so no new delivery facilities are required, nor are new permits, or agreements required.

4.3 - Cost Estimate

The capital cost for the selected alternative is defined in the 2010 Raw Water Supply Agreement as the connection fee of $6,575 per connected EQR. It is estimated the District will initially connect with approximately 3,400 EQRs, exclusive of the Irrigation Customers. Assuming the current Development and Connection Fee, the cost of supply for 3,400 EQRs will be $22.4M. An additional 285 ac-ft (602 EQRs) will be obtained to provide service to the Irrigation Customers. Pursuant to the current Development and Connection Fee, the cost for the raw water irrigation supply will be $3.9M.

4.4 - Implementation Schedule

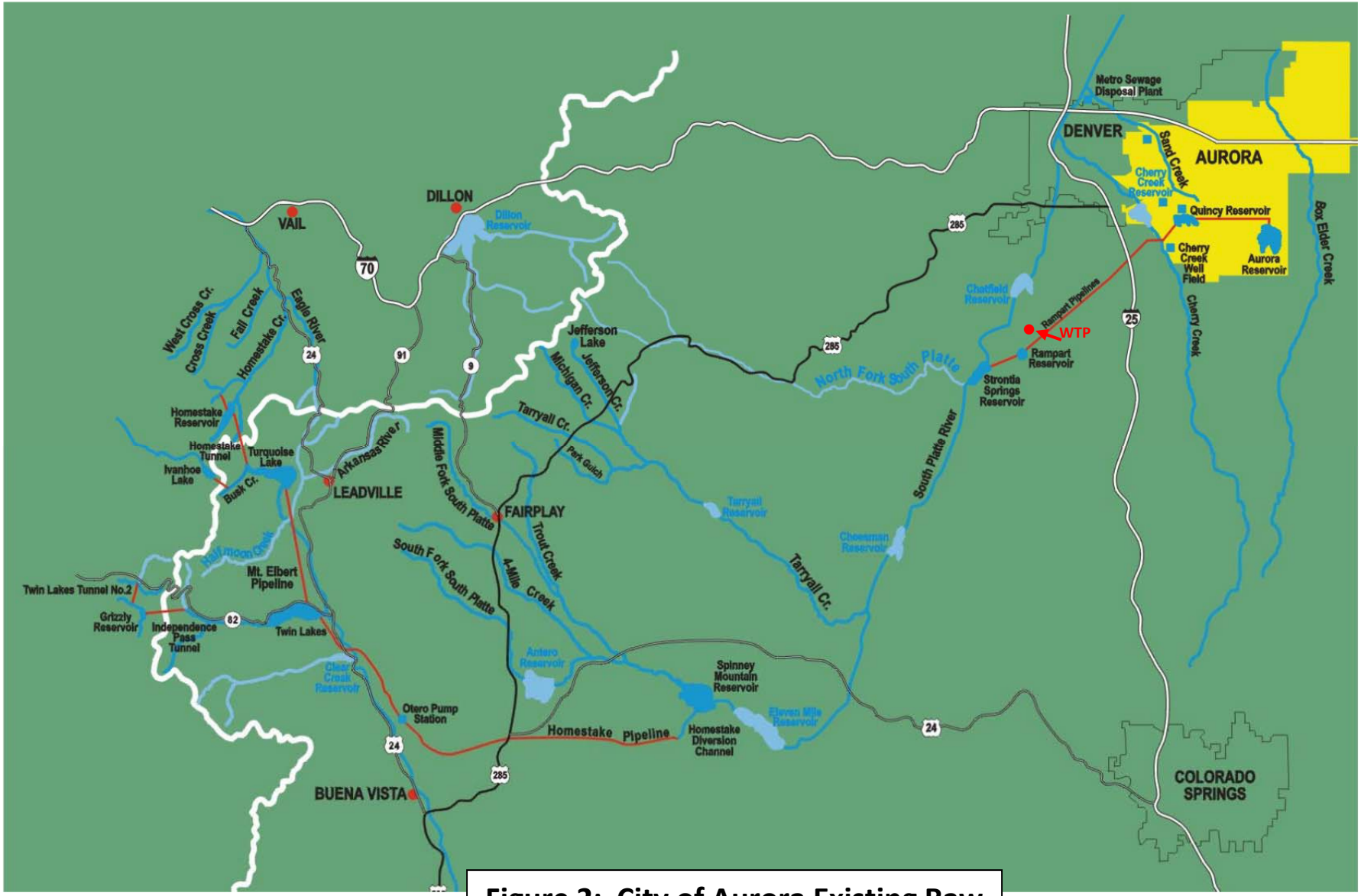
The District is required to implement the Water Supply Agreement by December, 2015, however it is unlikely that waiting until 2015 will be the best option, since the Development and Connection Fee is likely to increase prior to 2015. It is the District's intention to implement the agreement in 2013 to avert potential cost increases.

4.5 - Impacts

Impacts negative to supply, timing and costs, resulting from the selected alternative, are negligible since no new infrastructure is required.

4.6 - Institutional Feasibility

The selected alternative presents no institutional challenges since the 2010 Raw Water Supply Agreement is already in place and no additional permitting or agreements are required.



Source: City of Aurora website. https://www.auroragov.org/

Figure 2: City of Aurora Existing Raw Water Supply Network

5 - FINANCIAL FEASIBILITY ANALYSIS

Loan amount & financing source:

Total project costs based on 3,400 EQRs plus raw water irrigation is $26.3M. Sources of funds for the project include $4.0M of existing District funds, approximately $3.9M of cash contributions by the Irrigation Customers and loan proceeds of approximately $18.3M. Estimated debt payments are calculated at $958,585 per year based on a 30 year, 3.25% loan. A summary of estimated project costs and source of funds is presented in Table 4.

Table 4
Summary of Project Cost and Funding

Project Costs	
Roxborough 3,400 Units	$22,355,000
Roxborough Village	$624,625
Arrowhead Golf Course	$3,333,525
Total Project Costs	**$26,313,150**
Source of Funds	
RWSD Existing Funds	$4,000,000
Roxborough Village Existing Funds	$624,625
Arrowhead Golf Course	$3,333,525
Total Available Funds	**$7,958,150**
Funds Requested	**$18,355,000**
Terms Requested	**30-Years at 3.25% Interest**
Annual Payment	**$958,585**

Funds for loan repayment would be generated from user charges. Based on an annual debt service of $958,585, and 3,400 EQRs, the estimated monthly cost for debt service is $23.49 per EQR.

Revenue and Expenditure Projections:

Appendix E includes the District's adopted 2013 budget as well as the District's revenue and expenditure projections. The 2013 budget was used as the baseline for the projections. Revenues and expenses were inflated 1% per year throughout the

30 year projection period. Revenues include the required $23.49 per EQR for debt service.

Financial Impacts:

The increased user charges required for debt service will have an impact on existing and future customers, however the increases will be acceptable based on industry criteria. United States Environmental Protection Agency (USEPA) affordability criteria indicate the user charges for water are considered affordable if the annual user charge is less than 2.5% of the MHI. Colorado Department for Public Health and Environment (CDPHE) affordability criteria indicate the user charges for water are considered affordable if the annual user charge is less than 1.5% of the MHI. In 2011, the average annual cost for water among District customers was $915 per EQR, or 0.89% of MHI. The 2011 annual cost included a $10/mo/EQR surcharge for water capital projects. Debt service on the proposed loan would require the District to raise user charges $13.49/mo/EQR ($23.49 minus the existing $10 surcharge), or $162/yr. With the increased user charge, the estimated annual cost for water service is $1,077/yr/EQR, an increase of 18% annually, or 1.04% of MHI, which is still well below the most stringent affordability criteria.

TABOR Issues:

Entering into the loan to finance the project will not result in any TABOR issues for the District. As authorized by TABOR, the District has established a water activity enterprise, as defined in Section 37-45.1-102(3), C.R.S., by resolution of the District's Board of Directors dated 6 December 1994. The District provides water service acting by and through its water activity enterprise. The District will enter into the loan by and through its water activity enterprise, and the revenues pledged to repay the loan will be water use charges and fees collected by the enterprise. As such, pursuant to TABOR, the loan will be an enterprise borrowing and will not constitute a multiple fiscal year obligation of the District for which prior voter authorization is required pursuant to TABOR.

In addition, the District is not subject to TABOR's annual spending and revenue limitations, by virtue of a de-Brucing election held on November 6, 2001. At the 2001 election, the District's voters exempted the District from TABOR's spending and revenue limitations.

Copies of the resolution establishing the District's water activity enterprise and the 2001 election question are included at Appendix F.

Collateral:

The loan will be secured as to repayment by a pledge of system revenues from the District, acting by and through its water activity enterprise. The revenue stream will

consist of fees and user charges imposed by the District, acting by and through its water activity enterprise, for the provision of treated and irrigation water within the District's geographic boundaries. It is anticipated that the District, through its water activity enterprise, will covenant to set its water fees and user charges at a level adequate to meet annual principal and interest payments on the loan. In anticipation of the project, the District has instituted a $10 surcharge and plans on instituting an additional $13.49/mo surcharge for repayment of the loan.

Sponsor Creditworthiness:

Financial audits for the last three years, 2009, 2010, and 2011 have been included in Appendix G. In addition, the District's unaudited financial statement, dated November 30, 2012, is included in Appendix H.

6 - CONCLUSIONS AND RECOMMENDATION

Overall feasibility of project:

The basis for the project was previously established by the 2010 Raw Water Supply Agreement, which addressed all of the specific requirements for the project. The project provides the District with an adequate, permanent raw water supply, and final implementation of the project is completely under the control of the District.

Feasibility of Loan Repayment:

Review of financial documents presents a positive picture of the feasibility of loan repayment as noted below:

1. The District has sufficient customer base to support debt service in an affordable manner.
2. The District has already taken steps towards financing the project in the form of the existing capital project surcharge which will be used for debt service on the proposed loan.
3. The District maintains adequate reserves and its ability to make debt service payments is unlikely to be impacted by unforeseen events.

APPENDICES

A. City of Aurora 1972 Lease Agreement

B. City of Aurora – Intergovernmental Agreement for Water Supply, 2010

C. 1971 Roxborough Park Metropolitan District Service Plan
2003 First Amendment to the Service Plan

D. 2005 Description of Meadow Ditch Water Purchase

E. Financial Cost Development and Analysis
Adopted 2013 Budget
RWSD Projected Revenues and Expenditures

F. Certification of November 2001 TABOR Election

G. Financial Audits, 2009, 2010, 2011

H. Financial Statement, November 30, 2012 (Unaudited)

APPENDIX A

City of Aurora 1972 Lease Agreement

A G R E E M E N T

THIS AGREEMENT made and entered into this 1st day of March, 1972 by and between the CITY OF AURORA, a municipal corporation, located in the Counties of Adams and Arapahoe, and in the State of Colorado, hereinafter referred to as OWNER, and the ROXBOROUGH PARK METROPOLITAN DISTRICT, hereinafter referred to as BUYER:

W I T N E S S E T H :

WHEREAS, Buyer desires to obtain from Owner raw water and to lease the old Aurora-Roxborough treatment plant, together with the site located thereon, and

WHEREAS, it is the desire of the parties to enter into an Agreement setting forth the duties and obligations of the parties hereto involving such purchases.

NOW, THEREFORE, in consideration of the foregoing premises and covenants, the promises and payments of each of the parties hereto to be kept and performed by them, the parties hereto hereby agree as follows:

1. Buyer will lease from Owner the old Aurora-Roxborough water treatment plant, together with the site thereof, situate in Section 31, Township 6 South, Range 67 West, Douglas County, State of Colorado, for an annual rental price of One Hundred Thousand Dollars ($100,000), said lease to begin on the 1st day of March, 1972, and to extend for a period of four years, the succeeding year's rental to be due on each anniversary of the commencement of this lease. It is agreed that the treatment plant shall be leased to Buyer on an "as is" basis with the Buyer responsible for placing it in operating condition at its own expense.

2. The term of this agreement shall be for a primary term of twenty-five (25) years, with an option to renew for twenty-five (25) years on the same terms and conditions as contained herein. Nothing in this paragraph shall modify the lease-purchase provisions of the Roxborough Treatment Plant site and improvements thereon.

3. Owner further agrees to furnish to Buyer a plot plan and legal description of the site on which said water treatment plant is located. The plan shall show the existing raw water pipe lines, with easements desired to be retained by the Owner. Buyer agrees to furnish Owner all easements required for existing and reasonably proposed future raw water lines through the proposed site. It is further agreed that the proposed easements shall be adjacent to the existing lines.

4. Owner agrees to deliver to Buyer on the terms and conditions hereinafter contained raw water delivered to a tap on the raw water main within the above-described water treatment site. Owner shall install and maintain the raw water meter and Buyer will furnish the site for the meter vault at a mutually agreed location, together with permanent access to such meter.

5. It is further understood and agreed that the rate for the raw water shall be the sum of thirty-seven cents (37¢) per 1,000 gallons delivered to the above-described tap. This rate shall remain in effect for a period of two (2) years from the date of this Agreement, and thereafter may be adjusted to reflect cost variations as determined necessary by Owner. It is understood that any increase in said rate shall be consistent with and based only upon any increase in Owner's operating and maintenance cost for Homestake water measured to the point of delivery at said treatment plant site. Any determination of a rate increase shall be reflected from an increase in such operating and maintenance cost based on Owner's current 1972 level. Such increase shall not exceed 10% of the then current rate for water in any one year. It is further agreed that, unless modified by further Agreement, Roxborough shall limit its raw water deliveries from Owner to a maximum of 3,100 acre feet per year.

6. It is further agreed that, in the event Buyer shall develop its own water sources, Owner further agrees to transport

RCA
JWL

raw water, owned by Buyer, to Roxborough through the Rampart Tunnel and to deliver this water to the treatment plant or Rampart Reservoir at a price of ten cents (10¢) per 1,000 gallons. It is further understood and agreed that this provision shall be effective for raw water to be used on the golf course or for municipal water above the 3,100 acre feet per year as set forth in paragraph 5 above. The commitment by Owner to transport raw water under the provisions shall be limited to 3,700 acre feet (which includes the 3,100 acre feet per year set forth above), unless Buyer is able to transfer to Owner, at Buyer's cost, additional raw water supply.

7. It is agreed that Owner shall not place any limit on Buyer for raw water withdrawal quantities for the first three years of this Agreement. Thereafter on or before June 1, 1975 and on the 1st day of June of each year thereafter, Buyer shall determine the number of taps existing on said date, gallons of water used during the preceding year ending June 1st, and the number of days of taps in use during said year and transmit such information to Owner. During peak demand periods Buyer shall operate its plant and facilities so as to limit its raw water withdrawal rates to no more than 1.2 times the average daily consumption. This amount shall be determined by dividing the total number of gallons used for the preceding year by the total number of taps in existence on June 1st of each year times the number of days of use of each tap during the year, divided by 365 days.

8. It is further agreed that Buyer will purchase the raw water and deliver it for use within the Roxborough Park Metropolitan District. The Woodmoor Corporation, developer of Roxborough Park, may acquire additional land in the Roxborough vicinity. This land, if annexed to Roxborough Park, shall also be served with water providing the total water demand shall not exceed 3,100 acre feet per year. It is further understood that some nearby developments have indicated the possible desirability of also obtaining finished water from the Roxborough Park Metropolitan District. If Buyer desires to serve these areas, Buyer shall apply to Owner and service shall be contingent upon the approval

of Owner, as to the extension of the service area and upon commitment of additional raw water.

9. This Agreement contemplates the furnishing of water outside the city limits of the City of Aurora, and it may become necessary for the Owner to limit the use of water inside the City of Aurora. In such case, the Owner may similarly limit the use of water to Buyer under this Agreement. Any such limitation within the City shall be within the sole discretion of the Owner, and such determination of limitation by the Owner shall be based on valid reasons and shall further be based upon a curtailment of service to meet the lease serious situation and any succeeding curtailments or limitations being adopted successively to meet more serious situations as they may develop. Such restrictions, as nearly as possible, shall be taken in the following order:

a. Restriction of uses which can be accomplished without serious injury to persons or property and prohibition of non-essential uses.

b. Prohibition of irrigation, except for commercial greenhouses.

c. Prohibition of every use, except domestic use and for essential commercial enterprises, industry and fire protection.

d. Prohibition of all uses, except domestic uses and fire protection.

10. It is further understood and agreed that, if it is necessary to obtain approval for any changes to the Roxborough Park Metropolitan District service plan, this contract is contingent upon receiving such approval from the Douglas County Board of Commissioners.

11. Owner shall read the meter, once a month, and shall bill Buyer for the amount of raw water run through its meter

PGH

JWL

during the month at the rate of thirty-seven cents (37¢) per 1,000 gallons, and for any increase made in accordance with the provisions set forth in paragraph 5. above. Buyer further agrees to pay Owner the amount of such statements within fifteen (15) days after receipt thereof. In a like manner in the event of transportation of water developed by Buyer, such raw water will be metered and Buyer shall be billed by Owner on a monthly basis for the volume of Buyer's raw water transported through Owner's tunnel. Buyer agrees to pay such statements within fifteen (15) days after receipt thereof.

12. It is further understood that Owner may recapture any of Buyer's unused water after Buyer has ceased to exercise dominion over such unused water and said water has been released from Buyer's premises.

13. In consideration of the payment of Ten Dollars by Buyer to Owner, Owner hereby gives and grants to Buyer an option to purchase the treatment plant above described, together with an assignment of all easements and pipelines appurtenant thereto, at any time during the life of this lease, for the agreed sum of Four Hundred Thousand Dollars ($400,000). All rental payments shall apply on the purchase price. Conveyance shall be by warranty deed.

14. During the life of this lease, Owner shall indemnify Buyer against any claims by any third party that the property is not subject to lease or assignment to Buyer.

15. This Agreement, when executed, shall inure to the benefit of and be binding on the successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties hereby have hereunto placed their hands and seals the day and year first above written.

CITY OF AURORA - OWNER

By Paul C Bauer

ATTEST:

Frank J. Kastoy

ROXBOROUGH PARK METROPOLITAN DISTRICT - BUYER

By John W. Bice

ATTEST:

THIS AGREEMENT made and executed this 11th day of August, 1980, by and between the CITY OF AURORA, a municipal corporation located in the Counties of Adams and Arapahoe, State of Colorado (hereinafter referred to as "Aurora"), and ROXBOROUGH PARK METROPOLITAN DISTRICT, a quasi-municipal corporation located in the County of Douglas, State of Colorado (hereinafter referred to as "RPMD").

WITNESSETH:

WHEREAS, on or about the 1st day of March, 1972, Aurora and RPMD entered into an Agreement providing, inter alia, for the purchase by RPMD of raw water from Aurora during the term of the Agreement;

WHEREAS, certain terms and conditions as contained in said Agreement within Paragraph 7 thereof create numerous problems in interpretation and application;

WHEREAS, the parties hereto have discussed the advisability of effecting amendments to said Paragraph 7 for the purposes of clarification; and

WHEREAS, the parties hereto have agreed upon clarifying language to be utilized in substitution for the existing language contained within said Paragraph 7.

NOW THEREFORE, in consideration of the premises, the mutual terms and conditions contained herein, and the payment of Ten Dollars ($10.00) and other good and valuable consideration by RPMD to Aurora, the parties hereto hereby agree as follows:

1. Amendment of Prior Agreement: Paragraph 7 of the Agreement referred to hereinbefore is hereby amended in its entirety, and as amended, reads as follows:

> It is agreed that Owner shall not place any limit on Buyer for raw water withdrawal quantities for the first three years of this Agreement. Thereafter, on or before June 1, 1975, and on the 1st day of June of each year thereafter, Buyer shall determine the number of taps existing on said date, gallons of water used during the preceding year ending June 1st and the number of days of taps in use during said year and transmit such information to Owner. During peak demand periods Buyer shall operate its plant and facilities so as to limit its raw water withdrawal rates to no more than 1.2 times the anticipated daily consumption. The intent of this provision is that, rather than supplying its peaking demands directly with raw water withdrawals, the District shall provide treated water storage facilities in order to supply hourly demand rates which exceed the daily demand rates.

2. Effect of Amendment on Other Provisions: All other terms and conditions contained within said Agreement shall remain unaltered and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

CITY OF AURORA

By: _____
DENNIS CHAMPLINE, Mayor

ATTEST: _____
GAIL C. JOHNSTON, Deputy City Clerk

ROXBOROUGH PARK METROPOLITAN DISTRICT

ATTEST: _____

By: _____

ASSIGNMENT OF CONTRACT RIGHTS

THIS ASSIGNMENT, made this 19 day of January, 198 2, between William C. Lam, as the duly appointed Trustee of the Estate of The Woodmoor Corporation, Bankrupt, of 445 Union Blvd., Suite 102, Lakewood, Colorado 80228 and Roxborough Park Metropolitan District of 7070 Puma Trail, Littleton, Colorado 80125,

WITNESSETH:

WHEREAS, the said Woodmoor Corporation was duly adjudged bankrupt by the District Court of the United States for the District of Colorado upon a petition filed in said Court on the 18th day of July, 1975; and

WHEREAS, William C. Lam, the Trustee as aforesaid, by virtue of the power to him granted by said Court on the 3rd day of December, 1981 has been authorized to assign to the Roxborough Park Metropolitan District all of the rights and interest which the Trustee has under a certain Agreement dated March 1, 1972, between the City of Aurora, Colorado, and the Roxborough Park Metropolitan District to the Roxborough Park Metropolitan District and said assignment has been approved by said Court. A copy of the Agreement is attached hereto as Exhibit A and incorporated herein by this reference.

NOW THEREFORE, under and pursuant to the power and authority granted to him by the Court and in his capacity as Trustee of The Woodmoor Corporation, Bankrupt, the Trustee does hereby assign unto the Roxborough Park Metropolitan District all right, title and interest in and to the Agreement attached hereto as Exhibit A, to have and to hold the same, with all the privileges and powers thereunto belonging, to the Roxborough Park Metropolitan District and its assigns forever.

In consideration of the Trustee's assignment to the Roxborough Park Metropolitan District, the Roxborough Park Metropolitan

District has paid to the Trustee Two Hundred Dollars ($200), and the Trustee does hereby acknowledge the receipt and sufficiency of the consideration for the assignment.

IN WITNESS WHEREOF, the parties have hereunto set their hand and seal the day and year first above written.

William C. Lam

William C. Lam, Trustee of The Woodmoor Corporation, Bankrupt, and not individually.

STATE OF COLORADO)
) ss.
COUNTY OF)

Subscribed and sworn to before me this 10th day of December, 1981.

Witness my hand and official seal.

My Commission expires: 4/4/82

[SEAL]

Eva Jean Phelps
Notary Public
Address: 445 Union Blvd. #102, Lakewood, Colo.

ROXBOROUGH PARK METROPOLITAN DISTRICT

By Frederic S. Seckler
President

STATE OF COLORADO)
) ss.
COUNTY OF)

Subscribed and sworn to before me this 21st day of January, 1982.

Witness my hand and official seal.

My Commission expires:

[SEAL]

Lynn L. Weitzel
Notary Public
Address:

5359 West Roxbury Place
Littleton, Colorado 80123

AGREEMENT

THIS AGREEMENT, made and entered into this 1ST day of ~~February~~ MARCH, 1972, by and between the CITY OF AURORA, a municipal corporation, located in the Counties of Adams and Arapahoe, and in the State of Colorado, hereinafter referred to as AURORA, and THE WOODMOOR CORPORATION, of Monument, Colorado, a Colorado corporation, hereinafter referred to as WOODMOOR,

WITNESSETH:

WHEREAS, Woodmoor holds a certain lease and option from Dorothy Hugine on 65 inches of water in Last Chance Ditch Company evidenced by 13 shares of the preferred stock of said Company, copy of which lease and option is attached hereto as Exhibit "A," and

WHEREAS, Aurora desires to purchase said stock from Woodmoor in the event Woodmoor acquires the same,

NOW, THEREFORE, in consideration of the premises, and of the payment of the sum of $10.00 by Aurora to Woodmoor, it is agreed by and between the parties hereto as follows:

1. Aurora agrees to buy, and Woodmoor agrees to sell, at such time as Woodmoor acquires title thereto, said 65 inches of water in the Last Chance Ditch Company for the agreed sum of $78,000.00.

2. Aurora, at its sole expense, shall, at such time as it elects, cause the point of diversion of such water to be changed to the inlet of the Rampart Tunnel.

3. Until a final decree has been entered on such application for change of point of diversion, Aurora agrees to transport, at a charge of 10¢ per 1,000 gallons, through said Rampart Tunnel, said 65 inches of water, whenever the same is available under the decrees awarded to the Last Chance Ditch. After purchase of said shares by Aurora, no charge shall be made by Aurora to Woodmoor. After the entry of a final decree in said

application for change of point of diversion, the amount so diverted shall be equivalent to the amount of water permitted to be transferred to the inlet of the Rampart Tunnel.

4. Woodmoor may assign this Agreement and the rights and obligations thereunder to Roxborough Park Metropolitan District, in which event, the purchase price due from Aurora to Woodmoor may be credited, in equal annual installments, without interest, on any sums due by Roxborough Park Metropolitan District under a lease and option entered into between Aurora and Roxborough Park Metropolitan District entered into contemporaneously herewith.

5. This Agreement, when executed, shall inure to the benefit of and be binding on the successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties hereto have hereunto placed their hands and seals the day and year first above written.

CITY OF AURORA

By _____

ATTEST:

_____

THE WOODMOOR CORPORATION

By _____

ATTEST:

_____

APPENDIX B

City of Aurora – Intergovernmental Agreement for Water Supply, 2010

INTERGOVERNMENTAL AGREEMENT FOR WATER SUPPLY
BETWEEN THE ROXBOROUGH WATER AND SANITATION DISTRICT, ACTING BY
AND THROUGH ITS WATER ACTIVITY ENTERPRISE AND
THE CITY OF AURORA, ACTING BY AND THROUGH
ITS UTILITY ENTERPRISE

THIS INTERGOVERNMENTAL AGREEMENT ("IGA") is executed this 20th day of Dec., 2010, by and between the Roxborough Water and Sanitation District, previously known as Roxborough Park Metropolitan District, acting by and through its Water Activity Enterprise ("District" or "Roxborough"), and the City of Aurora, acting by and through its Utility Enterprise, ("Aurora") (jointly "Parties"). The Execution Date of this IGA, inserted above is the date the last Party executed this document. While this IGA is binding upon the Parties as of the Execution Date, the Parties' performance pursuant to this IGA will commence on the Effective Date which is the fifth anniversary date of Execution Date ("Effective Date"), unless the District makes a selection to implement the terms and conditions set forth under Article 1 hereof or makes a selection of its preferred water delivery alternative as provided in Article 2 hereof, sooner than the fifth anniversary of the Execution Date, in which event the date of receipt by Aurora of the District's selection shall be deemed to be the New Effective Date.

WITNESSETH

WHEREAS, This IGA is entered into pursuant to C.R.S. 29-1-201, *et seq*. with each of the Parties a political subdivision of Colorado and with Roxborough a Special District organized and existing pursuant to the provisions of C.R.S. 32-1-101, *et seq*. whose current location and boundaries are described in the attached Exhibit 1 and Aurora a home rule city pursuant to Article XX of the Colorado Constitution acting by and though its Utility Enterprise; and

WHEREAS, the Parties entered into that certain Agreement dated March 1, 1972, which agreement was amended by that certain Agreement dated August 11, 1980 (collectively the "1972 Lease as modified"), whereby Aurora *inter alia* leased to the District raw water; and

WHEREAS, The Woodmoor Corporation by an Agreement dated March 1, 1972 ("Stock Sale Agreement") between itself and Aurora agreed to the sale of certain mutual ditch company stock to Aurora and subsequently by that certain Assignment of Contract Rights dated January 19, 1982 the rights of the Woodmoor Corporation in the Stock Sale Agreement were transferred to Roxborough; and

WHEREAS, pursuant to the 1972 Lease as modified the term thereof was extended through March 1, 2022; and

WHEREAS, Roxborough presently supplies some of the water obtained from the 1972 Lease as modified to irrigate the public park known as the Village at Roxborough ("VaR") (location described in Exhibit 2) and to irrigate the Arrowhead Golf Course ("AGC") (location described in Exhibit 3): and

**#2011030433, 05/16/2011 at 02:58:30 PM,
1 OF 30,Rec Fee $156.00
Douglas County CO Jack Arrowsmith,
Clerk & Recorder**

WHEREAS, Roxborough joined the South Metro Water Supply Authority ("Authority") in 2002 with the express purpose of exploring solutions to its long-term water supply needs; and

WHEREAS, the Authority entered into a Memorandum of Understanding on November 20, 2008, with Aurora and the City and County of Denver, acting by an through its Board of Water Commissioners ("Denver Water"), to implement a cooperative study to identify water resources, including infrastructure, that might be available for a joint water supply project to facilitate efficient and cost-effective delivery of water to a variety of users; and

WHEREAS, Aurora, Denver Water and the Authority entered into an Intergovernmental Agreement dated May 13, 2009, regarding the joint acquisition of water rights and infrastructure to be used within a regional water supply project and forming the Water, Infrastructure and Supply Efficiency Partnership ("WISE" or "WISE Partnership"), but that agreement acknowledges that Aurora and Roxborough may conduct other discussions or conclude other agreements; and

WHEREAS, the Parties now wish to enter into this IGA whereby Aurora commits to a perpetual supply of raw water to the District, and which sets forth all of the duties and obligations of the Parties concerning this agreement unless mutually agreed and later revised pursuant to a superseding agreement between the Parties,

NOW THEREFORE, in consideration of the mutual promises and benefits described herein, the adequacy and sufficiency of which are hereby acknowledged, Aurora and Roxborough hereby agree as follows:

Article 1
New Water Supply Agreement

1.1 Term and Superseding of Previous Agreements. The primary term of this IGA shall be ninety (90) years from the Effective Date or, if applicable, the New Effective Date as described in this paragraph 1.1, and shall automatically and continuously renew thereafter for additional ninety (90) year periods, on the same terms and conditions as contained herein. Roxborough may select to implement the terms and conditions set forth under Article 1 of this IGA prior to the fifth anniversary date of the Execution Date. If Roxborough makes such selection Roxborough shall notice its selection to Aurora pursuant to paragraph 3.1 below and the date of receipt of the selection by Aurora will become the New Effective Date. Upon the Effective Date or New Effective Date, the 1972 Lease as modified and Roxborough's assigned interest in the Stock Sale Agreement shall be null and void, with all terms therein superseded by this IGA. Thereafter, to the extent permitted by law, Roxborough, *inter alia*, shall hold Aurora harmless from any claim by Woodmoor Corporation or any successor of Woodmoor Corporation in any way related to the Stock Sale Agreement.

1.2 Decisions of VaR and AGC to Continue Obtaining Water from Roxborough. Roxborough acknowledges that as of the Execution Date it has communicated the contents of this IGA to the owners of VaR and AGC. Roxborough agrees with Aurora that if Roxborough is to continue to provide water that will be supplied under this IGA to either or both VaR or AGC

beyond the Effective Date or the New Effective Date, that Roxborough may only do so consistent with all of the volume limitations and other terms and conditions contained within this IGA and only if either or both VaR and AGC enter into a written agreement(s) with Roxborough on or prior to the Effective Date or the New Effective Date, which agreement(s) must be consistent with this IGA, (such agreements with either or both VaR and AGC are hereinafter respectively referred to as the "VaR Supply Agreement" and the "AGC Supply Agreement").

1.3 Total Water Delivery and Location of Use. Aurora agrees to deliver raw water to Roxborough pursuant to the terms and conditions set forth in this Article 1. Roxborough acknowledges and agrees the total water delivery by Aurora, to Roxborough and all parties that may receive water by or through Roxborough, who are those within the boundaries of Roxborough plus the VaR property if the VaR Supply Agreement has been executed and the AGC property if the AGC Supply Agreement has been executed, will be limited for all time to a maximum of 2,150 acre feet per year; provided that the rate of flow of such water delivery shall not exceed 6 MGD, including flows for the VaR and AGC if Supply Agreements are executed. If the VaR Supply Agreement is not executed, the 2,150 acre-feet per year maximum will be reduced by 50 acre-feet per year and if the AGC Supply Agreement is not executed the 2,150 acre-feet per year maximum will be reduced by 300 acre-feet per year. If the VaR Supply Agreement is executed for less than 50 acre-feet per year, the 2,150 acre-feet per year maximum will be reduced by the difference between 50 acre-feet per year and the acre-feet required per the VAR Supply Agreement. If the AGC Supply Agreement is executed for less than 300 acre-feet per year, the 2,150 acre-feet per year maximum will be reduced by the difference between 300 acre-feet per year and the acre-feet required per the AGC Supply Agreement. However, should demand by Roxborough, including the VaR and AGC be less than 2,150 acre-feet in any year, (or any reduced amount resulting for either or both VaR and AGC not executing Supply Agreements) Aurora will only deliver such lesser amount in such year. Roxborough agrees it will use the water supplied by Aurora exclusively for use only within the boundaries of Roxborough including the VaR and AGC as described in Exhibits 1, 2 and 3. While additional land may be included within the boundaries of the District as of the Execution Date or at anytime thereafter, the total water delivery by Aurora shall never exceed 2,150 acre feet per year. The maximum 2,150 acre-foot annual cap (or any reduced annual cap resulting from either or both VaR and AGC not executing Supply Agreements or executing such Supply Agreements at reduced levels described in this paragraph 1.3) on deliveries applies in all circumstances regardless of any excess demand by Roxborough including the VaR and AGC as may be applicable.

1.4 Water Quality. The City of Aurora makes no representation or warranty as to the quality of water delivered under this IGA; provided that any raw water delivered under Article 1 of this IGA is deliverable at the South Platte River above the Chatfield Reservoir.

1.5 Declaration of Restrictions. This IGA contemplates the furnishing of water outside the city limits of the City of Aurora. However, it may become necessary for Aurora to limit or restrict the use of water inside the currently defined Aurora service area. In such case of any restrictions within the City of Aurora, the District agrees it shall impose the same or more stringent water-use limits or restrictions on all of its customers and the entire service area permitted by this IGA including, as applicable, the VaR and AGC Any such limitation or

restriction imposed within the City of Aurora shall be at the sole discretion of Aurora, and such determination of same shall be based on valid reasons and approved by the City's governing body, its City Council. Aurora's limitations or restrictions will be in compliance with the applicable annual Water Management Plan, which is adopted by Aurora's City Council each year no later than April 30, and the associated Drought Contingency Plan. Both annual Water Management Plan and the Drought Contingency Plan will be made available to the District upon request. The District acknowledges that modifications may be made periodically throughout any year by Aurora to the Water Management Plan and those modifications may result in more stringent restrictions.

1.6 No Reuse of Delivered Water. It is agreed that all water provided to Roxborough by Aurora pursuant to this IGA will be treated as single-use only. Any and all rights for successive use, re-use, and use to extinction are reserved by Aurora. If Aurora pursuant to this IGA, at its discretion, delivers any reusable water to Roxborough, it is further agreed that Aurora may recapture any of the return flows from Roxborough's initial use of that reusable supply, including as applicable, use by VaR and AGC. The Parties acknowledge that the District's wastewater flows, which will include the majority of the water delivered by Aurora pursuant to this IGA, are treated and discharged at the Littleton-Englewood Wastewater Treatment Facility; and further the District warrants and represents, that pursuant to that certain Sewer Service Agreement entered into between the District and the City of Littleton, Colorado, dated September 7, 2004, the City of Littleton has no rights in any return flows from wastewater delivered from the District. Further Roxborough agrees to provide reasonable access to its property and facilities including, as applicable, VaR and AGC, as may be required for Aurora to obtain this reusable water. In no instance shall Roxborough, including as applicable VaR and AGC, be allowed multiple use of any water supplied under this IGA.

1.7 Treatment Facility. The Parties agree that under the 1972 Lease as modified, the District had an option to purchase the so-called Aurora-Roxborough water treatment plant situate in Section 31, Township 6 South, Range 67 West, Douglas County, located near the District boundaries, together with an assignment of all appurtenant easements and pipelines. This purchase could be made at any time during the term of the 1972 Lease as modified, for the agreed upon sum of Four Hundred Thousand Dollars ($400,000). The District acknowledges that it exercised that option in 1972 and that title thereto was conveyed by Aurora. The facility is now known as the Roxborough Water Treatment Plant ("RWTP").

1.8 Raw Water Delivered By Aurora - Treatment At RWTP. It is agreed the RWTP is in need of replacement or significant rehabilitation. In the event that Roxborough decides to replace or repair the existing facility, Aurora may, at its discretion, participate in such replacement or repair and/or option for capacity in the Plant under a separate agreement. Should Roxborough desire to include other parties in the replacement or repair of the RWTP, those parties shall be allowed to do so with full recognition of Aurora's participation option, described in this paragraph 1.8.

1.9 Delivery. Aurora agrees to deliver to the District, on the terms and conditions hereafter contained, up to the maximum specified amount of raw water to a tap that is currently located within the RWTP site and to a tap currently located at a location near the existing Rampart

Reservoir, from which the District serves the AGC and VaR. Aurora will maintain raw water meters at these taps within existing vaults that have been supplied by the District. Aurora will continue to maintain these meters and Aurora shall have permanent access to such vaults and meters.

1.10 Rate. It is agreed that the initial rate to be paid by Roxborough to Aurora will be $3.77 per 1,000 gallons of water delivered to the aforementioned meter by Aurora. This rate is based upon 2010 raw water service rate developed through a cost of service model and City Council policy applicable to the provision of service out of the City boundaries. Following the Execution Date of this IGA, that rate shall increase annually in an amount equal to seventy percent (70%) of the percentage increase in Aurora's treated water user rates charged within its service area. The rate applicable at the Effective Date or the New Effective Date will be the 2010 baseline of $3.77 per thousand gallons as adjusted to reflect applicable rate increases described in this Paragraph 1.10 which have occurred between the Execution Date and Effective Date or between the Execution Date and the New Effective Date, as applicable. The District will be notified of such increase no later than December 15th and the increase will take effect on January 1st of the year immediately following.

1.11 Billing. Aurora shall read the meters described in paragraph 1.9, above once a month and shall bill the District for the amount of raw water run through its meters during the preceding month at the applicable rate. The District further agrees to pay Aurora the amount of such statements within fifteen (15) days after receipt thereof.

1.12 Development and Connection Fee. Upon the Effective Date or New Effective Date as applicable of this IGA, the District will pay Aurora a Development and Connection Fee ("Fee") at the 2010 rate of $6,575 per residential equivalent unit ("REU") within the District's boundaries as escalated by the cumulative percentage increases in the City of Aurora's water fund development fee during that time between the Execution and Effective Dates. This rate is based upon the calculated raw water development fee for Roxborough. The Parties agree there will be a maximum of 4,539 REU which include 3,800 residential units for the District, 106 units for VaR and 633 units for AGC, at full District build-out, provided both VaR and AGC execute Supply Agreements. Currently, the District is at 3,376 residential, 106 VaR units and 633 AGC units, for a total of 4,115 REU. For every year after the year of execution, the District will report to Aurora all additional REUs developed that year, on or before February 1 of the following year. The District will pay a Fee, on or before March 1 of such year, for each additional REU up to the maximum build-out number of 4,539 if VaR and AGC execute Supply Agreements at the then applicable rate as adjusted for any additional increases in the City of Aurora's water fund development fee since the Execution Date. Regardless of the number of REU existing at any particular time, the additional fee for the build-out maximum of 4,539 REU must be paid to Aurora in total if in any year Aurora delivers a total 2,150 acre-feet per year of water to Roxborough. The District will be notified of the succeeding year's water fund development fee increase, if any, no later than December 15 of the prior year. The 4,539 REU and 2,150 acre-feet number are subject to reductions if VaR and AGC do not execute Supply Agreements.

Article 2

Scope of Future Revisions

2.1 Future Revisions Concerning Alternative Delivery Scenarios. The following subparts of this Article 2 discuss the scope of possible future potential agreement(s) between the Parties, and WISE and/or others, involving variations or alternative means of delivery of a maximum of 2,150 acre-feet water per year to Roxborough (subject to reduction if VaR and AGC do not execute Supply Agreements or execute such Supply Agreements at reduced levels as described in paragraph 1.3). The Parties will have the opportunity to negotiate for and enter into such agreement(s) for a period of five (5) years from the date of final execution of this IGA. If Roxborough shall select, on or prior to the fifth anniversary date of the Execution Date, Alternative A or Alternative B as further described in Article 2, then Roxborough shall notice its selection to Aurora pursuant to paragraph 3.1 below and the date of receipt of the selection by Aurora will become the New Effective Date. At the time of Roxborough's notice to Aurora, regardless of which means of delivery is chosen, Roxborough shall indicate whether the VaR and the AGC properties will be provided water by Roxborough as permitted by this IGA, and if so, Roxborough shall indicate the number of acre feet required for such properties. Following receipt of such notice by Aurora, neither the VaR nor the AGC properties may receive a greater amount of water than indicated in the above described notice without the prior written discretionary consent of Aurora.

2.2 New Effective Date. Upon notice to Aurora of such alternative selection described under this Article 2, and upon satisfaction of all payment obligations required hereunder, the use of such selected alternative will be instituted pursuant to the applicable terms and conditions set forth hereunder. In the event other variations or alternatives for the delivery of up to a maximum of 2,150 acre-feet of water per year become available, the Parties may agree, by amending this IGA, to institute the use of such other variation or alternative.

2.3 Alternative A – Raw Water Delivered By Aurora - Treatment By Denver Water. The Parties acknowledge that discussions are on-going regarding possible treatment by Denver Water at its Foothills Treatment Plant of the raw water to be supplied by Aurora to Roxborough as described in Article 1 of this IGA. Denver Water's future capital plans include an expansion or addition to the capacity at said facility that may allow for additional service to others. Any such treatment by Denver Water of the raw water to be provided by Aurora to the District pursuant to Article 1 of this IGA shall be subject to a treatment agreement between the District and Denver Water. Should these discussions result in a treatment agreement, and the RWTP is to be abandoned, the District shall consult with and give Aurora a ninety (90) day Right of First Refusal in the acquisition of the RWTP and its site.

2.3.1 Alternative A – Delivery. The location of deliveries of raw water under this IGA by Aurora to Denver Water for treatment shall be determined after necessary infrastructure and connections to the Foothills Treatment have been identified.

2.3.2 Alternative A – Rate. It is agreed that the rate to be paid by Roxborough for raw water supplied by Aurora and to be treated by Denver Water will be charged as described in paragraph 1.10 described above plus any additional charges imposed by Denver Water for

such arrangement, unless superseded through an amendment or new delivery agreement mutually acceptable to the Parties.

2.3.3 Alternative A – Billing. As part of the determination of the necessary infrastructure to implement Alternative A, the District and Denver Water shall include such meters as are necessary to permit Aurora to monitor the amount of raw water delivered to the location(s) contemplated in paragraph 2.3.1, above. Aurora shall read the meters once a month and shall bill the District for the amount of raw water run through such meter(s) during the preceding month at the applicable rate. The District further agrees to pay Aurora the amount of such statements within fifteen (15) days after receipt thereof.

2.3.4 Alternative A – Development and Connection Fee. The Alternative A – Development and Connection Fee shall be calculated as described in paragraph 1.12.

2.3.5 Alternative A - Obligations of the Parties. The Parties acknowledge that, should Roxborough select Alternative A, Aurora and the District shall continue to be obligated to one another under Article 1 of this IGA, except as otherwise provided under paragraphs 2.3 through 2.3.4 of this IGA.

2.4 Alternative B – WISE Partnership. As described above, a fundamental concept of the WISE Partnership is promotion of the beneficial use of possible underused capacity, if any may arise from time to time, in Aurora's Prairie Waters Project and the East Cherry Creek Valley Water & Sanitation District's Western Pipeline, combined with the beneficial use by members of the Authority of water supplies found in excess to the immediate needs of Aurora and Denver Water. Engineering studies conducted by WISE have demonstrated a potential for permanent, though interruptible, water deliveries to members of the Authority, including the District, utilizing such unused capacity and excess water supplies.

2.4.1 Alternative B - Contemplated Delivery Amounts and Associated Infrastructure. The Parties agree the amount of water that may be delivered by WISE depends, in part, on the amount of additional infrastructure that is developed in the future. Engineering studies have shown that significant additional infrastructure needs to be developed in order to realize the full water delivery potential shown in the studies.

2.4.2 Alternative B - Additional Studies. The Parties acknowledge that, dependent upon the development of significant additional infrastructure, the District may be served through WISE. This service anticipates that there is delivery of treated water to the District, at terms to be set forth in a long-term agreement between the WISE participants. The WISE participants recognize the need to more fully define, for purposes of a potential long-term agreement: (i) the exact timing and sequencing of new infrastructure associated with a WISE joint project; (ii) the nature and extent of financial commitments to such infrastructure by each individual entity; (iii) the future ownership interests of the respective entities in such infrastructure; and (iv) the interruptible nature of the WISE supplies.

2.4.3 Alternative B - Obligations of the Parties. The Parties acknowledge that, should Roxborough select Alternative B for its future water supply delivery, this IGA will be replaced by such alternative agreement and Aurora and the District will have no continuing or

further obligations to one another under this IGA, the 1972 Agreement as modified, or the Stock Sale Agreement.

Article 3
General Provisions

3.1 Notice. For purposes of notice pursuant to this IGA the Parties' representatives shall be:

For the District: Manager, Roxborough Water and Sanitation District
6222 North Roxborough Park Road
Littleton, CO 80125

For Aurora: Deputy Director, Water Resources
Aurora Water
15151 E. Alameda Parkway, #3600
Aurora, CO 80012

Any notices required or permitted to be given hereunder shall be in writing and shall be deemed given when given personally or sent by certified or registered mail, return receipt requested, postage prepaid. Either party hereto may designate a new address by giving written notice thereof to the other party hereto in the aforesaid manner. Notice shall be effective upon receipt.

3.2 No Assignment or Delegation. Neither party may assign its rights nor delegate its duties hereunder without the prior written consent of the other.

3.3 Indemnification. To the extent it lawfully may, the District shall defend, indemnify, and hold harmless, Aurora and its officers, agents, and employees against any liability, loss, damage, demand, action, or cause of action of third party which may occur as a result of the delivery of water by Aurora under this IGA, except as to any portion of negligence judicially determined to be caused by Aurora. This includes but is not limited to, any damages which may result from the transportation of water under this IGA by means of any water carriage facilities or existing or future infrastructure. No provision of this IGA shall be construed as a waiver or release of the immunities, limitations, or defenses afforded to Aurora or the District under the Colorado Governmental Immunity Act.

3.4 Amendments. Amendments to this IGA shall only be effective if entered into with the same formality as this IGA.

3.5 Venue and Governing Law. The forum for resolution of any dispute resulting in litigation regarding this IGA shall be the District Court for the County of Arapahoe. This IGA shall be governed by and construed under the laws of the State of Colorado.

3.6 Waiver of Rights. The failure of either party to exercise any right under this IGA shall not be deemed a waiver of such party's right and shall not affect the right of such party to exercise at some future time the right or rights or any other right it may have under this IGA.

3.7 Headings and Captions. The headings and captions in this IGA are for convenience of reference only, are not part of this IGA and shall not define or limit any of the terms or provisions hereof.

3.8 Failure to Perform Due to Force Majeure. Subject to the terms and conditions in this paragraph, no party to this IGA shall be liable for any delay or failure to perform under this IGA due solely to conditions or events of force majeure, as that term is specifically defined herein; provided that: (i) the non-performing party gives the other party prompt written notice describing the particulars of the occurrence of the force majeure; (ii) the suspension of performance is of no greater scope and of no longer duration than is required by the force majeure event or condition; and (iii) the non-performing party proceeds with reasonable diligence to remedy its inability to perform and provides weekly progress reports to the other party describing the actions taken to remedy the consequences of the force majeure event or condition. As used herein force majeure shall mean any delay or failure of a party to perform its obligations under this IGA caused by events beyond the party's reasonable control and without the fault or negligence of the party, including, without limitation (a) acts of God, (b) sudden actions of the elements such as floods, earthquakes, rock slides, avalanches, hurricanes, or tornadoes, (c) sabotage, (d) vandalism beyond that which can be reasonably prevented by the party, (e) terrorism, (t) war, (g) riots, (h) fire, (i) explosion, (j) severe cold or hot weather, (k) extreme snow, (l) drought such that Aurora determines that a Stage III Water Availability Condition Response (or more severe) exists as said Stages are described in the Aurora Water 2010, and subsequently adopted Water Management Plan), (m) blockades, (n) insurrection, (o) strike, slow down or labor disruptions (even if such difficulties could be resolved by conceding to the demands of a labor group), (p) changes of law relating to financial obligations, revenues and budgetary matters concerning Colorado local governments and their enterprises, (q) actions by federal, state, municipal, or any other government or agency [including but not limited to, the adoption or change in any rule or regulation, compact calls, revised compact administration or environmental constraint, imposed by, or in any contract with, any federal, state or local government bodies] but only if such requirements, actions, or failures to act prevent or delay performance, (r) changes in state or federal law or administrative practice concerning water rights administration, water storage, water quality or stream flow requirements, and (s) inability, despite due diligence, to obtain required licenses, permits or approvals.

3.9 Enforcement. This IGA may be enforced in law or equity, by a decree of specific performance, damages, or such other legal and equitable relief as may be available to a party.

3.10 Defense Against Third Parties. In the event of litigation by any third party concerning this IGA, and to the extent permitted by law, the Parties agree to jointly defend any such third party action.

3.11 No Third Party Beneficiaries. Except as otherwise explicitly provided for herein, there are no third party beneficiaries of this IGA. No third party has any right to enforce this IGA.

3.12 Sole Obligation of Utility Enterprise.

3.12.1 This IGA shall never constitute a general obligation or other indebtedness of the City of Aurora, or a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City of Aurora within the meaning of the Constitution and laws of the State of Colorado or of the Charter and ordinances of the City of Aurora.

3.12.2 In the event of a default by Aurora's Utility Enterprise of any of its obligations under this IGA, Roxborough shall have no recourse for any amounts owed to it against any funds or revenues of the City of Aurora except for those revenues derived from rates, fees or charges for the services furnished by, or the direct or indirect use of, the Water System and deposited in the Water Enterprise Fund, as the terms "Water System" and "Water Enterprise Fund" are defined in City Ordinance No. 2003-18, and then only after the payment of all operation and maintenance expenses of the Water System and all debt service and reserve requirements of any bonds, notes, or other financial obligations of the Utility Enterprise secured by a pledge of the net revenues of the Water Enterprise Fund. Notwithstanding any language herein to the contrary, nothing in this IGA shall be construed as creating a lien upon any revenues of the Utility Enterprise or the City of Aurora.

3.12.3 Aurora represents that this IGA has been duly authorized, executed and delivered by Aurora and constitutes a valid and legally binding obligation of Aurora, enforceable against Aurora in accordance with the terms hereof, subject only to the terms hereof and to applicable bankruptcy, insolvency and similar laws affecting the enforceability of the rights of creditors generally and to general principles of equity.

3.13 No Transfer of Ownership. Except as specifically stated herein nothing in this IGA shall constitute or be interpreted as constituting the transfer of any ownership interests in the infrastructure assets or water rights of the Parties. Each party shall remain individually responsible for the operation, maintenance, repair and replacement of their infrastructure and water rights absent express written agreement to the contrary.

3.14 Binding Agreement. This IGA, when executed, shall inure to the benefit of and be binding on the successors and assigns of the respective Parties hereto if any are allowed.

3.15 Entire Agreement. This IGA represents the entire agreement of the Parties and neither party has relied upon any fact or representation not expressly set forth herein.

3.16 Multiple Originals. This IGA may be simultaneously executed in any number of counterparts each of which shall be deemed original but all of which constitute one and the same agreement.

3.17 Non-severability and Affect of Invalidity. Each provision of this IGA is intertwined with and integral to the others and is not severable from the others. If any portion of this IGA is held invalid or unenforceable for any reason by a court of competent jurisdiction as to either party or as to both Parties, the Parties will immediately attempt to negotiate either valid alternative portions that as near as possible give effect to any stricken portions or a valid replacement agreement.

3.18 No Attorney's Fees and Costs. In the event of any litigation arising out of this IGA, the Parties agree that each will be responsible for their own attorney's fees and costs associated with any such legal action.

3.19 Joint Draft. The Parties agree they drafted this IGA jointly with each having the advice of legal counsel and an equal opportunity to contribute to its content. Therefore, this IGA shall not be construed for or against a party on the basis of authorship.

3.20 Intent of IGA. This IGA is intended to describe the rights and responsibilities of and between the Parties and is not intended to and shall not be deemed to confer rights upon any persons or entities not signatories hereto nor to limit, impair, or enlarge in any way the powers, regulatory authority and responsibilities of either party or any other governmental entity not a party hereto.

3.21 Non-Business Days. If any date for any action under this IGA falls on a Saturday, Sunday or a day that is a "holiday" as such term is defined in Rule 6 of the Colorado Rules of Civil Procedure, then the relevant date shall be extended automatically until the next business day.

3.22 Prohibition on Sale or Transfer. During this IGA, Roxborough may not sell, lease or otherwise transfer or alienate any of the water supplied by Aurora, absent the consent of Aurora hereto. Water that Roxborough may supply to customers within its boundaries, to the VaR or AGC will not be considered a violation of this prohibition.

IN WITNESS WHEREOF, the Parties hereby have hereunto placed their hands and seals on the execution date first above written.

CITY OF AURORA, COLORADO,
ACTING BY AND THROUGH ITS
UTILITY ENTERPRISE

Edward J. Tauer, Mayor — Date: 1-3-11

ATTEST:

Debra A. Johnson, City Clerk — Date: 1/4/11

APPROVED AS TO FORM FOR AURORA:

Christine McKenney, Assistant City Attorney — Date: 12.22.10 — ACS # 10036631

John Dingess, Special Counsel — Date: 12/27/10

STATE OF COLORADO)
) ss
COUNTY OF ARAPAHOE)

The foregoing instrument was acknowledged before me this 4th day of January, 2010, by Edward J. Tauer, Mayor acting on behalf of the Utility Enterprise of the City of Aurora, Colorado.

Witness my hand and official seal.

Notary Public

My commission expires: 04/20/2012

JEAN M. RUSSELL NOTARY PUBLIC STATE OF COLORADO (SEAL)

My Commission Expires 04/20/2012

ROXBOROUGH WATER AND SANITATION DISTRICT
ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE

Philip N. Scott III, President — Date: 12-20-10

Attest:

Timothy M. Moore, Assistant Secretary — Date: 12-20-10

APPROVED AS TO FORM FOR ROXBOROUGH:

Alan D. Pogue, General Counsel — Date: 12-20-10

STATE OF COLORADO)
) ss
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 20th day of December, 2010, by Philip N. Scott III, President, and attested to by Timothy M. Moore, as Assistant Secretary, acting on behalf of the Roxborough Water and Sanitation District by and through its Water Activity Enterprise.

Witness my hand and official seal.

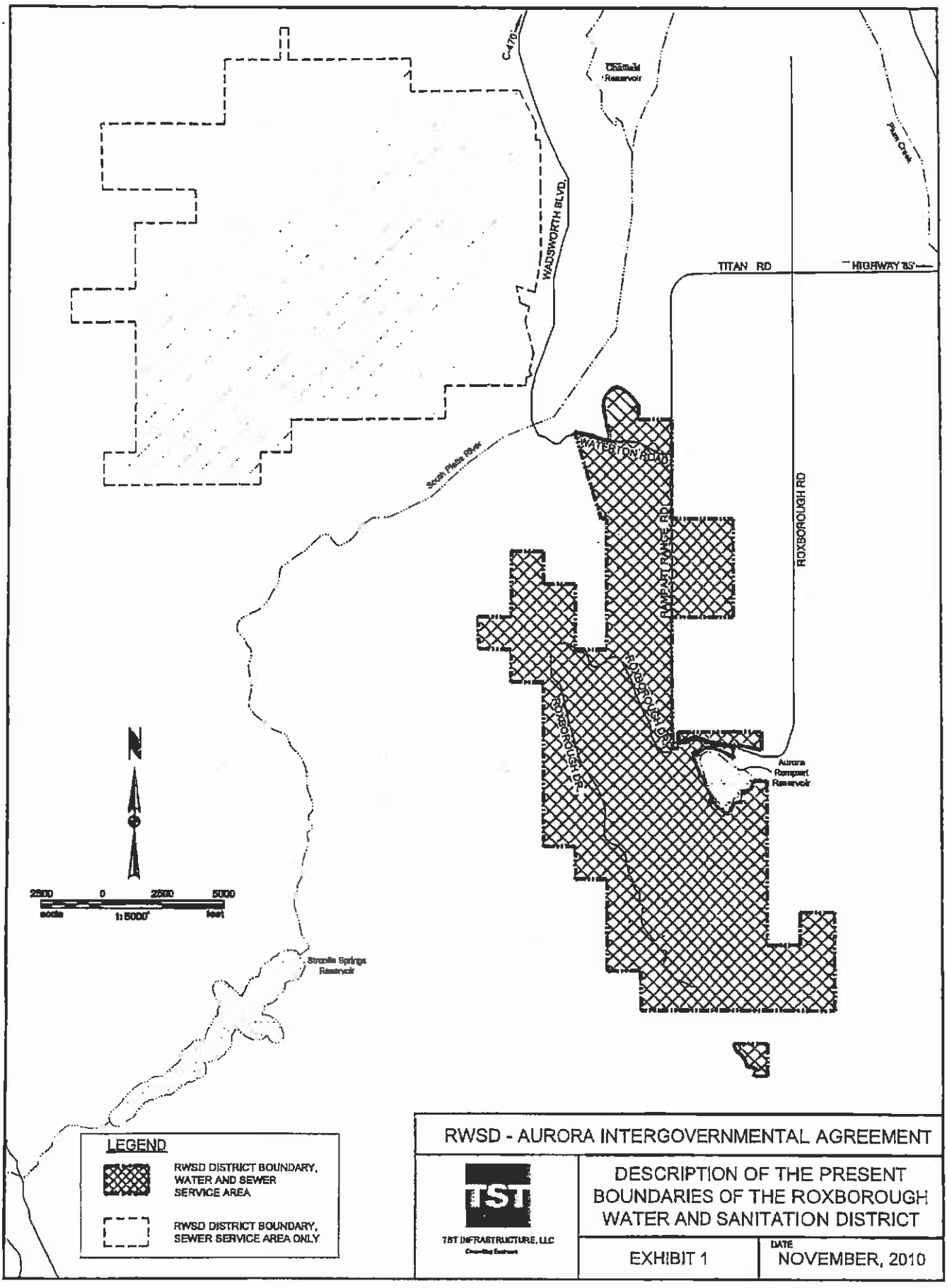
Notary Public

My commission expires: My Commission Expires April 21, 2011

CINDY J. TAYLOR NOTARY PUBLIC STATE OF COLORADO

Exhibit 1

Description of the present boundaries of the Roxborough Water & Sanitation District


C-470
Chatfield Reservoir
Plum Creek
WADSWORTH BLVD.
TITAN RD
HIGHWAY 85
WATERTON ROAD
South Platte River
RAMPART RANGE RD
ROXBOROUGH RD
ROXBOROUGH DR.
Aurora Rampart Reservoir
N
2500 0 2500 5000
scale 1:5000' feet
Strontia Springs Reservoir
LEGEND
RWSD DISTRICT BOUNDARY, WATER AND SEWER SERVICE AREA
RWSD DISTRICT BOUNDARY, SEWER SERVICE AREA ONLY
RWSD - AURORA INTERGOVERNMENTAL AGREEMENT
TST INFRASTRUCTURE, LLC
DESCRIPTION OF THE PRESENT BOUNDARIES OF THE ROXBOROUGH WATER AND SANITATION DISTRICT
EXHIBIT 1
DATE
NOVEMBER, 2010

LAST UPDATE: 12/14/09

ROXBOROUGH WATER AND SANITATION DISTRICT BOUNDARY

DISTRICT LEGAL DESCRIPTION:

THE ROXBOROUGH WATER AND SANITATION DISTRICT BOUNDARY INCLUDES NINE (9) SEPARATE PARCELS AS SHOWN ON THE ATTACHED EXHIBIT AND DESCRIBED AS FOLLOWS:

PARCEL 1 - ORIGINAL DISTRICT BOUNDARY (1972):

AS DESCRIBED IN THE ORGANIZATION OF ROXBOROUGH PARK METROPOLITAN DISTICT PETITION DATED NOVEMBER 16,1971 AND FILED AS BOOK 20, PAGE 23 IN THE OFFICE OF THE DOUGLAS COUNTY CLERK AND RECORDER.

THE FOLLOWING DESCRIBED REAL PROPERTY SITUATE, LYING AND BEING IN THE COUNTY OF DOUGLAS, STATE OF COLORADO:

A.) TOWNSHIP 6 SOUTH, RANGE 69 WEST OF THE 6TH P.M.
THE SOUTH 1/2 OF THE SE 1/4 OF SECTION 35.

B.) TOWNSHIP 7 SOUTH, RANGE 68 WEST OF THE 6TH P.M.
THE WEST 1/2 OF THE NW 1/4 AND THE NW 1/4 OF THE SW 1/4 OF SECTION 19.

THE FOLLOWING FALL WITHIN TOWNSHIP 7 SOUTH, RANGE 69 WEST OF THE 6TH P.M.

C.) THE NW 1/4 OF SECTION 1.

D.) THE NE 1/4; THE WEST 1/2 OF THE SW 1/4 AND THE SE 1/4 OF SECTION 2.

E.) THE SE 1/4 OF THE NE 1/4 AND THE NE 1/4 OF THE SE 1/4 OF SECTION 3.

F.) THE NE 1/4 OF THE NE 1/4 OF SECTION 10.

G.) SECTION 11 ALL-INCLUSIVE.

H.) THE SOUTH 1/2 OF THE SW 1/4 OF SECTION 12 EXCEPT THAT PART CONVEYED TO THE CITY OF AURORA BY DEED RECORDED JUNE 22, 1964 IN BOOK 157, PAGE 434.

I.) THE WEST 1/2 AND THE WEST 1/2 OF THE EAST 1/2 OF SECTION 13, EXCEPT THAT PART CONVEYED TO THE CITY OF AURORA BY DEED RECORDED JUNE 22, 1964 IN BOOK 157, PAGE 434.

J.) THE EAST 1/2; THE NW 1/4 AND THE NE 1/4 OF THE SW 1/4 OF SECTION 14.

K.) THE EAST 1/2 OF THE NE 1/4 AND THE NE 1/4 OF THE SE 1/4 OF SECTION 23.

L.) THE NW 1/4; THE WEST 1/2 OF THE NE 1/4; THE SE 1/4 OF THE NE 1/4 AND THE NORTH 1/2 OF THE SOUTH 1/2 OF SECTION 24.

M.) THE NW1/4 OF THE NE 1/4; THE SE 1/4 OF THE NW 1/4 AND THE SOUTH 1/2 OF THE NE 1/4 OF THE NW 1/4 OF SECTION 25.

PARCEL 2 – INCLUSION (1982):

AS DESCRIBED IN THE INCLUSION AGREEMENT DATED JUNE 21, 1982 AND FILED AS BOOK 446, PAGE 26 IN THE OFFICE OF THE DOUGLAS COUNTY CLERK AND RECORDER.

THE NORTH HALF OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 1, TOWNSHIP 7 SOUTH, RANGE 69 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO.

PARCEL 3 – INCLUSION (1985):

AS DESCRIBED IN THE INCLUSION AGREEMENT DATED SEPTEMBER 20, 1985 AND FILED AS BOOK 597, PAGE 495 IN THE OFFICE OF THE DOUGLAS COUNTY CLERK AND RECORDER.

SOUTH HALF OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 1, TOWNSHIP 7 SOUTH, RANGE 69 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, EXCEPT THAT TRACT OF LAND DESCRIBED IN BOOK 418 AT PAGE 317 OF THE REAL PROPERTY RECORDS OF THE DOUGLAS COUNTY, COLORADO, CLERK AND RECORDER.

PARCEL 4 - LAND SECURITIES INCLUSION (1988):

AS DESCRIBED IN THE INCLUSION AGREEMENT DATED DECEMBER 31, 1988 AND FILED AS BOOK 835, PAGE 543 IN THE OFFICE OF THE DOUGLAS COUNTY CLERK AND RECORDER.

A TRACT OF LAND LOCATED IN SECTION 35, TOWNSHIP 6 SOUTH, RANGE 69 WEST OF THE 6TH PRINCIPAL MERIDAN, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTH ONE-QUARTER CORNER OF SAID SECTION 35;
THENCE S 89°45'23" W ALONG THE SOUTH LINE OF SAID SECTION 35 A DISTANCE OF 219.03 FEET;
THENCE N 18°06'00" W A DISTANCE OF 3,646.27 FEET;
THENCE 130.57 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 22°27'41"; A RADIUS OF 333.07 FEET AND A CHORD WHICH BEARS N 89°13'41" E, A CHORD DISTANCE OF 129.74 FEET;
THENCE S 79°32'28" E, A DISTANCE OF 602.46 FEET;
THENCE 246.31 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 15°08'53", A RADIUS OF 931.65 FEET;
THENCE S 64°23'35" E A DISTANCE OF 258.44 FEET;
THENCE 167.91 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 36°28'23", A RADIUS OF 263.77 FEET TO A POINT OF COMPOUND CURVATURE;
THENCE 230.73 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 93°44'52". A RADIUS OF 141.01 FEET;
THENCE N 14°36'49" W A DISTANCE OF 341.95 FEET;
THENCE 105.70 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 8°06'24", A RADIUS OF 747.06 FEET;

THENCE N 06°30'25" W, A DISTANCE OF 170.28 FEET;
THENCE 281.02 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 13°43'54", A RADIUS OF 1,172.58 FEET TO A POINT OF REVERSE CURVATURE,
THENCE 181.34 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 15°47'20", A RADIUS OF 658.06 FEET,
THENCE N 4°26'58" W, A DISTANCE OF 114.23 FEET;
THENCE 163.39 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 13°29'17", A RADIUS OF 694.05 FEET;
THENCE N 9°02'19" E A DISTANCE OF 93.09 FEET;
THENCE 238.88 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 33°00'45", A RADIUS OF 414.59 FEET;
THENCE N 42°03'04" E A DISTANCE OF 347.45 FEET;
THENCE 417.30 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 83°24'06", A RADIUS OF 286.68 FEET;
THENCE S 54°32'50" E A DISTANCE OF 256.66 FEET;
THENCE 239.58 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 14°38'06", A RADIUS OF 937.95 FEET;
THENCE S 39°54'44" E, A DISTANCE OF 216.09 FEET;
THENCE 225.96 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 5°39'58" A RADIUS OF 2,284.93 FEET AND A CHORD WHICH BEARS S 42°44'43" E, A CHORD DISTANCE OF 225.87 FEET;
THENCE S 00°25'06" E, A DISTANCE OF 620.15 FEET;
THENCE N 89°47'35" E, A DISTANCE OF 1,291.71 FEET;
THENCE S 00°07'06" E, A DISTANCE OF 1,324.92 FEET;
THENCE S 89°34'18" W A DISTANCE OF 4.04 FEET;
THENCE S 00°03'44" E A DISTANCE OF 843.10 FEET;
THENCE S 00°18'37" E, A DISTANCE OF 485.53 FEET;
THENCE S 89°35'38" W A DISTANCE OF 2,594.73 FEET;
THENCE S 00°30'52" E, A DISTANCE OF 1,326.31 FEET TO THE POINT OF BEGINNING,

CONTAINING 10,867,509 SQUARE FEET OR 249.2541 ACRES OF LAND, MORE OR LESS

THIS LEGAL DESCRIPTION WAS PREPARED BY PARAGON ENGINEERING CONSULTANTS, 5575 S. SYRACUSE STREET, SUITE 103, LITTLETON, CO 80120.

PARCEL 5 - SUMNER LAWRENCE INCLUSION (1995):

AS DESCRIBED IN THE INCLUSION AGREEMENT DATED NOVEMBER 9, 1995 AND FILED AS BOOK 1301, PAGE 1898 IN THE OFFICE OF THE DOUGLAS COUNTY CLERK AND RECORDER.

A PORTION OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SECTION 3, TOWNSHIP 7 SOUTH, RANGE 69 WEST OF THE SIXTH PRINCIPAL MERIDIAN, DOUGLAS COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE EAST LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SECTION 3, TOWNSHIP 7 SOUTH, RANGE 69 WEST OF THE SIXTH PRINCIPAL MERIDIAN, DOUGLAS COUNTY, COLORADO, BEING MONUMENTED AT THE SOUTHEAST CORNER OF SAID SECTION 3 BY A 3 1/2" BRASS CAP STAMPED "US DEPARTMENT OF INTERIOR BUREAU OF LAND MANAGEMENT", AND AT THE NORTHEAST CORNER OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3 BY A #5 REBAR WITH A YELLOW PLASTIC CAP STAMPED "LS 2682

N.H.P.O." AND BEING ASSUMED TO BEAR NORTH 01 DEGREES 07 MINUTES 21 SECONDS WEST.

COMMENCING AT THE SOUTHEST CORNER OF SAID SECTION 3, THENCE NORTH 01 DEGREES 07 MINUTES 21 SECONDS WEST AND ALONG THE EAST LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3 A DISTANCE OF 450 FEET TO THE POINT OF BEGINNING. THENCE NORTH 64 DEGREES 12 MINUTES 47 SECONDS WEST A DISTANCE OF 1082.97 FEET. THENCE SOUTH 72 DEGREES 10 MINUTES 01 SECONDS WEST A DISTANCE OF 1735.24 FEET TO A POINT ON THE WEST LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3. THENCE NORTH 01 DEGREES 49 MINUTES 56 SECONDS WEST AND ALONG THE WEST LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3 A DISTANCE OF 938.64 FEET TO THE NORTHWEST CORNER OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE QUARTER OF SAID SECTION 3. THENCE SOUTH 89 DEGREES 40 MINUTES 28 SECONDS EAST AND ALONG THE NORTH LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3, A DISTANCE OF 2640.13 FEET TO THE NORTHEAST CORNER OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3. THENCE SOUTH 01 DEGREES 07 MINUTES 21 SECONDS EAST AND ALONG THE EAST LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3 A DISTANCE OF 863.04 FEET TO THE POINT OF BEGINNING.

THIS LEGAL DESCRIPTION WAS PREPARED BY JR ENGINEERING, LTD., 6110 GREENWOOD PLAZA BLVD., ENGLEWOOD, CO 80111, JEFFREY A. GUSTAFSON, SURVEYOR, P.L.S. 29039.

PARCEL 6 - SUMNER LAWRENCE INCLUSION (1995):

AS DESCRIBED IN THE INCLUSION AGREEMENT DATED NOVEMBER 9, 1995 AND FILED AS BOOK 1301, PAGE 1898 IN THE OFFICE OF THE DOUGLAS COUNTY CLERK AND RECORDER.

A PORTION OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SECTION 3, TOWNSHIP 7 SOUTH, RANGE 69 WEST OF THE SIXTH PRINCIPAL MERIDIAN, DOUGLAS COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE EAST LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SECTION 3, TOWNSHIP 7 SOUTH, RANGE 69 WEST OF THE SIXTH PRINCIPAL MERIDIAN, DOUGLAS COUNTY, COLORADO BEING MONUMENTED AT THE SOUTHEAST CORNER OF SAID SECTION 3 BY A 3 1/2" BRASS CAP STAMPED "US DEPARTMENT OF INTERIOR BUREAU OF LAND MANAGEMENT", AND AT THE NORTHEAST CORNER OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3 BY A #5 REBAR WITH A YELLOW PLASTIC CAP STAMPED "LS 2682 N.H.P.O." AND BEING ASSUMED TO BEAR NORTH 01 DEGREES 07 MINUTES 21 SECONDS WEST.

BEGINNING AT THE SOUTHEAST CORNER OF SAID SECTION 3, THENCE NORTH 89 DEGREES 33 MINUTES 24 SECONDS WEST AND ALONG THE SOUTH LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3 A DISTANCE OF 2624.07 FEET TO THE SOUTH ONE QUARTER CORFNER OF SAID SECTION 3; THENCE NORTH 01 DEGREES 49 MINUTES 56 SECONDS WEST AND ALONG THE WEST LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3 A DISTANCE OF 369.50 FEET; THENCE NORTH 72 DEGREES 10 MINUTES 01 SECONDS EAST A DISTANCE OF 1735.24 FEET; THENCE SOUTH 64 DEGREES 12

MINUTES 47 SECONDS EAST A DISTANCE OF 1082.97 FEET TO A POINT ON THE EAST LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3; THENCE SOUTH 01 DEGREES 07 MINUTES 21 SECONDS EAST AND ALONG THE EAST LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE QUARTER OF SAID SECTION 3 A DISTANCE OF 450.00 FEET TO THE POINT OF BEGINNING, COUNTY OF DOUGLAS, STATE OF COLORADO.

THIS LEGAL DESCRIPTION WAS PREPARED BY JR ENGINEERING, LTD., 6110 GREENWOOD PLAZA BLVD., ENGLEWOOD, CO 80111, JEFFREY A. GUSTAFSON, SURVEYOR, P.L.S. 29039

PARCEL 7 - EAGLES NEST INCLUSION (2000):

AS DESCRIBED IN THE INCLUSION AGREEMENT DATED DECEMBER 8, 2000 AND FILED AS RECEPTION NUMBER 01009422 IN THE OFFICE OF THE DOUGLAS COUNTY CLERK AND RECORDER.

THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 23, TOWNSHIP 7 SOUTH, RANGE 69 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO EXCEPT THAT PORTION OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 CONVEYED IN BOOK 266 AT PAGE 934 OF THE DOUGLAS COUNTY, COLORADO RECORDS.

BEGINNING AT THE NORTHEAST CORNER OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION, THENCE ALONG THE EAST LINE OF THE WEST 1/2 OF THE NORTHEAST 1/4 OF SAID SECTION, THENCE ALONG THE EAST LINE OF THE WEST 1/2 OF THE NORTHEAST 1/4 OF SAID SECTION S00°44'29"E, A DISTANCE OF 1,171.69 FEET; THENCE S89°15'31"W, A DISTANCE OF 295.00 FEET; THENCE S00°44'29"E, A DISTANCE OF 238.00 FEET; THENCE N89°15'31"E, A DISTANCE OF 295.00 FEET; THENCE ALONG THE EAST LINE OF THE WEST 1/2 OF THE NORTHEAST 1/4 OF SAID SECTION S00°44'29"E, A DISTANCE OF 954.73 FEET; THENCE S89°14'25"W, A DISTANCE OF 1,309.39 FEET; THENCE N00°53'10"W, A DISTANCE OF 2,398.15 FEET TO THE NORTHWEST CORNER OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION; THENCE ALONG THE NORTH LINE OF SAID SECTION S89°17'28"E, A DISTANCE OF 1315.87 FEET TO THE POINT BEGINNING, CONTAINING 70.15 ACRES, MORE OR LESS.

PARCEL 8 – SUNRISE LAND INCLUSION (2001):

AS DESCRIBED IN THE INCLUSION AGREEMENT DATED OCTOBER 23, 2001 AND FILED AS BOOK 2188, PAGE 1344 IN THE OFFICE OF THE DOUGLAS COUNTY CLERK AND RECORDER.

A TRACT OF LAND SITUATED IN THE SOUTH 1/2 OF THE NORTH 1/2 OF THE SOUTH 1/2 OF SECTION 12, TOWNSHIP 7 SOUTH, RANGE 69 WEST OF THE 6TH PRINCIPLE MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 12 AND CONSIDERING THE NORTH LINE OF SAID SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 12 TO BEAR NORTH 89 DEGREES 34 MINUTES 40 SECONDS EAST WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;

THENCE NORTH 89 DEGREES 34 MINUTES 40 SECONDS EAST ALONG SAID NORTH LINE A DISTANCE OF 1111.94 FEET TO A POINT THAT IS 200.00 FEET WEST OF THE

NORTHEAST CORNER OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 12;
THENCE SOUTH 0 DEGREES 17 MINUTES 21 SECONDS EAST PARALLEL WITH THE EAST LINE OF SAID SOUTH 1/2 OF THE NORTHWEST 1/4 A DISTANCE OF 753.11 FEET TO THE NORTH LINE OF THE COUNTY ROAD;
THENCE NORTH 58 DEGREES 01 MINUTES 20 SECONDS WEST ALONG SAID NORTH LINE A DISTANCE OF 4.31 FEET;
THENCE NORTH 75 DEGREES 38 MINUTES 00 SECONDS WEST ALONG SAID NORTH LINE A DISTANCE OF 702.43 FEET;
THENCE NORTH 85 DEGREES 26 MINUTES 33 SECONDS WEST ALONG SAID NORTH LINE A DISTANCE OF 996.69 FEET;
THENCE NORTH 76 DEGREES 53 MINUTES 55 SECONDS WEST ALONG SAID NORTH LINE A DISTANCE OF 587.28 FEET;
THENCE NORTH 70 DEGREES 39 MINUTES 06 SECONDS WEST ALONG SAID NORTH LINE A DISTANCE OF 400.31 FEET;
THENCE NORTH 87 DEGREES 51 MINUTES 57 SECONDS WEST ALONG SAID NORTH LINE A DISTANCE OF 113.31 FEET;
THENCE SOUTH 81 DEGREES 04 MINUTES 08 SECONDS WEST ALONG SAID NORTH LINE A DISTANCE OF 150.95 FEET;
THENCE SOUTH 67 DEGREES 20 MINUTES 53 SECONDS WEST ALONG SAID NORTH LINE A DISTANCE OF 362.66 FEET;
THENCE NORTH 85 DEGREES 02 MINUTES 05 SECONDS WEST ALONG SAID NORTH LINE A DISTANCE OF 98.76 FEET;
THENCE SOUTH 84 DEGREES 51 MINUTES 41 SECONDS WEST ALONG SAID NORTH LINE A DISTANCE OF 169.82 FEET;
THENCE NORTH 01 DEGREE 51 MINUTES 30 SECONDS WEST ALONG THE EAST LINE OF THE COUNTY ROAD A DISTANCE OF 371.53 FEET TO THE NORTH LINE OF THE SOUTH 1/2 OF THE NORTH 1/2 OF THE SOUTHWEST 1/4 OF SECTION 12;
THENCE NORTH 89 DEGREES 34 MINUTES 40 SECONDS EAST ALONG SAID NORTH LINE A DISTANCE OF 2388.32 FEET TO THE TRUE POINT OF BEGINNING, COUNTY OF DOUGLAS, STATE OF COLORADO.

PARCEL 9 – LOCKHEED MARTIN INCLUSION (2003):

AS DESCRIBED IN THE INCLUSION AGREEMENT DATED JANUARY 15, 2003.

MARTIN –MARIETTA
SECS. 15, 16, 17, 19, 20, 21, 22, 27, 28, 29, 30, 31, 32, 33, 34
T. 6S., R. 69W. OF THE 6TH P.M.

A PARCEL OF LAND LOCATED IN SECTION 15, 16, 17, 19, 20, 21, 22, 27, 28, 29, 30, 31, 32, 33, AND 34, TOWNSHIP 6 SOUTH, RANGE 69 WEST OF THE SIXTH PRINCIPAL MERIDIAN, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEGINNING AT THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 17; THENCE N 00°14'03"W ALONG THE WESTERLY LINE OF SAID SOUTHEAST QUARTER OF SECTION 17 A DISTANCE OF 2604.62 FEET; THENCE N 89°53'21"E ALONG THE NORTHERLY LINE OF SAID SOUTHEAST QUARTER OF SECTION 17 A DISTANCE OF 2315.13 FEET; THENCE N 00°13'51"W ALONG THE WESTERLY LINE OF THE EAST HALF OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 17 A DISTANCE OF 1313.44 FEET; THENCE N 89°35'12"E ALONG THE NORTHERLY LINE OF SAID EAST HALF OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE NORTHEAST OF SECTION 17 A DISTANCE OF 330.32 FEET; THENCE S 00°13'31"E ALONG THE EASTERLY LINE OF SAID EAST HALF OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 17 A DISTANCE OF 1315.24 FEET; THENCE N 89°15'35"E ALONG THE NORTHERLY LINE OF THE SOUTH

HALF OF SAID SECTION 16 A DISTANCE OF 5187.12 FEET; THENCE S 00°32'12"E ALONG THE EASTERLY LINE OF SAID SOUTH HALF OF SECTION 16 A DISTANCE OF 1329.88 FEET; THENCE N 89°14'37"E ALONG THE NORTHERLY LINE OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 15 A DISTANCE OF 2643.82 FEET; THENCE N 89°13'23"E ALONG THE NORTHERLY LINE OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 15 A DISTANCE OF
1814.48 FEET; THENCE S 26°59'33"E A DISTANCE OF 1480.18 FEET TO THE SOUTHERLY LINE OF SAID SOUTHEAST QUARTER OF SECTION 15; THENCE S 00°26'26"E ALONG THE EASTERLY LINE OF THE WEST HALF OF THE EAST HALF OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 22 A DISTANCE OF 670.22 FEET; THENCE N 89°23'06"E ALONG THE SOUTHERLY LINE OF SAID WEST HALF OF THE EAST HALF OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 22 A DISTANCE OF 164.65 FEET;
THENCE S 00°24'30"E ALONG THE EASTERLY LINE OF THE NORTHEAST QUARTER OF SAID SECTION 22 A DISTANCE OF 2011.82 FEET; THENCE S 00°25'40"E ALONG THE EASTERLY LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 22 A DISTANCE OF 2686.77 FEET; THENCE S 09°20'23"W ALONG THE WESTERLY DEED LINE OF THAT PARCEL OF LAND DESCRIBED IN BOOK 2112, PAGE 29, JEFFERSON COUNTY CLERK AND RECORDER'S OFFICE A DISTANCE OF 1480.97 FEET; THENCE ALONG THE DEED LINE OF THAT PARCEL OF LAND DESCRIBED IN BOOK 2833, PAGE 135, JEFFERSON COUNTY CLERK AND RECORDER'S OFFICE THE FOLLOWING FIVE (5) COURSES:

1. N 46°05'02"W A DISTANCE OF 1.61 FEET;
2. THENCE N 72°13'14"W A DISTANCE OF 795.57 FEET;
3. THENCE S 12°56'12"E A DISTANCE OF 678.43 FEET;
4. THENCE S 69°14'54"E A DISTANCE OF 56.73 FEET;
5. THENCE S 68°49'04"E A DISTANCE OF 36.14 FEET;

THENCE S 67°50'10"E ALONG THE SOUTHERLY DEED LINE OF THAT PARCEL OF LAND DESCRIBED IN BOOK 1097, PAGE 148, JEFFERSON COUNTY CLERK AND RECORDER'S OFFICE A DISTANCE OF 327.44 FEET; THENCE ALONG THE DEED LINES OF THAT PARCEL OF LAND DESCRIBED IN SAID BOOK 2112, PAGE 29, JEFFERSON COUNTY CLERK AND RECORDER'S OFFICE THE FOLLOWING SIX (6) COURSES:

1. S 17°17'16"W A DISTANCE 600.35 FEET;
2. THENCE S 14°44'00"E A DISTANCE OF 1345.91 FEET;
3. THENCE S 14°18'17"W A DISTANCE OF 742.53 FEET;
4. THENCE S 32°11'41"E ALONG A LINE NON-TANGENT WITH THE FOLLOWING DESCRIBED CURVE A DISTANCE OF 200.14 FEET;
5. THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 16°12'43", A RADIUS OF 949.23 FEET, A CHORD BEARING S 65°07'22"W A DISTANCE OF 267.69 FEET, AND AN ARC DISTANCE OF 268.59 FEET;
6. THENCE S 00°29'37"E ALONG A LINE NON-TANGENT WITH THE LAST DESCRIBED CURVE A DISTANCE OF 304.15 FEET;

THENCE S 89°27'35"W ALONG THE SOUTHERLY LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 27 A DISTANCE OF 1976.93 FEET; THENCE S 89°29'27"W ALONG THE SOUTHERLY LINE OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 27 A DISTANCE OF 1317.59 FEET; THENCE S 00°17'38"E ALONG THE EASTERLY LINE OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 34, A DISTANCE OF 1318.51 FEET; THENCE S 89°29'33"W ALONG THE SOUTHERLY LINE OF SAID NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 34 A DISTANCE OF 1312.38 FEET; THENCE S 89°27'33"W ALONG THE SOUTHERLY LINE OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION 33 A DISTANCE OF 2583.92 FEET; THENCE
S 89°21'21"W ALONG THE SOUTHERLY LINE OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 33 A DISTANCE OF 2582.03 FEET; THENCE S 00°18'58"E ALONG THE EASTERLY LINE OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 32 A DISTANCE OF 1305.32 FEET; THENCE S 89°48'01"W

ALONG THE SOUTHERLY LINE OF SAID SOUTHEAST QUARTER OF THE NORTHEAST QUARTER A DISTANCE OF 1283.74 FEET; THENCE S 00°19'09"E ALONG THE EASTERLY LINE OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 32 A DISTANCE OF 1304.37 FEET,
THENCE S 89°50'35"W ALONG THE SOUTHERLY LINE OF SAID NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 32 A DISTANCE OF 1283.67 FEET;
THENCE S 89°37'01"W ALONG THE SOUTHERLY LINE OF THE NORTH HALF OF THE SOUTHWEST QUARTER A DISTANCE OF 2588.98 FEET;
THENCE S 89°20'51"W ALONG THE SOUTHERLY LINE OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 31 A DISTANCE OF 2610.38 FEET;
THENCE N 00°38'17"W ALONG THE WESTERLY LINE OF SAID NORTH HALF OF THE SOUTHEAST QUARTER OF SECTION 31 A DISTANCE OF 1307.68 FEET;
THENCE N 89°15'41"E ALONG THE NORTHERLY LINE OF SAID NORTH HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 31 A DISTANCE OF 1312.34 FEET;
THENCE N 00°19'30"W ALONG THE WESTERLY LINE OF THE EAST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 31 A DISTANCE OF 2619.32; THENCE N 00°19'31"W ALONG THE WESTERLY LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 30 A DISTANCE OF 2641.69 FEET; THENCE S 89°15'41"W ALONG THE SOUTHERLY LINE OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 30 A DISTANCE OF 1315.36 FEET; THENCE S 89°15'41"W ALONG THE SOUTHERLY LINE OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 30 A DISTANCE OF 1309.42 FEET; THENCE N 00°01'57"E ALONG THE WESTERLY LINE OF SAID SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 30 A DISTANCE OF 1331.46 FEET;
THENCE N 89°26'40"E ALONG THE NORTHERLY LINE OF SAID SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 30 A DISTANCE OF 1306.73 FEET; THENCE N 89°26'37"E ALONG THE NORTHERLY LINE OF SAID SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 30 A DISTANCE OF 1309.70 FEET; THENCE N 00°19'30"W ALONG THE WESTERLY LINE OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 30 A DISTANCE OF 1323.03 FEET; THENCE N 01°29'35"W ALONG THE WESTERLY LINE OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 19 A DISTANCE OF 1339.76 FEET; THENCE N 89°40'12"E ALONG THE
NORTHERLY LINE OF SAID SOUTHEAST QUARTER OF SOUTHEAST QUARTER A DISTANCE OF 1306.56 FEET; THENCE N 89°56'55"E ALONG THE NORTHERLY LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 20 A DISTANCE OF 1278.91 FEET; THENCE N 01°34'20"W ALONG THE EASTERLY LINE OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 20 A DISTANCE OF 1334.91 FEET; THENCE N 89°50'36"W ALONG THE SOUTHERLY LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 20 A DISTANCE OF 1275.06 FEET; THENCE S 89°41'50"W ALONG THE SOUTHERLY LINE OF THE NORTHEAST QUARTER OF SAID SECTION 19 A DISTANCE OF 2617.38 FEET; THENCE N 01°35'29"W ALONG THE WESTERLY LINE OF SAID NORTHEAST QUARTER OF SECTION 19 A DISTANCE OF 2668.84 FEET; THENCE N 89°32'06"E ALONG THE NORTHERLY LINE OF SAID NORTHEAST QUARTER OF SECTION 19 A DISTANCE OF 2626.68 FEET; THENCE S 89°34'25"E ALONG THE NORTHERLY LINE OF THE NORTHWEST QUARTER OF SAID SECTION 20 A DISTANCE OF 2533.62 FEET TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINS 5540.439 ACRES, MORE OR LESS.

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCEL OF LAND:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 27, WHENCE THE EAST QUARTER CORNER OF SAID SECTION 27 BEARS N 00°32'04"W A DISTANCE OF 2602.61 FEET; THENCE N 15°53'50"W A DISTANCE OF 1857.95 FEET TO THE POINT OF BEGINNING; THENCE

S 00°26'42"E ALONG THE EASTERLY LINES OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER AND THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 27 A DISTANCE OF 325.69 FEET; THENCE S 89°40'46"W ALONG THE SOUTHERLY LINE OF SAID NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 27 A DISTANCE OF 140.09 FEET; THENCE ALONG THE DEED LINE OF THAT PARCEL OF LAND DESCRIBED IN RECEPTION NO. 92033440, JEFFERSON COUNTY' CLERK AND RECORDER'S OFFICE THE FOLLOWING TWO (2) COURSES:

1. S 89°04'06"W A DISTANCE OF 138.47 FEET;
2. THENCE N 02°51'44"E A DISTANCE OF 1.48 FEET; THENCE S 89°40'46"W ALONG THE SOUTHERLY LINE OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SAID SECTION 27 A DISTANCE OF 50.00 FEET; THENCE N 00°25'37"W ALONG THE WESTERLY LINES OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER AND THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 27 A DISTANCE OF 325.97 FEET; THENCE N 89°43'37"E ALONG THE NORTHERLY LINES OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER AND THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 27 A DISTANCE OF 328.36 FEET TO THE POINT OF BEGINNING, COUNTY OF JEFFERSON, STATE OF COLORADO.

SAID PARCEL CONTAINS 2.459 ACRES MORE OR LESS

PARCEL CONTAINS 5537.98 NET ACRES, MORE OR LESS.

LEGAL DESCRIPTION OF EXCLUDED PROPERTY - GOODWIN EXCLUSION (2007)

EXCLUDING THEREFROM THE FOLLOWING DESCRIBED PROPERTY AS DESCRIBED IN THE EXCLUSION AGREEMENT DATED AUGUST 09, 2007.

THE SOUTHEAST 1/4 NORTHWEST 1/4 AND THE SOUTH ½ NORTHEAST 1/4 NORTHWEST 1/4 OF SECTION 25, TOWNSHIP 7 SOUTH, RANGE 69 WEST OF THE 6TH P.M., COUNTY OF DOUGLAS, STATE OF COLORADO.

AND

THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 25, TOWNSHIP 7 SOUTH, RANGE 69 WEST OF THE 6TH P.M., COUNTY OF DOUGLAS, STATE OF COLORADO, EXCEPTING THEREFROM PROPERTY CONVEYED IN DEED RECORDED JULY 29, 1987 IN BOOK 737 AT PAGE 596 OF THE DOUGLAS COUNTY, COLORADO RECORDS.

AND

A PARCEL OF LAND LOCATED IN THE NORTHWEST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SECTION 25, TOWNSHIP 7 SOUTH, RANGE 69 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHEAST ONE-QUARTER OF SAID NORTHEAST ONE-QUARTER OF SAID SECTION 25; THENCE N 00°20'27"W ALONG THE WEST LINE OF THE EAST ONE-HALF OF SAID NORTHEAST ONE-QUARTER A DISTANCE OF 1,315.67 FEET TO THE SOUTHEAST CORNER OF SAID NORTHWEST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER; THENCE N 88°34'08"W ALONG THE SOUTH LINE OF SAID NORTHWEST ONE-QUARTER A DISTANCE OF 608.83 FEET TO THE POINT BEGINNING; THENCE N 45°57'14"E A DISTANCE OF 328.93 FEET TO A PIN & CAP, L.S. #16112;
THENCE N 54°51'22"W A DISTANCE OF 131.26 FEET TO A PIN & CAP, L.S. #16112;
THENCE N 90°00'00"W A DISTANCE OF 25.00 FEET TO A PIN & CAP, L.S. #16112;
THENCE N 52°32'50"W A DISTANCE OF 173.45 FEET TO A PIN & CAP, L.S. #16112;
THENCE S 59°17'01"W A DISTANCE OF 167.56 FEET TO A PIN & CAP, L.S. #16112;
THENCE S 24°55'54"W A DISTANCE OF 274.18 FEET TO A PIN & CAP, L.S. #16112; ON THE SOUTHWESTERLY EDGE OF AN EXISTING DIRT ROAD; THENCE S 46°29'27"E ALONG SAID EDGE OF ROAD A DISTANCE OF 101.69 FEET TO A POINT ON THE SOUTH LINE OF SAID NORTHWEST ONE-QUARTER; THENCE S 88°34'08"E ALONG SAID SOUTH LINE A DISTANCE OF 219.55 FEET TO THE POINT OF BEGINNING;

EXCEPTING THEREFROM THE FOLLOWING PROPERTY:

A PARCEL OF LAND SITUATED IN THE NW 1/4 OF THE NE 1/4 OF SECTION 25, LYING NORTH AND EAST OF THE WEST BOUNDARY OF THE EXISTING ROAD KNOWN AS COUNTY ROAD NO. 5 (OR OLD THOMAS ROAD SURVEYED FEBRUARY 10, 1890 DOUGLAS COUNTY RECORDS, PLAT BOOK 2 PAGE 17).

ALL IN TOWNSHIP 7 SOUTH , RANGE 69 WEST OF THE 6TH P.M., COUNTY OF DOUGLAS, STATE OF COLORADO.

THIS DESCRIPTION WAS PREPARED BY ROXBOROUGH PARK METROPOLITAN DISTRICT; 6222 N. ROXBOROUGH PARK ROAD, LITTLETON, CO 80125.

LEGAL DESCRIPTION OF INCLUDED PROPERTY - MONROE INCLUSION (2007)

INCLUDING THEREFROM THE FOLLOWING DESCRIBED PROPERTY AS DESCRIBED IN THE INCLUSION AGREEMENT DATED NOVEMBER 14, 2007.

COMMENCING AT THE NORTHEAST CORNER OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 23; THENCE ALONG THE EAST LINE OF THE WEST ½ OF THE NORTHEAST ¼ OF SAID SECTION 23, S 0°44'29" E, A DISTANCE OF 1178.93 FEET TO THE NORTHWEST CORNER OF LOT 123 SAID POINT BEING THE POINT OF BEGINNING; THENCE S 72°57'48" E , A DISTANCE OF 107.49 FEET TO A POINT ON THE WESTERLY LINE OF PONDEROSA TRAIL, SAID POINT BEING A POINT OF NONTANGENT CURVATURE; THENCE 181.15 FEET ALONG THE ARC OF SAID CURVE TO THE LEFT, CONTAINING A RADIUS OF 315.40 FEET AN INTERIOR ANGLE OF 32°54'25" AND A CHORD OF 178.67 FEET WHICH BEARS S 00°35'09" W TO A POINT; THENCE S 74°07'45" W, A DISTANCE OF 101.76 FEET TO THE SOUTHWEST CORNER OF SAID LOT 123; THENCE S 89°15'31" W, A DISTANCE OF 295.00 FEET TO A POINT; THENCE N. 00°44'29" W, A DISTANCE OF 238.00 FEET TO A POINT; THENCE N 89°15'31" E, A DISTANCE OF 295.00 TO THE POINT OF BEGINNING.

LEGAL DESCRIPTION OF INCLUDED PROPERTY - KETCHUM INCLUSION (2008)

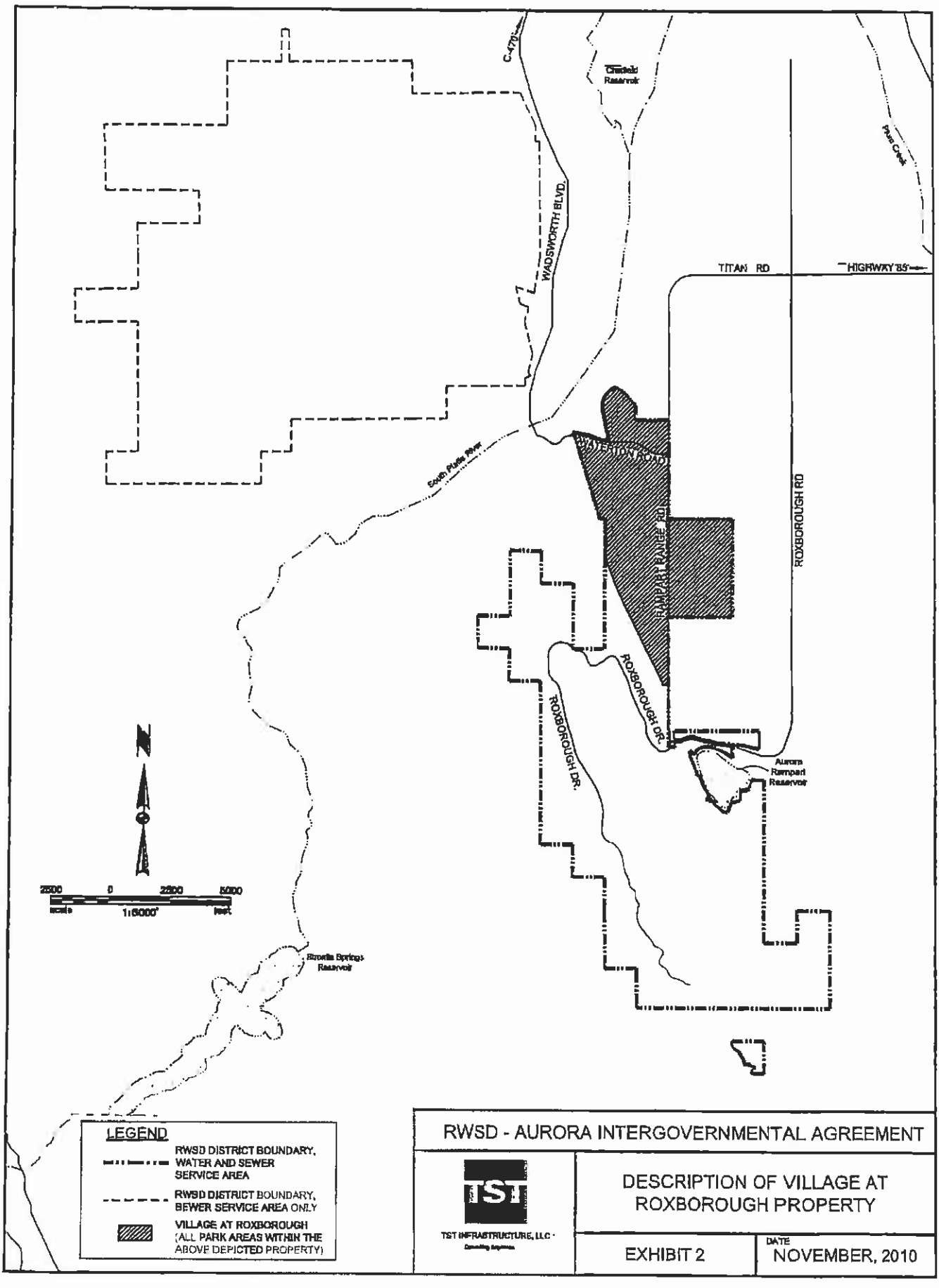
INCLUDING THEREFROM THE FOLLOWING DESCRIBED PROPERTY AS DESCRIBED IN THE INCLUSION AGREEMENT DATED MARCH 04, 2008.

BEGINNING AT THE SOUTHEAST CORNER OF SAID NORTH ½ OF THE SOUTHWEST ¼; THENCE S 89°37'55" W ALONG THE SOUTH LINE OF SAID NORTH ½ OF THE SOUTHWEST ¼ A DISTANCE OF 776.31 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID COMMERCIAL BUILDING AREA 2; THENCE N 68°59'59" W ALONG THE SOUTH LINE OF SAID COMMERCIAL BUILDING AREA A DISTANCE OF 25.97 FEET; THENCE N 83°59'59" W ALONG SAID SOUTH LINE A DISTANCE OF 285.00 FEET; THENCE S 61°09'31" W ALONG SAID SOUTH LINE A DISTANCE OF 86.15 FEET TO THE SOUTH LINE OF SAID N ½ OF THE SW ¼; THENCE S 89°37'55" W ALONG SAID SOUTH LINE A DISTANCE OF 1215.41 FEET TO THE SOUTHEAST CORNER OF THAT TRACT OF LAND DESCRIBED IN BOOK 282 AT PAGE 24 OF THE DOUGLAS COUNTY RECORDS; THENCE N 4°48'28" E ALONG THE EAST LINE OF SAID TRACT A DISTANCE OF 215.53 TO THE NORTHEAST CORNER OF SAID TRACT AND TO A POINT ON THE SOUTH RIGHT OF WAY LINE OF THE EXISTING COUNTY ROAD; THENCE N 84°57'06" E ALONG SAID SOUTH RIGHT OF WAY LINE A DISTANCE OF 150.76 FEET; THENCE ALONG THE ARC OF A CURVE TO THE LEFT AND ALONG SAID SOUTH RIGHT OF WAY LINE A DISTANCE OF 204.59 FEET, SAID CURVE HAS A RADIUS OF 576.00 FEET AND A CENTRAL ANGLE OF 20°21'05" AND A CHORD THAT BEARS N 77°07'24" E A DISTANCE OF 203.52 FEET; THENCE N 69°17'43" E ALONG SAID SOUTH RIGHT OF WAY LINE A DISTANCE OF 272.95 FEET; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT AND ALONG SAID SOUTH RIGHT OF WAY LINE A DISTANCE OF 282.69 FEET; SAID CURVE HAS A RADIUS OF 881.00 FEET AND A CENTRAL ANGLE OF 18°23'05" AND A CHORD THAT BEARS N 89°21'08" E A DISTANCE OF 281.48 FEET; THENCE S 70°35'26" E ALONG SAID SOUTH RIGHT OF WAY LINE A DISTANCE OF 121.01 FEET; THENCE ALONG THE ARC OF A CURVE TO THE TRIGHT AND ALONG SAID SOUTH RIGHT OF WAY LINE A DISTANCE OF 303.00 FEET; SAID CURVE HAS A RADIUS OF 2842.00 FEET AND A CENTRAL ANGLE OF 6°06'31" AND A CHORD THAT BEARS S 72°16'50" E A DISTANCE OF 302.86 FEET; THENCE S 76°41'57" E ALONG SAID SOUTH RIGHT OF WAY LINE A DISTANCE OF 349.41 FEET; THENCE ALONG THE ARC OF A CURVE TO THE LEFT AND ALONG SAID SOUTH RIGHT OF WAY LINE A DISTANCE OF 295.27 FEET, SAID CURVE HAS A RADIUS OF 1503.00 FEET AND A CENTRAL ANGLE OF 10°33'13" AND A CHORD THAT BEARS S 81°14'35" E A DISTANCE OF 294.85 FEET; THENCE S 85°47'13" E ALONG SAID SOUTH RIGHT OF WAY LINE A DISTANCE OF 424.59 FEET TO THE EAST LINE OF THE NORTH ½ OF THE SOUTHWEST ¼ OF SAID SECTION 12; THENCE S 0°15'17" E ALONG SAID EAST LINE A DISTANCE OF 67.34 FEET TO THE POINT OF BEGINNING.

THIS DOCUMENT IS DERIVED FROM VARIOUS LEGAL DESCRIPTIONS AND WAS CHECKED AGAINST ASSESSOR'S MAPS, BUT DOES NOT CONSTITUTE A BOUNDARY SURVEY.

Exhibit 2

Description of Village at Roxborough Property



RWSD - AURORA INTERGOVERNMENTAL AGREEMENT

TST INFRASTRUCTURE, LLC

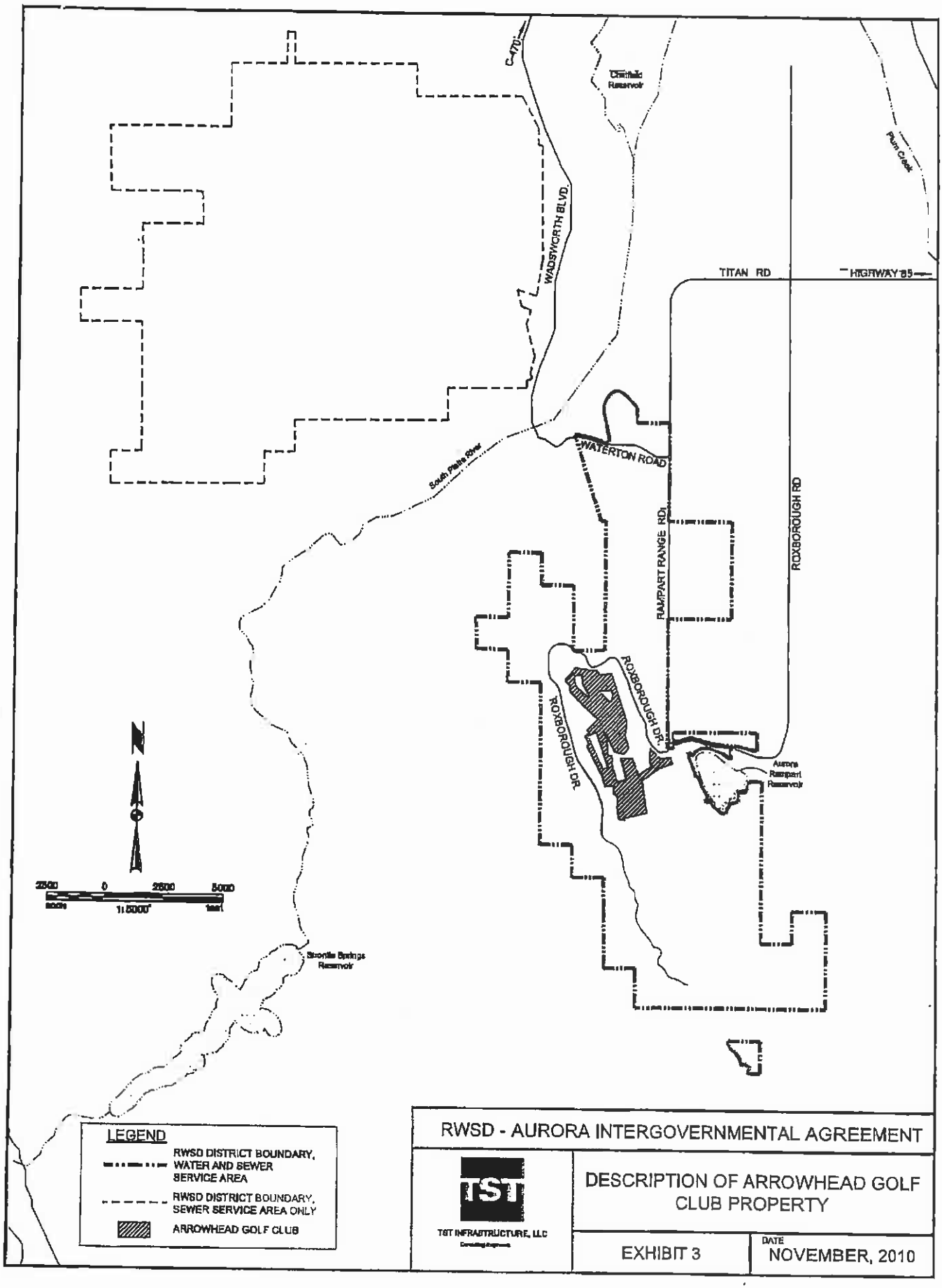
DESCRIPTION OF VILLAGE AT ROXBOROUGH PROPERTY

EXHIBIT 2

DATE NOVEMBER, 2010

Exhibit 3

Description of Arrowhead Golf Club Property


C-470
Chatfield Reservoir
Plum Creek
WADSWORTH BLVD.
TITAN RD
HIGHWAY 85
WATERTON ROAD
South Platte River
RAMPART RANGE RD.
ROXBOROUGH RD
ROXBOROUGH DR.
ROXBOROUGH DR.
Aurora Rampart Reservoir
Strontia Springs Reservoir
N
2500 0 2500 5000
scale 1:50000 feet
LEGEND
RWSD DISTRICT BOUNDARY, WATER AND SEWER SERVICE AREA
RWSD DISTRICT BOUNDARY, SEWER SERVICE AREA ONLY
ARROWHEAD GOLF CLUB
RWSD - AURORA INTERGOVERNMENTAL AGREEMENT
TST INFRASTRUCTURE, LLC
DESCRIPTION OF ARROWHEAD GOLF CLUB PROPERTY
EXHIBIT 3
DATE
NOVEMBER, 2010

APPENDIX C

1971 Roxborough Park Metropolitan District Service Plan
2003 First Amendment to the Service Plan

PRELIMINARY ENGINEERING REPORT

SERVICE PLAN

FOR

ROXBOROUGH METROPOLITAN DISTRICT

DOUGLAS COUNTY, COLORADO

WATER SUPPLY
SEWAGE DISPOSAL
FIRE PROTECTION

WRIGHT-McLAUGHLIN ENGINEERS
ENGINEERING CONSULTANTS
DENVER, COLORADO
OCTOBER 1971

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The Board of County Commissioners of Douglas County, Colorado, met in Special session at the Douglas County Courthouse, in Castle Rock, Colorado, being the regular meeting place of the Board, at the hour of 9:30 o'clock A.M., on Tuesday, the 9th day of November, 1971.

There were present:

Chairman:	Russell Higginson
Commissioners:	David Curtis
	Carl Winkler
County Clerk and Recorder:	Carroll Hier
County Attorney:	Earl Dazey

Absent: None

Thereupon the following proceedings, among others, were had and taken:

A Hearing on the proposed Roxborough Park Metropolitan District was held by the Board of County Commissioners, pursuant to the provisions of Chapter 89, Article 18, Colorado Revised Statutes 1963 (1965 Supplement) and in accordance with a Resolution adopted and approved by the Board on the 12th day of October, 1971.

Thereupon Commissioner Winkler introduced and moved the adoption of the following Resolution:

RESOLUTION

Commissioner Curtis seconded the motion for the passage and adoption of said Resolution.

The question being upon the passage and adoption of said Resolution, the roll was called with the following result:

Those voting AYE: Commissioners: David Curtis
Russell Higginson
Carl Winkler

Those voting NAY: NONE

The presiding officer thereupon declared that a majority of all the Commissioners elected having voted in favor thereof, the motion was carried and the Resolution duly passed and adopted.

After consideration of other matters to come before the Board, on motion duly made and seconded, the meeting was adjourned.

(S E A L)

Chairman
Board of County Commissioners

ATTEST:

County Clerk and Recorder

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

I, Carroll Hier, County Clerk and Recorder of the County of Douglas, State of Colorado, do hereby certify that the foregoing pages numbered 15 to 18, inclusive, constitute a full and correct copy of the record of proceedings of the Board of County Commissioners of said County, taken at a Special meeting held on the 9th day of November, 1971, so far as said minutes relate to a Resolution, a copy of which is therein set forth; that the copy of the Resolution contained in said minutes is a full, true and correct copy of the original of said Resolution as adopted by the Board of County Commissioners at said meeting; that said original Resolution has been duly signed and approved by the presiding officer of the Board of County Commissioners and myself, as County Clerk and Recorder, and sealed with the corporate seal of said County, and recorded in the Book of Resolutions of said County kept for that purpose in my office.

I further certify that the Chairman and 2 members of the Board of County Commissioners were present at said meeting and that 3 members of said Board voted on the passage of said Resolution as set forth in said minutes.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said County at Castle Rock, Colorado, this 9th day of November, 1971.

(S E A L)

County Clerk and Recorder

RESOLUTION

- 19 -

2. That the service plan of the proposed Roxborough Park Metropolitan District is hereby approved without condition or modification.

3. That a certified copy of this Resolution be filed in the records of Douglas County and submitted to the Petitioner for the purpose of filing in the District Court of Douglas County.

ADOPTED AND APPROVED This 9th day of November, 1971.

(S E A L)

Chairman
Board of County Commissioners.

County Clerk and Recorder

C E R T I F I C A T E

I, Carroll Rier do hereby certify that the above and foregoing is a true, correct and complete copy of a Resolution adopted by the Board of County Commissioners of Douglas County, Colorado, at a regular meeting held on November 9, 1971.

WITNESS my hand and the official seal this 9th day of November, 1971.

(S E A L)

County Clerk and Recorder
Douglas County, Colorado.

RONALD C. McLAUGHLIN
KENNETH R. WRIGHT
HALFORD E. ERICKSON
DOUGLAS T. SOVERN
KENNETH ASH, MANAGER
ASPEN OFFICE
P.O. BOX 2810
ASPEN, COLO. 81611

WRIGHT-McLAUGHLIN ENGINEERS
ENGINEERING CONSULTANTS
2039 BRYANT STREET
DENVER, COLORADO 80211
TELEPHONE (303) 433-6201

October 8, 1971

COMPLETE ENGINEERING SERVICES
IN THE SPECIALTY FIELDS OF
WATER SUPPLY AND DISTRIBUTION
WATER AND SEWAGE TREATMENT
SEWAGE COLLECTION AND REUSE
INDUSTRIAL WASTES
STORM DRAINAGE
FLOOD CONTROL AND
OTHER WATER-ORIENTED PROJECTS

Mr. Steven N. Arnold, President
The Woodmoor Corporation
Monument, Colorado 80132

Dear Mr. Arnold:

Submitted herewith is the Preliminary Engineering Report, Service Plan for Organization of the Roxborough Metropolitan District, Douglas County, Colorado.

The report has been written with the purpose of providing a construction and operational planning base for the water and sanitary sewage systems and fire protection facilities that are needed to support the Proposed Roxborough Park Development.

Formation of a metropolitan district under Colorado law will create a legal entity which can finance and construct the utilities systems. It will also provide an organization which will be perpetually responsible for the systems operation in the best interest of its customers. The report contains the data and analyses required for district formation.

Respectfully submitted,

WRIGHT-McLAUGHLIN ENGINEERS



By Douglas T. Sovern
Douglas T. Sovern

By Halford E. Erickson
Halford E. Erickson

By Ronald C. McLaughlin
Ronald C. McLaughlin

RCM:ms

Encl.

TABLE OF CONTENTS

	Page
LETTER OF TRANSMITTAL	
SUMMARY	
PROPOSED DEVELOPMENT	S-1
PROPOSED WATER SYSTEM	S-1
PROPOSED SEWAGE SYSTEM	S-2
FIRE PROTECTION SYSTEM	S-2
FINANCING AND OPERATION	S-3
SECTION I - AREA DEVELOPMENT	
GENERAL	I-1
DESCRIPTION OF AREA	I-1
PROPOSED DEVELOPMENT	I-2
DEVELOPMENT SCHEDULE	I-3
SECTION II - PROPOSED WATER SYSTEM	
DESIGN CRITERIA	II-1
WATER REQUIREMENTS	II-1
EXISTING WATER RESOURCES	II-4
ON-SITE GROUND WATER AVAILABILITY	II-5
SECTION III - PROPOSED SEWERAGE SYSTEM	
DESIGN CRITERIA	III-1
EFFLUENT DISPOSAL	III-2
PROPOSED FACILITIES	III-2
COST ESTIMATES	III-6
SECTION IV - FIRE PROTECTION SYSTEM	
DESIGN CRITERIA	IV-1
FINANCIAL REQUIREMENTS	IV-3
SECTION V - FINANCING AND OPERATION	
GENERAL	V-1
CAPITAL REQUIREMENTS	V-2
INCOME REQUIREMENTS	V-5
RATES AND CHARGES FOR SERVICES	V-6

APPENDICIES

APPENDIX A - DISTRICT LEGAL DESCRIPTION

APPENDIX B - WATER SERVICE AGREEMENT FORM WITH CITY OF AURORA

LIST OF DRAWINGS

WATER SYSTEM MASTER PLAN - ROXBOROUGH PARK	II-1
SEWAGE SYSTEM MASTER PLAN - ROXBOROUGH PARK	III-1

TABLE OF CONTENTS (Continued)

LIST OF TABLES AND CURVES

	Table
PROPOSED LAND USE	I-A
PROJECTED ASSESSED VALUATION	II-A
PHASED MUNICIPAL WATER REQUIREMENTS -- PEAK DAY	II-B
PROJECTED CRITICAL YEAR WATER REQUIREMENTS	Curve II-A
SOUTH PARK DITCH OWNERSHIP	II-C
BOREAS PASS DITCH	II-D
WATER SYSTEM PRELIMINARY COST ESTIMATE DENVER WATER BOARD SUPPLY	II-E
WATER SYSTEM PRELIMINARY COST ESTIMATE INDEPENDENT WATER SUPPLY	II-F
PRELIMINARY SEWERAGE SYSTEM COST ESTIMATES WILLOW CREEK PLANT SITE	III-A
ALTERNATE PLANT SITE COST REVISIONS (SOUTH PLATTE RIVER)	III-B
TERTIARY TREATMENT FACILITIES COST REVISIONS	III-C
TOTAL POSSIBLE POINTS OF DEFICIENCIES OF ITEMS IN GRADING SCHEDULE	IV-1
PROPOSED EQUIPMENT AND PERSONNEL REQUIREMENTS	IV-2
SUMMARY - WATER SYSTEM CAPITAL REQUIREMENTS	V-A
SUMMARY - SANITARY SEWERAGE SYSTEM CAPITAL REQUIREMENTS	V-B
SUMMARY - FIRE PROTECTION SYSTEM CAPITAL REQUIREMENTS	V-C
SAMPLE VALUES - OPERATIONS & MAINTENANCE COSTS	V-D

SUMMARY

PROPOSED DEVELOPMENT

The water and sewer utility Master Plans have been designed to service the development as proposed in the development Master Plan prepared by Chapman, Phillips, Brandt & Associates.

The Roxborough Park study area contains 3,200 acres. It is to be developed primarily as a mix between single-family residences and high-density clusters. The area is to be interspersed with large open spaces and various recreational facilities. A 15-year growth schedule is proposed, with approximately 20 per cent included in the first phase. The development is to be oriented toward a complete community with all amenities readily available including recreational amenities, and commercial and industrial areas.

PROPOSED WATER SYSTEM

The Master Plan proposed will provide a legally and physically adequate water supply, transmission and distribution system designed under the "urban-type" criteria, as required for fire protection.

The ultimate critical period water demand is estimated to be 3.7 MGD (million gallons per day). This flow will be provided through an agreement with the Denver Water Board or through development of an independent water supply.

The Master Plan for water facilities is shown on Drawing II-1. The proposed facilities include: finished water pumping at the Denver plant and in the District, five water storage tanks with a total capacity of 3.5 million gallons and distribution pipelines. Fire protection will be provided by the system. The total estimated cost of the system (using the Denver Water Board supply) is $4,219,150, of which $1,346,200 will be required in the first phase.

In addition, the independent water supply would require: the purchase of water rights and transfer proceedings; the provision of raw water storage; a raw water pumping station on the South Platte River with transmission line; and a water treatment plant. The total estimated cost of the water facilities, assuming an independent water source is $7,311,200 of which $2,712,000 will be required in the first phase. If an equitable contract with the Denver Water Board can be consummated, it is recommended that this alternate be adopted.

PROPOSED SEWAGE SYSTEM

All of the development is to be serviced with a community-type collection and trunk sewer system. Collected flows can be treated at one new plant located within Roxborough on Little Willow Creek -- or at an alternate site further downstream. The alternate site is preferred as a better area-wide location; it could also be used by other lands downstream. The sewage system Master Plan is presented on Drawing III-1. The treated sewage effluent can be reused for irrigation in and outside the District and no direct flow would be permitted to reach the proposed Chatfield Reservoir downstream. If the independent water supply alternate is adopted, then return flow considerations will probably dictate the need for a tertiary treatment plant with the effluent discharging to the South Platte.

The total estimated project cost of the sewer system is $5,101,900, of which $1,574,900 will have been invested at the end of the first phase. These costs are for the more expensive alternate plant site and include the tertiary treatment plant. Federal Water Pollution Control grants should be available to cover at least 30% of treatment plant costs.

FIRE PROTECTION SYSTEM

If related areas pertaining to the fire service are handled properly, and if a good volunteer fire department is organized to operate with the paid fire department, a Class 6 rating can probably be obtained from the Mountain States Inspection Bureau. The water system will generally be more than adequate to provide required flows, and the fire stations and equipment recommended in this Service Plan will provide a good first response capability.

The first phase of equipment acquisition will include a brush truck, a rescue unit, two 1250 GPM pumpers and the first phase of fire station No. 1 shown on the Drawings. The total capital cost of the first phase will be approximately $400,000. The capital cost of the second phase will be approximately $365,000. The estimated total capital cost, including final expansion of Station No. 1, will be $815,000. The last phase of development of the fire protection system will occur about 3 to 5 years after full development of Roxborough Park.

FINANCING AND OPERATION

District formation is recommended to result in a governmental entity which would govern financing, construction, and permanent operations of the system.

Estimated income allocations necessary to cover debt service, operation and maintenance costs are summarized below. The unit used for comparison is an equivalent residential tap (considered a home with an average of 3.4 people).

Income Source	Denver Water Board Water Supply	Independent Water Supply
Water Service Charge	$5.00/month plug $0.60/1,000 gal.	$5.00/month plus $0.60/1,000 gal.
Sewer Service Charge	$8.00/month	$8.00/month
Tap Fee:		
Water	$450	$570
Sewer	$430	$430
Standby Service Charge:		
Water	$5.00/month	$5.00/month
Sewer	$4.00/month	$4.00/month
Tax Income (Water & Sewer)	5.0 mills	5.0 mills
Tax Income (Fire Protection)	6.0 mills	6.0 mills

SECTION I

AREA DEVELOPMENT

GENERAL

The area served by the proposed utilities system is owned by the Woodmoor Corporation, which plans to develop the area under the name Roxborough Park. The area boundaries are shown on the utilities drawings II-1 and III-1. The legal description of the service area of the proposed water and sanitation district is included as Appendix A.

A master plan of overall development of Roxborough Park has been prepared by Chapman, Phillips, Brandt & Associates of Newport Beach, California, and Woodmoor Corporation. This type plan is essential to the economic planning of the water and sewer systems and has been used as a basis for this report. The overall plan indicates that proposed development is scheduled to occur over a 15-year period. Utility systems should be scheduled to approximately match the same rate.

It may be expected there will be changes in the development as planning progresses from the preliminary stage to final platting. It is not possible or necessary to have a precise plan for distant future utility development. Early utility systems must be sized and located to serve early development and satisfy the requirements of the long term plan, but must be designed flexible enough to permit modifications to fit the alternations in the overall plan for the community. Consideration must also be given to possible future service to areas that logically may be served because of geographical location.

DESCRIPTION OF AREA

The total area within the described boundaries includes approximately 3200 acres. The property is located entirely in Douglas County, Colorado, south of Kassler about ten miles southwest of Littleton, a Denver suburb. To date, the land has been used for stock raising, and is essentially undeveloped with an assessed valuation of $32,650 (1970).

The area lies just beyond the fringe of present development for the greater metropolitan area of Denver. The foothills and rugged terrain to the west will limit growth in that direction. Chatfield Dam and reservoir north of the area will provide scenic and recreational value to the property. There are numerous red sandstone rock outcrops within the property that are to be reserved as park and recreation area, which also limit overall density. It is expected that the area within the boundaries of the major rock formations will be developed as a park area without buildings. The park area is about 1/3 of the total.

PROPOSED DEVELOPMENT

The general scheme of construction planning is shown on the utility drawings II-1 and III-1. The overall picture is a balance of residential areas and cluster development with dense multi-family units. The building and sub-divided area within the proposed district occupies about one half of the land. The remaining area will consist of the parks, lakes, recreational facilities, golf course, tennis courts, bridle paths and natural greenbelt spaces.

The sequence of development phases is planned to allow construction to start in the north portion at the lower elevations, and proceed to the south, or higher sections of the property. This type planning permits economical utilities service since it permits the pipeline construction to extend uphill as required. Although it is necessary to extend some transmission pipelines across park areas and the golf course, distribution and collection lines are not required, thus reducing overall costs.

The present schedule is to plat and open the entire area for development within seven years. However, construction is expected to take fifteen years to attain near ultimate density.

The various types of sites to be developed are as follows:

1. Single-family residential sites (SFR)
   Density 1 - 4 sites per acre.
2. Multi-family units - Townhouses or similar
   Density 4 - 12 units per acre.
3. Multi-family units - condominium or apartments
   Density 12 - 20 units per acre
4. Resort - Condominium type units available for
   temporary rental.

The remaining development will be for light industry, commercial shops, restaurants, and other supporting service facilities. The assessed valuation of ultimate development is estimated at approximately $55 million assuming presently used valuation ratios.

DEVELOPMENT SCHEDULE

The program for development of the property is scheduled into five phases. The phases conform to portions or areas within the boundaries that will be platted and sold more or less at the same time or in sequence. Table I-A indicates the expected densities and types of units for each phase at ultimate development.

The areas for each phase are described approximately as follows:

Phase 1 - Northwest and west of the hogback in Sections 2, 3, and 11.

Phase 2 - The west side between the park and the boundary in Sections 11 and 14.

Phase 3 - Northeast and east of the hogback including the industrial area and a small part of the commercial portion in Sections 1, 2, and 11.

Phase 4 - The southeast sector surrounding the Aurora reservoir and east of the hogback in Sections 13 and 24.

Phase 5 - The south portion in Section 23 and 24 including the detached area in Section 25.

As can be seen in Table I-A, the ultimate resident population expected is 20,980. It is recognized that development pressure, availability of utilities, and other factors will affect actual construction progress so that utility planning and budgets should undergo continual revision and updating.

TABLE I-A

PROPOSED LAND USE

Description of Units	Number of Units					
	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Total
Single Family Residence	400	100	400	500	--	1,400
Multi-Family (4-12)	300	100	800	800	400	2,400
Multi-Family (12-20)	400	300	400	400	800	2,300
Resort	300	--	--	--	--	300
Commercial (Acres)	4	--	--	16	--	20
Industrial (Acres)	--	--	160	--	--	160
Schools	1	--	1	--	1	3
Estimated Population	4,340	1,620	5,440	5,820	3,760	20,980

The projected rate of development is indicated by Table II-A, which shows the estimated rate of assessed valuation increase. A one-year time lag for recording value has been assumed. Values assume no escalation and are based on 1971 costs.

TABLE II-A

PROJECTED ASSESSED VALUATION
(Based on 30% of Estimated Real Value)

Year	Est. Assessed Valuation	Year	Est. Assessed Valuation
1971	.04 Million	1980	48.0 Million
1972	.3 "	1981	57.8 "
1973	1.2 "	1982	64.5 "
1974	3.1 "	1983	68.5 "
1975	5.0 "	1984	71.7 "
1976	10.0 "	1985	74.0 "
1977	18.8 "	1986	76.0 "
1978	27.6 "	1987	77.2 "
1979	37.6 "	1988	78.0 "

SECTION II

PROPOSED WATER SYSTEM

DESIGN CRITERIA

The preliminary designs and findings of this report are based on the following general design criteria:

1. Adequate potable water supplies must be developed to support all water requirements created by proposed construction. However, water availability may logically create reasonable planned constraints upon development.

2. Potable water must be of good quality, meeting all requirements of the Colorado Department of Public Health.

3. Fire protection flows must be available to all commercial, industrial, and residential areas, in accordance with National Board of Fire Underwriter's Standards.

4. Consideration must be given to non-potable general irrigation and recreational water requirements so that designs result in a total water resource adequate for the area.

5. Water facilities must be designed for phased construction to permit gradual investment, approximately paralleling actual needs in order to result in an economically feasible plan.

6. The water supply and distribution facilities must be of good quality design and construction, commensurate with the quality of development, and so as to result in continuous, reliable service.

WATER REQUIREMENTS

Water will be required for:

Domestic (potable) Use
Golf Course Irrigation
Aesthetic Purposes

It is known that the total water resource is a critical item; therefore, ultimate water requirement estimates are based on the assumption of negligible lawn or open space area irrigation. The developers, through planning and covenant, should restrict lawn irrigation--or the District could accomplish this through an appropriate rate structure. Because of the relatively large volumes of water required for the golf course, it is economically impractical to use the potable water supply for this purpose. Likewise, potable water probably cannot be used economically for recreational and aesthetic purposes. Separate water sources must be developed for each of the three types of use. Maximum demands for all the systems may be expected during the summer period.

Domestic Demands. For domestic water facilities, the critical design flow rate will be the daily quantity required during a peak day. For economy, finished water storage tanks are then provided so as to provide the higher instantaneous peak rates upon demand. The distribution piping must also be sized for peak demand rates. In addition, all facilities must be designed to provide adequate fire protection flows.

The Roxborough Park development is not typical of most American residential communities, so that historical unit water demands experienced with other cities are not directly applicable. The unit water supply figures used herein are to be considered approximate estimates, based on judgment and data adopted from similar areas.

Curve II-A indicates the estimate of maximum potable water requirements at the design ultimate development and illustrates seasonal demand variations.

Following are the estimated peak day requirements for water supply by development phase.

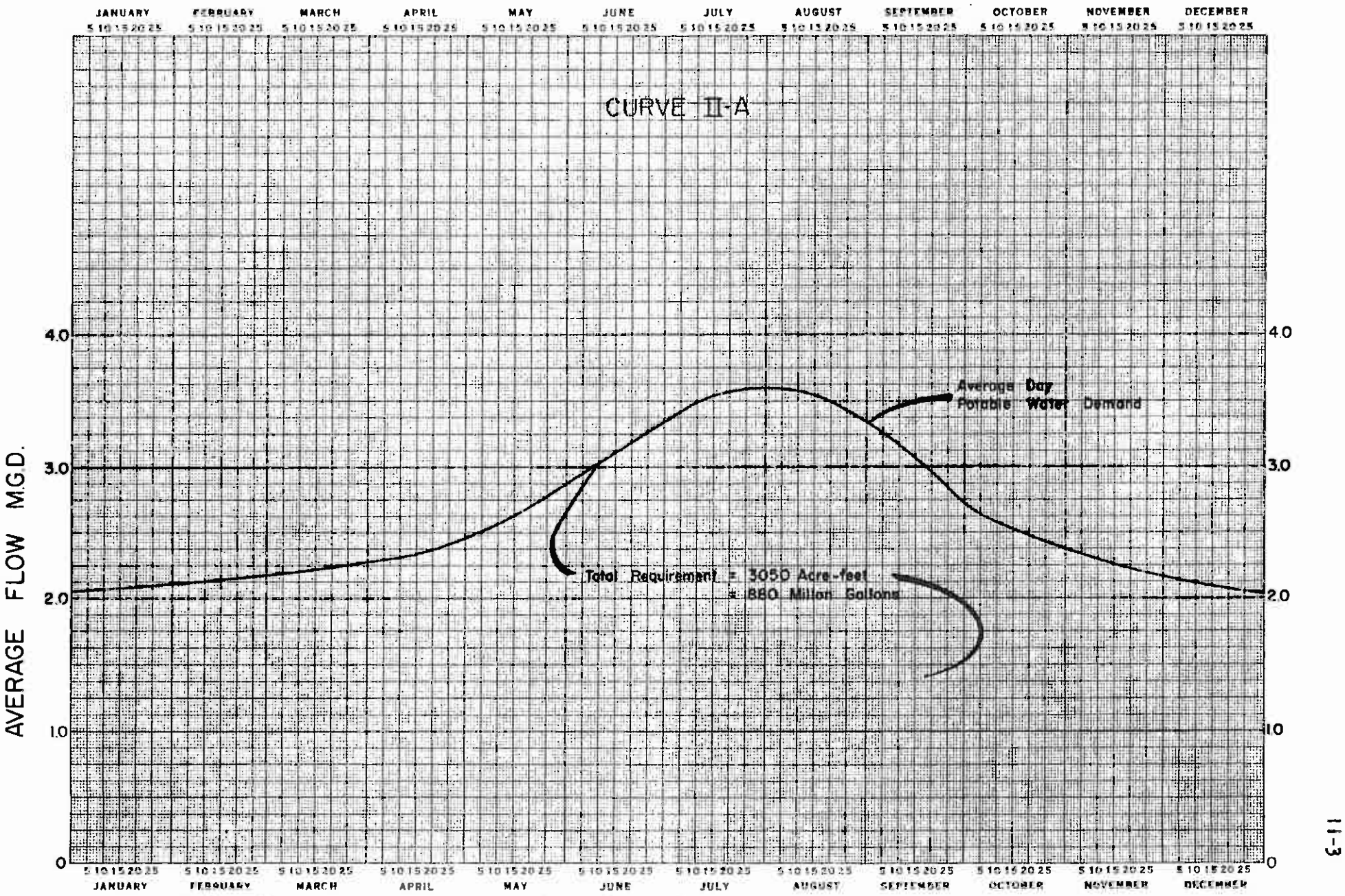
TABLE II-B

PHASED MUNICIPAL WATER REQUIREMENTS -- PEAK DAY

Phase	Cumulative Domestic Demand Peak Day - MGD
1	0.8
2	1.8
3	2.2
4	3.0
5	3.7

AVG Day

K+E 1 YEAR BY DAYS 46 2893
X 250 DIVISIONS
KEUFFEL & ESSER CO.



ULTIMATE PLANNED DEVELOPMENT - 6400 RES. UNITS

PROJECTED CRITICAL YEAR WATER REQUIREMENTS

Golf Course Irrigation. The water required for irrigation of approximately 160 acres of recreational area, such as the golf course land will be at least 1.5 cfs of dependable water supply at peak demand. This water will be separate, and apart, from the municipal supply and should basically be a responsibility of the golf course management. The dry-year demand for irrigation water for the course is 420 acre-feet, including rainfall. Average year requirements are somewhat less. A 350 acre-foot per year supply must be designed to assure adequate irrigation flows during drought periods.

Aesthetic Water Requirements. Certain stream flows and reservoirs are desirable for beneficial development of the area. A large reservoir and several small ponds are shown on the development plan for recreational, social and aesthetic purposes. The water supply for these lakes essentially will be to make up seepage and evaporation losses. The developer is responsible for this water supply. A separate study is being conducted which is expected to result in the establishment of adequate aesthetic water supply, using water rights now under Woodmoor ownership.

EXISTING WATER RESOURCES

The proposed District is situated in an area that is relatively dry without significant dependable yearly flows. The Woodmoor Corporation has acquired certain water rights with the land. The water diverted under these rights has historically been used for agricultural purposes. These water rights are not considered firm or adequate to supply the domestic needs of the proposed development. They are intended to be retained for recreational, agricultural and aesthetic use.

The Woodmoor Corporation has obtained a 5-year lease, with option to purchase, of 65 shares of the Last Chance Ditch. An application has been made to transfer the point of diversion to a convenient pumping station. The intent is that this water is to be used for golf course irrigation until adequate waste water flows are generated. However, under the independent supply alternate, the Last Chance water would be purchased and obligated to the golf course. The Last Chance Ditch has priorities 14, 19 and 39, which makes this ditch considerably junior to other ditches. At this time, since Englewood and Denver have surplus water in an average year, they are

not exercising their full rights, thus allowing the Last Chance Ditch to receive a stable supply. Unless a dry year occurs, the Last Chance Ditch water will probably be a dependable source for the next five years especially for golf course use where shortages of 20 percent can easily be tolerated. The average yield of Last Chance Ditch stock is about 35 acre-feet per share, and the dry year yield is about 19 acre-feet per share. The present location of the Last Chance Ditch is about one-half mile upstream of the proposed headgate location of Roxborough No. 1, which may make transfer of the point of diversion easier. However, in the event of a purchase of the water, the amount given up to the river will depend on the historic consumptive use of a specific share of the Last Chance Ditch and whatever non-beneficial use might be claimed from the headgate to land irrigated.

The possibility of obtaining a deep well water supply has been considered. After study of geologic conditions, a deep well water source of sufficient quantity to supply the total ultimate municipal needs appears remote. Deep wells, however, could produce a significant portion of the water requirements. Therefore, a ground water geological study was undertaken and an initial test well completed as described hereinafter.

ON-SITE GROUND WATER AVAILABILITY

Subsurface water from wells, when available in adequate quantities, provides an opportunity for generally low cost and convenient development of a municipal or irrigation/recreation supply. Furthermore, when only limited supplies are available, new developments can often commence initial operations using groundwater to keep capital costs lower in the early years. The most costly water facilities can then be constructed at a later date.

Geology. The Roxborough Park area is located on the western, steeply upturned flank of the Denver Basin. The Denver Basin is a large synclinal trough, having an axis parallel to the Rocky Mountain Range, which covers a good share of northeastern Colorado.

The property is underlain by Precambrian gneiss and granite on the west. Going eastward, various sedimentary rocks of Pennsylvanian, Permian, Triassic, Jurassic, and Cretaceous geologic age are exposed. Descriptions, starting with the oldest or Precambrian basement rock units through the younger sedimentary rocks are as follows:

Precambrian Basement Rock. The crystalline Precambrian rock bordering the Roxborough Park area on the west consists of granite and gneiss. These rocks form the mountain range to the west, and are very resistant to weathering. In addition, they do not have any porosity, except that caused by fracturing. For water supply purposes, this basement rock in the area could be classified as aquiclude, or a geologic formation which for all practical purposes obstructs the flow of ground water.

Fountain Formation. The thickest sedimentary rock unit is the Fountain formation, which is an arkose conglomerate with silty shale beds. The formation dips steeply to the east-northeast, and is non-uniform in character. This is evidenced by the weather-resistant lens which protrude above the overall ground surface and form the striking geologic protrusions for which Roxborough Park is noted.

The Fountain formation has a thickness of approximately 2,000 feet and would be classified as an aquifer, or a geologic formation which contains water in voids, or fractures, and withdrawn for use as a source of water supply. The Fountain formation is characterized by its predominantely red color.

Lyons Sandstone. East or above the Fountain formation is the Lyons sandstone, of Permian age, which in this area forms a hogback that dips about 60 - 70 degrees toward the east. Approximately 240 feet thick, the unit consists of yellowish-gray to pale red sandstone, which contains some layers of conglomerate near its base. The formation is classed as an aquifer; however, wells completed in the Lyons sandstone generally do not have productions unless fractures are present.

Lykins Formation. The Lykins formation is composed of silty shale and sandy limestones. The colors range from a light buff to reddish brown. For water supply purposes, this approximately 350 foot thick formation does not yield significant amounts of water to wells.

Ralston Creek Formation. Next in ascending order is the Ralston Creek formation, which is a light gray, limey shale, which may have thin layers of sandstone. This comparatively thin formation (50 feet) generally does not supply significant amounts of water.

Morrison Formation. The Morrison formation overlies the Ralston Creek formation. Both of these are Jurassic in age. The Morrison formation is a variegated, or many colored, silty shale, which has thin sandstone and limestone beds present. The Morrison can approach 400 feet in thickness, and is classified as an aquifer which can supply small amounts of water where the limestone and sandstone beds have adequate permeability.

South Platte and Lytle Formations (Dakota Formation). The Dakota formation, which is technically known in the area as the South Platte and Lytle formations, is composed of conglomerate and quartzite beds separated from overlying sandstone beds by clay or shale. The Dakota is resistant to weathering and forms the predominate hogback which parallels the front range north and south of Denver. The Dakota is an aquifer which yields varying amounts of water depending upon the permeability of the conglomerate and sandstone beds. The Dakota dips 60 to 70 degrees to the east in the Roxborough area.

Overlying Younger Formations. Overlying the Dakota formation, in order, are:

Granerous shale
Greenhorn limestone
Carlile shale
Niobrara formation
Pierre shale

All of these units could be classed as aquicludes and, therefore, are not described in detail, as they form the eastern overlying barrier for the aquifer systems, which lie above the crystalline basement rock.

Ground water. In the Roxborough Park area, ground water is physically available from sand and gravel alluvial aquifers and from sedimentary bedrock aquifers. On the Roxborough Park property itself, shallow wells from alluvial-type aquifers would not supply significant amounts of water because sufficient saturated thicknesses of sand and gravel are not present. Just north of the property, however, there are alluvial sand and gravel deposits associated with the South Platte River which can have well yields of 300 gpm (gallons per minute), as evidenced by information from the State Engineer's Office and geologic maps. Much of this aquifer, however, will be flooded by the Chatfield Reservoir.

Further to the east, Plum Creek also has sand and gravel deposits, but would have lower well yields. There is a slight possibility that Indian Creek, to the southeast, would have ground water development potential, however, this would need to be verified by test drilling. These shallow wells would definitely be tributary and would require water rights as discussed in Section III of this report. The only source of ground water on the property would be from sedimentary bedrock aquifers, and this would be non-tributary water.

Data. The State Engineer's Well Log Records indicate that only five wells have been drilled on the property. One is located in Section 1, T7S, R69W and was drilled to a depth of 390 feet into the Pierre Shale. It was practically dry, as the well yield was only 1/2 gpm. The other four wells located near the center of the property in sedimentary rocks range in depth from 24 to 298 feet. The water yields range from 5 to 30 gpm. This is a minimal number of wells for the area involved, and therefore, the existing well records cannot be used as a basis for determining the ground water potential. They do, however, indicate that some water is available.

The Oil and Gas Commission records do not indicate any oil or gas test holes, or wells, which have been completed in the area -- often these records can be helpful in determining the ground water supply potential.

A useful source of information would be detailed production records and locations of water encountered during the construction of the Aurora Rampart Tunnel No. 2. This tunnel penetrates the entire sequence of water-bearing sedimentary rocks under the property. Detailed records of water productions from this tunnel have not been made. It is reported, however, that the total water production from the tunnel going through the Dakota and Fountain formations was approximately 100 to 200 gpm for the stabilized flow after higher, initial yields were produced. This reported water production is for a tunnel approximately 100 feet below the general ground level. Where the tunnel lies under the Dakota hogback and Fountain formation projections, the depth ranges up to 300 feet.

A well has been drilled, at Roxborough Park, located in the SE/$\frac{1}{4}$ SE/$\frac{1}{4}$ Section 11, Township 7S, Range 69W. The hole was drilled to a total depth of 1,660 feet and had 8" I.D. steel casing set and cemented to a depth of 1,024 feet. The producing Lyons sandstone aquifer has a yield of approximately 70 gallons per minute as determined by a short term air lift pumping test.

A complete chemical analysis was made on a sample of the well water. The water is generally of a good quality having a total dissolved solids content of 201 parts per million (ppm), however, treatment would be necessary to remove manganese and possibly iron.

Publications covering the Roxborough area include the Colorado Ground Water Basic Data Report No. 15 titled "Hydro-geologic Data of the Denver Basin, Colorado". This is a basic data report on wells in the Denver area. Excellent geologic coverage of the area is given by U. S. Geological Survey Professional Papers 421-A and 421-B entitled "Quaternary Geology and Geomorphic History of the Kassler Quadrangle, Colorado" and "Bedrock Geology of the Kassler Quadrangle, Colorado" respectively. Both of these professional papers were authored by Glenn R. Scott who was interviewed by our office concerning the geology in the Roxborough Park area with reference to ground water supplies.

In addition to the above listed publications, general geology and hydrologic publications and information were referenced and used in the ground water investigation of the Roxborough Park area. Experience from past test hole drilling and water supply investigations along the Front Range west of Denver, was also utilized.

Deep Well Supply. Based on the existing data, as previously outlined, a deep well water supply is available at Roxborough Park. Two ground water supply systems have been analyzed. The first would have the purpose of being an interim supply for use until the Denver Water Board supply from the Roxborough plant is available. A peak demand of 1.0 MGD is projected. It would involve wells drilled and pumped at maximum capacities for 5 years. After 5 years the wells would no longer be used; however, they might be kept in reserve for an emergency, or backup, supply. The second ground water program would involve a larger number of wells drilled and used as a permanent water supply system and as a part of the independent water supply plan.

At Roxborough Park the aquifer system could be thought of as an underground storage reservoir bounded on the west by the crystalline basement rocks and on the east by the shales and limestones lying above the Dakota sandstone. Groundwater pumped from this aquifer system would have water supplied by direct recharge from precipitation and/or artificial recharge in addition to water which is mined or taken from storage. Assuming that 6% of the

annual precipitation is recharged into the aquifer systems, the total amount of water which could be withdrawn from 2,000 acres of recharge area would be 160 acre feet per year which is equivalent to 100 gpm. Artificial recharge, through the use of irrigation, perhaps spray irrigation of effluent, reservoir seepage, land spreading and injection wells could increase the amount of water which would enter the underground storage system. This artificial recharge could be in the order of 100 to 500 gpm. The amount of existing ground water in storage, is in the order of 60,000 acre feet assuming an area of 2,000 acres having a depth of 1,000 feet for the aquifer system with a porosity of 3%. It is further assumed that 1/3 of this water in storage is recoverable.

FIVE YEAR DEEP WELL SUPPLY

Shown on Drawing No. II-1 are 18 wells which would be used as a full 5-year supply for Roxborough Park. These 18 wells are located on the northern half of the property, where it is assumed that the first 5-year development would occur. These wells would rely heavily upon pumping water stored in three aquifers. Beginning at the west side, 8 wells would be completed in the Fountain formation. It is expected that these would be lower producers than those completed to the east in the Lyons and Dakota sandstones. However, the water quality would be better and should only require chlorination as treatment. Five wells completed in the Lyons sandstone would, because of anticipated iron and manganese problems, be pumped to the Well No. 3-L location where central water treatment facilities would be located. A similar arrangement for the 5 Dakota wells to the east would also be used, as it is certain that the Dakota wells would have iron which would require removal.

These 18 wells would have total depths ranging from 1,000 to 1,500 feet. In order to increase water productions for the 5-year peak pumping period, it is contemplated that the wells would be fractured, using high-pressure, oil-field-development techniques which are now being proven on water wells in Colorado.

Using the stored ground water from highly developed wells, it is anticipated that a total water production of 700 gallons per minute (gpm) or 1,000,000 gallons per day (mgd) would be available.

PERMANENT DEEP WELL SUPPLY

For a permanent deep well water supply, which would be a part of the total water requirements for the Roxborough Park using the independent water supply alternate, an additional 14 wells would be drilled on the south half of the property. The same 18 wells from the 5-year supply would continue to be used, but would have pumping rates which would be drastically reduced in order that they could supply water on a long-term basis. The additional wells are also shown on Drawing No. II-1, and are numbered from 18 to 32, having a letter designation to indicate the aquifer used, i.e.:

F - Fountain formation
L - Lyons sandstone
D - Dakota sandstone

The widely spaced Lyons and Dakota wells would probably have individual water treatment for iron and/or manganese because collection lines for centralized treatment would be too costly.

This permanent deep well system should be capable of supplying 300 gpm, or 0.4 mgd on a year-round basis. The wells would be capable, however, of pumping peak requirements of up to 500 - 600 gpm.

Summary. The Roxborough Park area has a well-defined aquifer system which can be developed to produce significant amounts of water, based on available information and one deep well which has been drilled and test pumped.

The water supply potentials from these aquifer systems for a 5-year period and a permanent supply should be approximately 700 gpm and 300 gpm, respectively. It should be kept in mind, however, that these projected pumping rates have a reliability factor in the range of plus or minus 50 per cent, as wells and pump tests have not been completed for the Dakota and Fountain

formations in this particular area. However, it is our opinion that the pumping rates given are reasonable and reliable, based upon the existing information and experience with these aquifers in other areas. It might also be noted that Lyons sandstone normally does not have an iron or manganese water quality problem and that further testing in the area would be needed to confirm whether or not all Lyons wells would have an iron and manganese problem. It is known, however, that nearly all Dakota sandstone wells do have iron in the pumped water. It is further expected that the Fountain wells should have a good water quality, as the Roxborough Park property is the re-charge area. This is quite advantageous as the total aquifer systems can be controlled, both in re-charge or water input, and discharge wells by Roxborough directly.

The deep well programs would require permits for each of the individual wells from the State Engineer's office. It is anticipated that these wells would be classified as non-tributary, and therefore, well permits would most likely be approved. However, there is a possibility that the Colorado State Engineer might restrict the drilling program to some unknown extent.

WATER SUPPLY - DENVER WATER BOARD

The Denver Water Board is the major water supplier in the Metropolitan Denver Area. The Board has developed good and adequate supplies and could furnish water to Roxborough on a permanent basis. The Denver Water Board Master Plan includes a proposed large (100 million gallon per day, or over) Roxborough water treatment plant. The present schedule calls for initial plant construction around 1977-1978. The Denver Water Board has acquired a plant site just east of the Roxborough development, as shown on Drawing II-1. The plant would be supplied with raw water from the South Platte through a tunnel which would traverse beneath the Roxborough District. This plant, when placed in service, would be a logical source for the Roxborough District.

Negotiations with the Denver Water Board staff have been undertaken, and to date have received favorable comment from the staff. The significant provisions of an agreement between the Denver Water Board and the Roxborough District would probably be as follows. Note that it is intended that the agreement would be signed by the District Board, when formed.

1. The Denver Water Board would furnish water in accordance with the Denver Water Board standard Distributor's Contract, a copy of which is attached as Appendix B.

2. The Denver Water Board would furnish treated water on a metered basis, at a supply point located approximately on the joint Denver Water Board-Roxborough boundary line.

3. The Denver Water Board would commit sufficient supply to the whole Roxborough District development as described herein and include the whole District in the contract service area, subject to the curtailment provisions in the standard contract.

4. The Woodmoor Corporation will assist the Denver Water Board as agreed, in obtaining the tunnel easement through Roxborough.

5. The Denver Water Board would not be obligated to serve Roxborough until the proposed treatment plant is in operation. In the meantime, Roxborough will be responsible for drilling deep wells and supplying early development with adequate water. If the deep well water supply proves inadequate before the Denver Water Board plant is operational, Roxborough may construct a temporary diversion and treatment plant (using the initial golf course water supply system). In this case, the Denver Water Board will either sell water to Roxborough, or assist Roxborough in obtaining raw water supplies.

6. At some future time, the District and the Denver Water Board may agree to revise the Contract to "Total Service" provisions.

INDEPENDENT WATER SUPPLY

The alternate of developing an independent water supply has been investigated. From a hydrological-water availability standpoint, the most feasible independent supply would rely on the combination of two sources:

1. Deep wells within or near the District.
2. Surface water diversions from the South Platte River.

The deep well resource has been described previously, it being our opinion at this time that the estimated yearly long-term yield cannot be accurately predicted, but that a best estimate is in the range of 0.4 MGD.

The preliminary plan for aquisition of surface water rights is discussed following.

The basic element of the independent water supply plan is the purchase of senior water rights that can be transferred to the Roxborough point of diversion. These water rights will be supplemented by a new municipal right from the South Platte River and by ground water pumped from wells. Reservoir storage will be required to provide carryover of summer water for winter use.

To provide maximum flexibility in developing the independent water supply, several sources of water rights have been evaluated. These include irrigation rights in Water District 23, the Boreas Pass transmountain diversion presently owned by the City of Englewood, and a new municipal right from the South Platte River. These sources are discussed in the following subsections.

Water District #23. Water District #23 is the uppermost of the South Platte River (Division 1) administrative districts and encompasses all of South Park. A large part of the South Platte River Water supply originates in South Park, which is a high mountain valley ranging in elevation from 9,000 to 10,000 feet. The principal water use in South Park is for irrigation of hay meadows and pasture land. There are a significant number of relatively senior direct flow water rights from the South Platte and its major tributaries that can be purchased and transferred from South Park to the Roxborough point of diversion.

Direct flow decrees in Water District 23, adjudicated in the first adjudication proceeding for that District, were reviewed along with the water commissioner's records to determine ownership. Table II-C summarizes the major ditches and ownership. These water rights can be purchased, the ranches dried up, and the water transferred to the Roxborough point of diversion. This is a long and complicated procedure, and the amount of water that can be effectively transferred cannot be precisely determined until transfer proceedings are initiated and completed.

A recent case involving the City of Aurora and the Augustine Ranch, however, provides a guide to the way that the courts impose limits and stipulations on such transfers. The City of Aurora purchased direct flow water rights totaling 197 cfs from the Augustine Ranch in South Park. Of the total, approximately 10 cfs were actually transferred and both the period and amount of diversions were subject to stipulation, imposed by the Court. The average yield obtained by the City of Aurora at its point of diversion from the transferred water rights is in the order of 3,000 to 3,500 acre-feet.

TABLE II-C

SOUTH PARK DITCH OWNERSHIP

Owner Name	Priority WD 23	Amounts (cfs)	Totals (cfs)	Ditch Name
	159	27.0		Bonnell
(Paul Ansley)	205	27.0	54.0	Alkaline
	33	9.36		Burns&Session
(F. Anschutz)	34	10.0		Randell&Nicholas
	32	10.0		Litmer
	46	12.38		Brubaler
	83	Entire Flow		Ohler Gulch
	98	28.83		O'Neil
	100	11.12		Anchor

Owner Name	Priority WD 23	Amounts (cfs)	Totals (cfs)	Ditch Name
	103	9.42		Cincinnatti
	110	11.42		Whitten
	127	3.5		Session
	131	6.5		Skelton
	149A	5.0		Mesa
	171	2.0		Litmer
	158	6.60		Craig
	196	8.0		Kenosha So.
	183	2.16		Schattinger
	228	30.0	166.29 +entire flow from Ohler Gulch	Ohler
	18	10.0		Miller&Chapman
(Walter Coil)	21	6.4		Anderson No. 3
	48	10.45		Anderson No. 2
	135	15.00		Anderson No. 1
	174	15.76		Miller
	166	60.0		Park
	89	2.0		Miller&Chapman, 1st Enl.
	81	1.0	120.61	Secramento
	145	23.35		Anderson&Brewer
(D. Hamilton foreman)	55	4.00		Anderson&Brewer enl (transf to)
	206	10.0	37.35	Peabody No. 3
	51	14.6		Baker&Lilley
(A. Wahl)	88	Entire Flow		Baker
	147	6.11	20.71 + entire flow from Baker Ditch	Lilley&Harriman
	29	39.49		Brownlow&Stevens
(Park Land & Cattle Company)	335	3.0		Baton
	229	30.0		Malice
	1	39.49	111.98	Beery
	93	27.0		Burlingame
(Ed Lowry, caretaker)	107	25.0		Binkley
	149	6.27	58.27	Drake
	54	1.31		Holthusen
(Dixon Johnston)	109	5.0		Borden Enl
	112	3.0		Peabody
	140	4.0	13.31	Peabody No. 2
	60	19.0		Hubbard
	23	5.0		Hubbard (transf to
(Mc Nalty)	222	1.62		Burlingame No. 2

Owner Name	Priority WD 23	Amounts (cfs)	Totals (cfs)	Ditch Name
	233	1.62	27.24	Burlingame No. 3
	38	17.9		Fehringer No. 1
(James McDowell)	84	13.4		Fehringer No. 2
	134	31.0		Thompson
	6	20.27		Guriaud
	7	41.59		Canon
	8	1.32		Small
	7	16.00	141.48	Small (transf to)
	25	6.0		Daniel Fyffe
(Eleven Mile	49	49.0		Sadler
Grazing Assoc.)	66	42.0		Foster
	75	28.0		Hot Springs
	77	33.0		Central
	81	24.0		Fritz
	85	45.0		Donovan
	95	29.0		Main or Hotel
	99	84.0		Rogers North
	303	2.0		Four Mile No. 1
	202	22.0		Hartsel Four Mile
	304	2.0		Four Mile No. 2
	398	6.5		Euhler
	138	16.45		Harris
	148	66.0		Western
	399	3.0		First Field
	160	84.0		Rogers So.
	164	49.0		Divine-Hill
	177	43.0		Harrington So.
	197	94.0		Harrington Rickards
	9	15.0	742.95	Four Mile
	39	4.78		Crosier&Hawxhurst
(G. Williams,	167	20.0		Rayner&Edmonson No. 1
manager)	105	25.0		Rayner&Edmonson No. 2
	169	20.0		Rayner&Edmonson No. 5
	170	5.85		Rayner&Edmonson No. 3
	173	2.0	77.63	Rayner&Edmonson No. 4
	68	12.35		Crosier&Taylor
(D. Roth, foreman)	175	2.0		Gibson, 1st enl
	90	18.78		Taylor
	130	2.46	35.59	Gibson
	37	8.0		Demick
(Teter Family)	132	4.0		Demick 1st enl
	150	4.0	16.0	Demick 2nd enl
	78	9.0		Franks
(David Larcheck)	114	42.74	51.74	Rogers

Owner Name	Priority WD 23	Amounts (cfs)	Totals (cfs)	Ditch Name
	55	7.0		Dunbar
(Frank Collard)	118	27.0		Petrie
	146	27.0		Dunbar No. 1
	200	19.0	80.0	Link
	44	4.06		Ratcliff No. 3
(Lloyd Burdick,	27	2.3		Rock Creek, 1st enl
manager)	57	20.0		McManus
	14	2.7		Rock Creek
	61	1.08		Lee No. 1
	17	4.21		Ratcliff No. 2
	72	0.5		Lee No. 2
	79	1.35		Rock Creek No. 1
	80	3.0		Lavack No. 2
	117	2.0		Dunbar No. 3
	122	3.16		Ratcliff No. 5
	119	3.16		Ratcliff No. 4
	129	4.05		Dunbar No. 2
	155	2.05		Ratcliff No. 6
	156	2.05		Ratcliff No. 7
	162	4.32		Ratcliff No. 8
	163	4.1		Ratcliff No. 9
	192	15.0 cu. in.		Lee No. 3
	194	15.0 cu. in.		Lee No. 4
	12	12.0	76.09 + 30.0 cu. in.	Ratcliff No. 1
	86	27.0		Harland
(D. Rolland,	116	27.0		Slater
caretaker)	191	4.32	58.32	Harland Ext.
	64	29.98		Haver No. 2
(J. White,	210	20.47		Haver No. 3
caretaker)	20	24.32	74.77	Haver No. 1
	56	4.0	4.0	Hawxhurst
(R. Rogers)				
	108	5.7		W. R. Head
(R. Johnson)	142	1.8		W. R. Head No. 3
	143	2.44		W. R. Head No. 4
	203	15.0 cu. in.		W. R. Head No. 2
			9.94 + 15.0 cu. in	
	211	35.0		Peart Lower
(Carl Schutz)	224	30.0		Peart Upper
	353	1.0	66.0	Hi Creek Placer

Owner Name	Priority WD 23	Amount (cfs)	Totals (cfs)	Ditch Name
	70	11.7		Holst&Packer
(Lee Wallace,	97	11.7		Holst No. 2
foreman)	59	8.78	32.18	Holst No. 1
	76	44.3		Parmalee-Shoemaker No. 2
(Bob Walker)	121	9.3		Parmalee-Shoemaker No. 1
	47	30.54		Parmalee-Shoemaker
	63	12.67	96.81	Island
(Jefferson Ditch Company)	227	546.0	546.0	Jefferson Lake
	113	1.35		Weaver No. 1
(P. McNaulty)	184	1.0		Weaver No. 2
	220	1.35		Weaver No. 3
	24	25.39	29.09	Kester Sweet
	91	11.75		Randall
(B. Wahl)	133	11.75		Randall 1st Enl
	53	2.0	25.50	Michigan
	185	2.0		W. H. Miller
(W. H. Miller)	221	1.35	3.35	W. H. Miller No. 2
	357	2.0	2.0	Miller Four Mile
(George Neukirch)	71	17.55		Milligan
	22	10.0	29.55	Alden&Milligan
	71	17.55		Milligan
(Harland Burrows)	22	10.0	22.55	Alden&Milligan
(Holmes, caretaker)	123	12.0	12.0	Packer
(A. B. Cantebury, caretaker)	124	55.0	55.0	Pierce
	19	25.0		Sigafus
(James Settele)	43	25.0		Sigafus 1st Enl
	69	10.0	60.0	Sigafus 2nd Enl

Based on an annual water requirement under full development conditions of 3,050 acre feet, it is believed that water rights with a firm yield of 8 to 10 cfs at the Roxborough point of diversion must be acquired. These water rights, used in conjunction with reservoir storage and deep well supplies will meet the ultimate planned development requirements. Because the project will be developed in phases, it will be possible to extend the water rights acquisition program costs over a period of time corresponding to the development phasing. Total acquisition cost of the water rights is estimated at $2,100,000 which includes the estimated legal and engineering costs involved with change in point of diversion and use suits. The above cost reflects water rights value only. It may be actually necessary to invest additional funds to purchase the ranches and then recover residual values separately.

Boreas Pass Ditch. The City of Englewood owns direct flow rights for diversion of 16 cfs from Indiana Creek in Water District 36 (Summit County) through the Boreas Ditch to Tarryall Creek, a tributary of the South Platte River. Recorded diversions through the ditch for 1950 to 1970 are summarized in Table II-D. In recent years, the Boreas Ditch water rights have not been actively used by Englewood, and the City is reportedly placing an election question on the ballot to determine if the City can sell the Boreas Pass Ditch rights. Presumably, the answer will be affirmative and the rights will be placed on the market.

Because the Boreas Ditch water is imported to the South Platte River, the entire amount, less transportation losses, would be available for diversion by Roxborough if the rights were purchased from Englewood. It is believed that the critical yield of this transmountain diversion would have to be negotiated with the City, is estimated at approximately $80,000.

New Municipal Right. The Woodmoor Corporation, on behalf of the Roxborough Park development, has already filed applications for three water rights as described below.

TABLE II-D

BOREAS PASS DITCH

1950 to 1970 Diversions in Acre-feet

Year	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Tota
1950	0	0	0	0	0	0	0	0	53	16	0	0	69
1951	0	0	0	0	0	0	0	0	42	114	20	0	176
1952	0	0	0	0	0	0	0	0	0	0	13	0	13
1953	0	0	0	0	0	0	0	0	135	112	26	0	273
1954	0	0	0	0	0	0	0	0	44	49	26	17	136
1955	0	0	0	0	0	0	0	2.8	75	55	82	53	268
1956	0	0	0	0	0	0	0	6.3	156	76	22	0	260
1957	0	0	0	0	0	0	0	0	77	248	136	14	475
1958	0	0	0	0	0	0	0	0	145	69	27	9	250
1959	0	0	0	0	0	0	0	0	123	60	14	0.2	197
1960	0	0	0	0	0	0	0	0	123	58	0	0	181
1961	0	0	0	0	0	0	0	0	46	25	15	0	127
1962	0	0	0	0	0	0	0	0	80	51	2	41	133
1963	0	0	0	0	0	0	0	0	0	0	0	0	0
1964	0	0	0	0	0	0	0	0	0	0	0	0	0
1965	0	0	0	0	0	0	0	0	0	13	39	0	52
1966	0	0	0	0	0	0	0	0	0	0	0	0	0
1967	0	0	0	0	0	0	0	0	0	0	0	0	0
1968	0	0	0	0	0	0	0	0	7.1	35	0	0	42
1969	0	0	0	0	0	0	0	0	0	0	0	0	0
1970	0	0	0	0	0	0	0	0	0	0	0	0	0

1. 5.0 cfs (conditional) seepage from Rampart Reservoir
2. 1436.2 acre feet storage in Lake Roxborough
3. 17.167 cfs transfer from the Last Chance Ditch to the Roxborough point of diversion.

Although the South Platte is a heavily over appropriated stream, it is believed that Roxborough Park should file an additional application for a new municipal water right. This right would make it possible to take advantage of the water in the river during periods of availability and would be used to supplement the purchased rights incorporated in the independent supply. It would also provide more flexibility for operating the municipal and recreation water systems in an optimum manner.

Summary. The cost of acquiring an independent water supply based on the sources discussed above has been estimated using available information for corresponding types of acquisition. It must be recognized that the acquisition of a full water supply under the Colorado Doctrine of Appropriation is a long and complicated process, and the cost will vary with the factors such as time phasing of acquisition, availability of water rights, legal and engineering requirements of transfer suits, and other factors.

PROPOSED POTABLE WATER FACILITIES

The Master Plan, which has been developed for water facilities, is illustrated on Drawing II-1 and is described and cost estimated in this section. The Master Plan indicates general location of all major components of the system; however, the locations of distribution pipelines are only approximate and will be modified after final platting and building layout. The plan satisfies all of the design criteria.

Water Supply Facilities. If the supply is obtained from the Denver Water Board, the only ultimate supply facilities to be constructed by Roxborough would consist of a metering station, short supply line and, probably, a pumping station to lift the water to the Zone 1 (lowest) tank. It is possible that the Denver Water Board could provide the necessary pumps to discharge to the Zone 1 level. Also, suitable arrangements could be made to use the Roxborough tank for plant backwash water if desired.

Because of the timing of the Denver Water Board plant construction, it may be necessary for Roxborough to provide a temporary interim water supply. This would be done by drilling deep wells. Well pumps with controls and a chlorinator would be located at each well site or well cluster. In addition, it is probable that iron and/or manganese removal units will be required for the Dakota and Lyons wells. Relatively large flows would be pumped from each well (creating a "mining" situation) since the wells would be abandoned when the Denver Water Board water treatment plant comes on line. Another possibility would be the purchase of finished water from the existing Denver Water Board Kassler plant. This alternate would require construction of a temporary line and pumping station. This plan for initial water has not been assumed since it is dependent on further negotiations with the Denver Water Board.

If an independent supply is developed, then the water supply facilities would include the following:

a. A permanent raw water pumping station, rated at approximately 6 MGD, located on the South Platte River.

b. A raw water transmission line conveying the pump station discharge to the holding reservoir.

c. A holding-maturation reservoir. The Woodmoor Corporation is presently final planning Lake Roxborough where shown on Drawing II-1. An application for a water storage right has been filed with the State Engineer. The proposed maximum reservoir capacity is 1,436 AF. The computed requirement for domestic use storage is approximately 750 AF. This would mean that a permanent pool of about 700 AF could be maintained for aesthetics and recreation (no body contact). Under the independent water supply alternate, the District would pay for approximately 50% of the proposed reservoir and the filing be amended to show the revised use and water source.

d. A water treatment plant and pumping station, located below the dam. Water would flow from the reservoir by gravity. Design peak plant capacity is approximately 3.0 MGD. The plant would be built in 2 modular units and contain the following processes: Chemical Feeding, Rapid Mixing; Flocculation; Sedimentation, multi-media filtration and disinfection.

Distribution System. The distribution system consists of transmission lines as shown, of smaller direct distribution lines, five clear water storage reservoirs, and several pumping and pressure reducing stations.

The storage tanks are located and sized to function with the piping system so as to provide adequate fire protection, as well as maximum normal domestic water demands. Fire hydrants are planned to be located throughout all the developed areas of the District. Total capacity of the recommended storage tanks is 3.5 million gallons.

Elevation differences and pumping economics indicate that the District should be divided into four pressure zones. The distribution system Master Plan provides for these four zones. Booster stations and/or pressure reducing valves have been planned to coordinate the entire system. In most cases, any one area can be fed from more than one pressure zone so that continuous, reliable service will be available.

The design of the distribution system will meet all requirements of the Colorado State Health Department. The Master Plan is intended to be essentially functional in nature rather than to indicate specific line locations. Alternate line sizes are shown where revisions would be necessary to accommodate the independent water supply.

Cost Estimates. The estimated costs of all water system facilities are presented following. Estimates are based on probable 1971 unit construction costs. No allowance has been made for future changes in construction cost

levels or dollar de-valuation. Subsequent planning estimates should be trended to reflect current levels. The costs include estimated contract values and an allowance of 25 per cent additional, which can be allocated generally:

Design Engineering	8%
Surveys and Staking	2%
Construction Inspection	3%
Administrative--Overhead	1½%
Fiscal and Legal Expense	2½%
Contingencies, Miscellaneous	8%
Total	25%

The cost estimates have been broken down by phases to correlate with the planned development schedule as given in Section I. Table II-E is the preliminary estimate, assuming the Denver Water Board as the finished water supply source. Table II-F is a similar estimate except using an independent raw water supply. No costs have been included for land acquisition or obtaining pipeline easements within the District boundaries. The developers are to provide all lands and easements required for the water and sewer facilities at no cost to the District. The estimates do include estimated easement and land costs where facilities are to be located on land acquired from others. These costs would be recovered if service is offered to the traversed area.

Estimates do not include service lines or meters, which are to be installed by individual customers.

TABLE 11-E

WATER SYSTEM PRELIMINARY COST ESTIMATE

DENVER WATER BOARD SUPPLY

	Description of Facility	Estimated Project Cost
	Phase 1	
1.	Initial district organizational, legal and engineering expense	$ 10,000
2.	Drill 13 deep wells	325,000
3.	Equip 13 wells with pumps and control systems	70,600
4.	Equip 5 wells with chlorination, manganese and iron removal treatment plants	71,900
5.	Chlorinate 8 wells	40,000
6.	Distribution pipelines needed to utilize well supplies	35,400
7.	0.25 MG storage tank (Zone 2)	65,000
8.	Pumping station with control system	50,000
9.	Distribution system, Phase 1 area	678,300
	Subtotal, Estimated Cost - Phase 1	$1,346,200
	Phase 2	
10.	Drill 10 deep wells	250,000
11.	Equip 10 wells with pumps and control systems	66,250
12.	Equip 5 wells with chlorination, manganese and iron removal plants	71,900
13.	Chlorinate 5 wells	25,000
14.	Distribution pipelines needed to utilize well supplies	34,100
15.	Distribution system, Phase 2 area	276,700
16.	1.0 MG storage tank for Zone 3 with pump station	115,000
17.	Pressure reducing station	7,500
	Subtotal, Estimated Cost - Phase 2	$ 846,450

	Description of Facility	Estimated Project Cost
	Phase 3	
18.	Pumping station to Zone 4 with control system	$ 50,000
19.	Water supply pumping and metering facilities, Denver Plant	100,000
20.	Distribution System, Phase 3 area	530,500
21.	0.25 MG storage tank (Zone 1) and pumping station	115,000
	Subtotal, Estimated Cost - Phase 3	$ 795,500
	Phase 4	
22.	1.0 MG storage tank for Zone 4	$ 115,000
23.	Pressure reducing station - 2	15,000
24.	Distribution system, Phase 4 area	502,200
	Subtotal, Estimated Cost - Phase 4	$ 632,200
	Phase 5	
25.	1.0 MG storage tank	$ 225,000
26.	Pressure reducing station	7,500
27.	Distribution system, Phase 5 area	366,300
	Subtotal, Estimated Cost - Phase 5	$ 598,800
	TOTAL ESTIMATED WATER SYSTEM PROJECT COST (DENVER WATER BOARD SUPPLY)	$4,219,150

TABLE 11-F

WATER SYSTEM PRELIMINARY COST ESTIMATE

INDEPENDENT WATER SUPPLY

Description of Facility		Estimated Project Cost
	Phase 1	
1.	Initial District organizational, legal and engineering expense	$ 10,000
2.	Drill 17 deep wells	425,000
3.	Equip 17 wells with pumps and control systems	112,600
4.	Equip 10 wells with chlorination, manganese and iron removal treatment plants	143,700
5.	Chlorinate 7 wells	35,000
6.	Purchase water rights (options) including legal and engineering costs for change in points of diversion and use.	1,100,000
7.	Distribution pipelines needed to utilize well supplies	56,900
8.	0.25 MG storage tank (Zone 2)	65,000
9.	Pumping station with control system	50,000
10.	Distribution system, Phase 1 area	713,800
	Subtotal, Estimated Cost - Phase 1	$2,712,000
	Phase 2	
11.	Drill 1 deep well	$ 25,000
12.	Equip 1 well with pump and control system	6,600
13.	Equip 1 well with chlorination, manganese and iron removal plant	21,000
14.	Distribution system, Phase 2 area	258,500
15.	1.0 MG storage tank for Zone 3 with pumping station	115,000
16.	Pressure reducing station	7,500
17.	Water Rights Acquisition	500,000
	Subtotal, Estimated Cost - Phase 2	$ 933,600

Description of Facility		Estimated Project Cost
	Phase 3	
18.	Share in construction cost of Lake Roxborough for 750 Acre Feet	$ 400,000
19.	Raw water pumping station*	75,000
20.	Raw water transmission line from pump station to reservoir*	124,000
21.	1.5 MGD water treatment plant	380,000
22.	0.25 MG tank (Zone 1)	115,000
23.	Water distribution pipelines in Phase 3 area	546,200
24.	Water Rights Acquisition	500,000
	Subtotal, Estimated Cost - Phase 3	$2,140,200

* These are items which would have been built earlier by Woodmoor for golf course irrigation and acquired by the District when needed.

	Phase 4	
25.	1.0 MG storage tank for Zone 4	$ 115,000
26.	Distribution system in Phase 4 area	487,400
27.	Pressure reducing stations	15,000
	Subtotal, Estimated Cost - Phase 4	$ 617,400
	Phase 5	
28.	1.0 MG storage tank for Zone 4	$ 225,000
29.	Distribution system in Phase 5 area	375,500
30.	Pressure reducing station	7,500
31.	Expand water treatment plant to 3.0 MGD capacity	300,000
	Subtotal, Estimated Cost - Phase 5	$ 908,000
	TOTAL ESTIMATED WATER SYSTEM PROJECT COST (INDEPENDENT SUPPLY)	$7,311,200

SECTION III

PROPOSED SEWERAGE SYSTEM

DESIGN CRITERIA

The preliminary sewerage system planning has been based on the following criteria:

1. Community-type sewer service should be provided to all development within the District. The estimated resulting peak day design flow is 2.4 MGD.

2. The sewage treatment facilities must be located and designed subject to the approval of the Colorado Water Pollution Control Commission, the Tri-County Health Department, and other regulatory agencies. The sewage system plan has been preliminarily reviewed with these agencies--who have indicated approval of the basic plant site conditional on spray irrigation reuse (no direct discharge). Normally, the degree of treatment is dependent upon the water quality designated to be maintained in the receiving stream. For spray irrigation of the golf course, the following effluent criteria would apply:

    a. Meet all of the minimum treatment standards set by the Colorado Water Pollution Control Commission.
    b. Be essentially free of suspended solids or any material which could tend to clog spray nozzles.
    c. Be essentially clear and pleasant appearing.
    d. Have no odor indicative of sewage origin.
    e. Always have dissolved oxygen present.
    f. Be disinfected and free of pathogenic organisms.

    If effluent is to be discharged to the South Platte River, and thence flow to Chatfield Reservoir, then quality criteria will be materially more stringent and involve the use of tertiary treatment processes. In addition to quality criteria items a through f above, the following should be added:

g. Phosphate to be removed at an efficiency rate of not less than 90%.

h. Removal of COD, dissolved organics, and additional suspended solids (results similar to activated carbon column filtration).

Although the above criteria are not specifically required by present State standards, they are probably necessary in order to attain the desired water quality in Chatfield Reservoir.

3. Sewerage facilities must be designed for phased construction to permit gradual investment approximately paralleling actual needs to result in an economically feasible plan.

4. Plant facilities must be designed to be aesthetically acceptable and preserve surrounding land values.

EFFLUENT DISPOSAL

As stated by the Tri-County Health Department, the preferred method of effluent disposal is through spray irrigation of secondary plant effluent. The irrigated areas would include the Roxborough golf course and other agricultural lands. The advantages of this method are economical removal of phosphates, nitrates, and some heavy metals as well as maturation. The principal disadvantage is that approximately 50% of the water is consumed through plant transpiration and evaporation. If required by the Denver Water Board, or because of water rights considerations that the ratio of return flow must be increased, then treatment should be accomplished by the use of physical-chemical advanced treatment systems. These processes do not involve consumption of water.

In summary, the preferred method of tertiary treatment and disposal is controlled spray irrigation; if dictated by return flow considerations, a tertiary treatment plant can be operated so that the effluent can be discharged to the South Platte River.

PROPOSED FACILITIES

The proposed Sewage System Master Plan is presented on Drawing III-1. Description of components and phased cost estimates follow. As with water, it

utilizes a plant site located within the Roxborough development. This is the site location approved by the Colorado Water Pollution Control Commission and the Tri-County Health Department. An alternate plant site has been evaluated and is discussed herein.

Collection Sewers. The collection sewer system has been designed as a gravity system for the entire area with the exception of a small portion of the Phase I plat. The majority of pipelines would consist of vitrified clay; however, it will be necessary to use cast iron pipe in a few selected places where strength and watertightness are important. Along Roxborough Lake where the pipeline may lie below the high water level, and in areas through the rock outcrop, the use of cast iron pipe is considered mandatory. Collector sewers will have grades and manhole spacings conforming to the Colorado Health Department's design recommendations. If needed, the sewage lift station for the low area on the west should have the necessary protective devices to assure no raw sewage will flow to the land below. A holding tank for the station--large enough for 12 hours peak flow in the event of a power outage is considered reasonable. A standby pumping unit is also included in the cost estimate. At a time in the future when the land below is developed, or if the alternate plant site of this report is used, this lift station will not be needed.

Trunk and Outfall Sewers. Trunk and outfall sewer sizes and general locations are also shown on Drawing III-1. All trunk sewers have been sized to accommodate peak flows at the predicted ultimate densities, (within the naturally tributary area including property not in the proposed District). Cost estimates are based on the use of reinforced concrete or asbestos-cement pipe for sewers 18 inches and larger.

All outfall sewers needed with the alternate sewage treatment plant are also shown on the drawing. Relative costs are given. It can be seen that the ultimate cost is higher for the alternate site, although the initial cost is lower. Actually, the unit costs should be lower for the alternate site, since the trunks can serve considerable additional downstream area, if developed.

Sewage Treatment Facilities. The basic sewage treatment plant site is located adjacent to Little Willow Creek at the north edge of the proposed District. This location will serve all of the District, the natural drainage area to the south and most of the land in the Willow Creek basin.

The Chatfield Dam, now under construction, has a high water reservoir pool that reaches to about one mile to the north. Any sewage resulting from development in the intervening area can be pumped back to the proposed plant. In the interests of overall basin water pollution control, it is recommended that the Roxborough Park District accept wastes from this area and make provisions for possible plant expansion.

Preliminary plant design provides for an extended aeration activated sludge type plant having an initial capacity of 0.6 MGD. The plant size is based on duplication of units and sizes that can be conveniently expanded to the 2.4 MGD expected at ultimate development. Conversion of the treatment process to conventional activated sludge flow diagrams (step aeration or complete mixing) will aid in the economy of the expansion. All reaction basins and equipment should be enclosed to permit reliable cold weather operation and eliminate aesthetic detraction.

The alternate plant site should be master planned to permit expansion to a capacity in the range of 4.8 MGD. This plant could serve as an area-wide facility. It is possible that the Martin Marietta domestic wastes could be treated here. The basic plant site should allow expansion of about 1.2 MGD for other areas.

To prevent flow of partially treated wastes to the creek during temporary plant outages such as power failure, a storage-polishing pond will be located on the plant site. Any flow to this pond would be recycled to the plant upon resumption of service.

Plant effluent will be pumped to a holding-maturation pond location within the District boundaries. The pond will be large enough to contain several months effluent (during non-irrigation periods) for use during irrigation seasons on the golf course. If possible, all effluent will be pumped to

this pond. If limited by return flow considerations, only that flow needed for the golf course will be stored.

An alternate plant site has been selected as shown. This site, located below the property, has the advantage of complete gravity service to the proposed area and also the land directly to the north. The elimination of the lift station planned for the first phase is also advantageous as lift stations are a source of maintenance and operational problems. The overall effect of locating a plant at the alternate site will be a higher ultimate cost, although the initial costs will be somewhat lower. The decisions to use this site will depend upon cooperation and participation of the land owners that will benefit from having sewage treatment service available. The cost estimates for the alternate plant site and trunk sewers are also included herein.

At ultimate development (and earlier) the effluent flow will be greater than the reuse requirements within the development. The District will, therefore, need to contract with adjacent agricultural landowners to use the flow as irrigation water; or the District may acquire directly agricultural spreading areas. Costs have not been included for the expansion alternates as income from the sale of reuse water or crops will offset the purchase of land and equipment. A storage site for reuse water outside the District would be required.

As discussed earlier, if return flow considerations restrict treatment - disposal by spray irrigation, then the waste treatment facilities must be expanded to include a tertiary treatment plant. The design capacity of this plant would be 2.0 MGD, which equals the estimated secondary effluent flow less the golf course requirement. The capacity would, of course, need to increase if outside areas desire sewage disposal service. Preliminary design of the tertiary plant includes the following process units:

- Chemical feed (alum or lime) for phosphates and suspended solids precipitation
- Clarifier
- Neutralization Basin
- Activated carbon filter-absorption columns with carbon regeneration furnace
- Sludge dewatering and concentration with haul system to protected landfill and land reclamation areas.

The secondary effluent will be pumped from the storage pond at the plant site to the tertiary treatment building adjacent to the secondary plant. At phases 1 and 2 construction, all effluent will be returned to the maturation-holding pond for reuse on the golf course. At phase 3 construction, the tertiary treatment plant would be constructed at 1.0 MGD capacity, with the effluent being returned to the South Platte River. At phase 5, the tertiary treatment will be expanded to 2.0 MGD. The force main from the treatment plant to the maturation-holding pond under these conditions need be only a 10" line as the entire plant flow will not be pumped to the pond.

Maturation - Holding Pond. The proposed pond location, as shown on drawing III-1, is in a natural basin, near the area of proposed industrial development. The surface area expected will be 45 to 50 acres. A berm of several feet will be constructed on the northeast side and the existing bottom lowered several feet to provide a capacity of approximately 600 acre feet. Cost for the added land to the south has been included as the additional land will be needed to enable the District to use the entire natural pond site.

The related facilities at the pond include chlorination equipment for disinfecting the effluent, air blowers for added oxidation and pumps for transmission to the reuse area. The pipeline to the golf course planned by the developer is included in the project. The expected sale of water for irrigation would repay the cost of the pipeline and the maintenance and operation of the pumps.

If the tertiary plant is constructed, the size of the maturation pond can be materially reduced. To provide a minimum aesthetic pool and adequate storage, 300 to 400 acre feet would furnish adequate capacity.

COST ESTIMATES

Sewage project preliminary cost estimates are presented following. Estimating bases are similar to those assumed for the water system; all sewage facility estimates include similar allowances for engineering, legal, fiscal and contingencies, etc.

TABLE III-A

PRELIMINARY SEWERAGE SYSTEM COST ESTIMATES

WILLOW CREEK PLANT SITE

Description of Facility	Estimated Project Cost	
Phase 1		
1. Initial District organizational, legal and engineering expenses	$ 10,000	
2. 0.6 MGD secondary sewage treatment plant, complete	550,000	
3. 14" force main to maturation pond	106,500	
4. Maturation pond, chlorination, and pumping facilities	102,000	
5. Outfall trunk sewer from Phase 1 area to plant	174,100	
6. Pipeline to golf course	83,000	
7. Collection system Phase 1 area	474,400	
8. Lift station and force main	65,500	
9. Land acquisition - maturation pond	50,000	
Total Estimated Cost - Phase 1		$1,615,500
Less anticipated WPC Grant		- 212,500
Net District Investment		$1,403,000
Phase 2		
10. Collection system Phase 2 area	$226,800	
Total Estimated Cost - Phase 2		$ 226,800
Phase 3		
11. Expansion of sewage treatment plant to 1.2 MGD	$400,000	
12. Collection system - Phase 3	553,900	
13. Expand maturation pond	12,000	
Total Estimated Cost - Phase 3		$ 965,900
Less anticipated WPC Grant		- 123,600
Net District Investment		$ 842,300

Description of Facility	Estimated Project Cost	
Phase 4		
14. Collection system Phase 4 area	$ 562,700	
Total Estimated Cost - Phase 4		$ 562,700
Phase 5		
15. Expansion of sewage treatment plant to 2.4 MGD	$ 800,000	
16. Collection system - Phase 5 area	485,000	
Total Estimated Cost - Phase 5		$1,285,000
Less anticipated WPC Grant		- 240,000
Net District Investment		$1,045,000
TOTAL ESTIMATED PROJECT COST		$4,655,900
TOTAL ESTIMATED NET DISTRICT INVESTMENT		$4,079,800

TABLE III-B

ALTERNATE PLANT SITE COST REVISIONS

(SOUTH PLATTE RIVER)

Description of Facility	Estimated Project Cost
Phase 1	
1. Site acquisition and easements	$ 20,000
2. Trunk sewer from District to plant	112,400
3. Add pumped effluent line (14")	72,000
4. Eliminate lift station and force main	- 65,500
5. Eliminate portion of Phase 1 trunk sewer	-134,900
Estimated Added Cost Alternate Site (Phase 1)	$ 4,000
Phase 3	
1. Easements	$ 6,000
2. Trunk sewers from District to plant	124,000
3. Eliminate oversize in Phase 3 sewer	- 1,400
Estimated Added Cost Alternate Site (Phase 3)	$ 128,600
Estimated Total Added Cost of Using Alternate Site	$ 132,600
ESTIMATED TOTAL PROJECT COST, ALTERNATE PLANT SITE	$4,788,500

TABLE III-C

TERTIARY TREATMENT FACILITIES COST REVISIONS

Description of Facilities	Estimated Project Cost	
Phase 1		
1. 10" Force main to maturation pond	$ 133,900	
2. Eliminate 14" force main to maturation pond	- 178,500	
Estimated Deletion Cost (Phase 1)		$ - 44,600
Phase 2		
3. Delete maturation pond expansion	$ - 12,000	
Estimated Revised Cost (Phase 2)		$ - 12,000
Phase 3		
4. Tertiary treatment plant construction, 1.0 MGD	$ 210,000	
Estimated Cost (Phase 3)		$ 210,000
Phase 5		
5. Expansion of tertiary treatment plant to 2.0 MGD	$ 160,000	
Estimated Added Cost (Phase 5)		$ 160,000
ESTIMATED TOTAL PROJECT COST, BASIC PLANT SITE WITH TERTIARY PLANT		$4,969,300
ESTIMATED TOTAL PROJECT COST, ALTERNATE PLANT SITE WITH TERTIARY PLANT		$5,101,900

SECTION IV

FIRE PROTECTION SYSTEM

DESIGN CRITERIA

The design criteria for fire protection systems in the Rocky Mountain region are set by the Mountain States Inspection Bureau which relates the degree of protection afforded on an area to a classification. The classifications vary from 1 (Excellent) to 10 (Poor), and there is an additional classification for unprotected property.

Fire protection systems are given deficiency points for areas which do not meet the rating agency's (Mountain States Inspection Bureau) criteria. There is a maximum of 5000 deficiency points which are distributed in the following manner:

TABLE IV-1

TOTAL POSSIBLE POINTS OF DEFICIENCIES OF ITEMS IN GRADING SCHEDULE

Item	Deficiency Points
1. Water Supply	1700
2. Fire Department	1500
3. Fire Alarm	550
4. Building Department	200
5. Fire Prevention	350
6. Structural Conditions	700
7. Climatic Conditions	---
Total	5000

The level of protection which is afforded a community is chosen as a balance between the savings in insurance premiums, and the cost of providing a sufficient amount of equipment and services listed in Table IV-1 to provide the classification which results in the reduction in insurance rates. Another factor is reduction in fire losses due to better fire protection in the lower insurance classifications. To get a low rating, all the factors listed in Table IV-1 must be considered. In some areas listed, it does not cost any more to get a low number of deficiency points than it does to get a high number of deficiency points. In addition, low classifications are generally not possible unless all areas of Table IV-1 are considered.

In Colorado Classes 7 and 8 have the same insurance premiums, Classes 5 and 6 have the same insurance premiums, and Classes 1 - 4 have the same insurance premiums. The biggest reduction in insurance premiums occurs between Class 9 and Class 7 - 8. At ultimate development, the proposed District could afford to pay $600,000 annually for all items listed in Table IV-1 to drop the rating from Class 10 to Class 7 - 8. The proposed District could afford to spend an additional $130,000 annually to reduce the rating to Class 5 - 6.

Water Supply. The water supply system will provide the required fire flows, 2500 GPM in single family residential units and 4000 GPM in multi-family and commercial areas. There may be isolated areas where higher flows are required. Hydrants should have 2 - $2\frac{1}{2}$ inch nozzles and 1 - $4\frac{1}{2}$ inch nozzle and the hydrants should be spaced at a minimum of 500 foot intervals. Certain high risk areas such as schools and shopping centers should be spaced at intervals of 300 or 400 feet. Storage is sufficient to meet the Mountain States Inspection Bureau criteria.

Fire Department. The pumping requirements at ultimate development will be about the same for a Class 7 - 8 or a Class 5 - 6. To get a Class 4 rating, more reserve capacity must be available. The fire station locations are governed by response distance. The first arriving pumper should be within $1\frac{1}{2}$ miles and the first alarm (2 pumpers and 1 truck under normal circumstances) should be within $2\frac{1}{2}$ miles. The road system in Roxborough Park will offset these requirements to a limited degree.

The availability of water and economics indicate that a Class 6 rating is desirable. This will probably require a minimum of 8 men on duty 24 hours each day and the availability of volunteers and/or off-duty paid firemen at all hours. To accomplish the latter requirement, volunteer firemen must be recruited who are available during the daylight hours.

Fire Alarm. This item covers the communication aspect of the fire protection system. Volunteers and off duty paid men should be notified of alarms by a "page boy" system. Major structures should have alarm systems tied directly to the fire department alarm system and the telephone company should be able to supply sufficient equipment and lines to assure reliable communications.

Building Department. The existance of such a department or organization does not insure that there will be a low number of deficiency points. A good fire protection type building code must exist and must be enforced. Items such as access around and between clusters of buildings is essential. Sprinklers and stand pipes in certain buildings should be requirements.

Fire Prevention. To receive a good rating in this area, inspections of all multi-family and commercial and public buildings must be made.

Structural Conditions. This area can be governed by code. Clusters of frame type buildings with limited access for fire apparatus should be avoided.

FINANCIAL REQUIREMENTS.

Fire Stations. It has been determined that two fire stations will be necessary and these stations along with District boundaries are shown on Drawing II-1. The main station will be located in the northern part of the district. In addition to sleeping quarters for men, library, kitchen and dining area, and an engine room of sufficient size and proportions to house four pumper sized apparatus, the main station will house the prime training facility, and the control center and will have sufficient space to house an 85-foot aerial platform, a command car, one pumper and a maintenance area.

The main station will be constructed in 2 phases, the first in 1975, and the second about 1990, and would have a total cost of $310,000 and a cost of $235,000 in the first phase. Furniture, extra equipment and communications equipment

would cost $65,000 in the first phase and $25,000 in the second phase.

The second station will be located in the southern part of the proposed District and will cost $160,000. Furniture and equipment will cost $45,000. The cost of the fire stations includes design fees. The land for the stations will be donated by the developer. Construction plans for fire houses will be prepared by an architect who specializes in fire houses and the plans will be approved by the Mountain States Inspection Bureau.

In addition to fire stations, an outdoor training facility which is centrally located should be furnished at a cost of $20,000.

Fire Fighting Equipment. The two fire stations together will be equipped with the following running equipment and the necessary facilities at the costs (1971) set forth:

3 Fire Pumpers, 1,250 GPM each	$150,000
1 Aerial Platform with Pump	90,000
1 Squad Rescue Unit (Fund through DOT)	
2 Brush Trucks (Fund through U.S.F.S.)	
	$240,000

The pumpers and aerial platform should meet "San Francisco" specifications due to the severe grades on some of the roads.

Equipment costs have been shown in the preceding section. These items include:

One set 5-inch hose for each truck	
Two sets of $2\frac{1}{2}$-inch and $1\frac{1}{2}$-inch hose for each truck	
2 hose washers	
2 hose towers	
Salvage and rescue equipment	
Radio and communication equipment	
Breathing apparatus equipment	
Emergency lighting equipment and other fire fighting equipment	
Total cost of equipment at two fire stations	$155,000
TOTAL COST OF TRUCKS AND EQUIPMENT	$395,000

Manpower. As opposed to other municiple services, fire and police protection costs are primarily in manpower. At ultimate, the District should have a minimum of 9 men on duty 24 hours per day. This will require a total of 27 paid men, in addition to a chief and assistant chief. At the beginning of regular fire operations, (1975-1980) availability of daytime manpower will be a severe problem. If there is little or no manpower available from 8 a.m. to 5 p.m. Monday through Friday, the best possible classification is 10; therefore, the department should be staffed with 3 - 4 men during daylight hours with volunteers and off-duty paid firemen manning the equipment during the remaining hours. This type of staffing should be eliminated by 1980 except for chief officers.

Growth. The following table lists the phasing of equipment and men.

TABLE IV-2

PROPOSED EQUIPMENT AND PERSONNEL REQUIREMENTS

Year	Assessed Valuation	Additions
1971	$ 40,000	--
1972	300,000	--
1973	1,200,000	Squad and Brush Truck, Formation of Volunteer Department
1974	3,100,000	--
1975	5,000,000	Main Station, 1st phase * 1- 1250 GPM pumper equipment Communications system
1976	10,000,000	3 - 4 Paid firemen for daytime operations
1977	18,800,000	1 - 1250 GPM Pumper Full-time Chief Car for Chief
1978	27,600,000	Add 2 men, 24 hours per day in station (6 men)
1979	37,600,000	Add 1 man, 24 hours per day in station
1980	48,000,000	Second Station, Equipment 1 - 1250 GPM Pumper 1 - Aerial Platform Add 2 men, 24 hours per day in station

Year	Assessed Valuation	Additions
1981	$ 57,800,000	Add 2 men, 24 hours per day in station
1982	64,500,000	Add Assistant Chief
1983	68,500,000	
1984	71,700,000	Add 2 Full time paid men 24 hours per day Training Center
1985	74,000,000	

* The life of fire apparatus is 15 years. First pumper should be replaced and put in reserve in 1990.

The actual level of protection afforded a community is usually a policy decision made by the local government. If the recommendations of related services are followed, a Class 6 protection level is possible with the equipment and manpower described in this report. For an additional 3 mills, the manpower and equipment can probably be purchased to obtain a Class 4 rating. The annual cost would be $234,000. This would reduce insurance rates by $50,000 per year and reduce the average annual loss from fires of insured and uninsured property by about 500 to 700 thousand dollars. In addition, a second rescue unit can be operated without seriously affecting the department's ability to suppress fires, which will be the case under the plan described in this report.

SECTION V
FINANCING AND OPERATION

GENERAL

Roxborough Park is now an unincorporated area. It is recommended that a Roxborough Metropolitan District be formed in order to provide a legal governmental entity which can administer, finance, and construct the water, sewage, and fire protection systems. The District will also provide for the perpetual operation of the systems to the benefit of its customers.

Under Colorado law, a metropolitan district is a quasi-municipal non-profit corporation having management, taxation, and condemnation powers. The District is governed by an elected Board of Directors of five persons.

The District Board would administer the investment and construction contracts. The Board would also operate the systems and determine the amounts and sources of revenue. The estimated capital requirements and recommended probable rates, charges and tax levies are presented in this section.

In a growing development area such as Roxborough, it is essential that the utility systems be constructed in phases approximately as described previously. Water, sewer and fire protection facilities should be built in logical increments only as needed by actual (rather than predicted) land development rates. Any parts of the utility systems constructed but not utilized represent an economic loss; phase scheduling will minimize this loss and result in less costly utility service.

The basic analyses contained in this Section assume that substantially all of any unit area which is provided with water and sewer facilities will be developed before service is extended to other areas. Further, it is assumed that areas will develop in logical sequence so that the unit investment costs of water and sewer facilities will be reasonable. The time limits stated for payment of tap privilege fees as described later have the purpose of protecting the financial integrity of the District as well as fairly apportioning system costs. These provisions are needed to remove the hazards involved in predicting a time growth rate and also to permit more reliable service rate predictions.

Fiscal information incorporated in this Section has been provided by Mr. Earnie Breeden of Stern Brothers and Company, Denver, Colorado.

CAPITAL REQUIREMENTS

The total estimated capital requirements, by development phase, are given in Tables IV-A, IV-B, and IV-C. The cost estimates are as derived in Sections II, III, and IV with the exception that only net District costs for sewage disposal facilities are used. The Environmental Protection Administration, through the Colorado Water Pollution Control Commission, administers Federal grant contributions toward the construction of outfall sewers and sewage treatment plants. The grants are normally in the amount of 30% of all project costs with the exception of land acquisition. An additional 10% grant (total 33%) may be obtained if all overall planning requirements are met; an additional 20% (total 50 to 55%) may be available under new regulations; however, these added amounts have not been relied upon in the Table.

The capital requirements do not include land acquisition costs within the District boundaries as it is assumed that the District will require developers to donate land and rights-of-way needed for facilities.

As previously discussed, there are two alternate possibilities for a sewage treatment plant site. If the site outside the proposed District boundaries is chosen, there will be added cost to the project as indicated in the Section III estimate. The off site alternate has been used in the financial analyses contained herein. Also, for purposes of defining feasibility unit rates, it has been assumed that the tertiary treatment plant will be required. Therefore, the cost analyses contained herein assume the most expensive alternates with regard to sewage treatment and disposal.

For purposes of capital investment analyses, the number of customer taps units served have been estimated for each construction phase. The tap unit used for convenience is termed an equivalent residential tap (EQR). An EQR is represented by a single family residence or condominium unit with an average resident population of 3.4. An equivalent residential tap can be defined as any

utility customer requiring water and sewer service in quantities approximately equal to 3.4 resident people (or 1 residence). Although this method will not be used eventually for billing purposes, it is useful in this report to approximately equate condominiums, hotels, restaurants, commercial, etc. and residential development.

TABLE V-A

SUMMARY - WATER SYSTEM CAPITAL REQUIREMENTS

Phase	No. EQR	Water System Cost (Sec. II)	Incremental Investment EQR	Cumulative Investment/ EQR
DENVER WATER BOARD SUPPLY				
1	1400	$1,346,200	$ 960	$ 960
2	500	846,450	1,690	1,150
3	1600	795,500	500	850
4	1700	632,200	370	700
5	1200	598,800	500	660
Total	6400	4,219,150		
INDEPENDENT WATER SUPPLY				
1	1400	2,712,000	1,940	1,940
2	500	933,600	1,860	1,920
3	1600	2,140,200	1,340	1,650
4	1700	617,410	360	1,230
5	1200	908,000	760	1,140
Total	6400	7,311,200		

TABLE V-B

SUMMARY - SANITARY SEWERAGE SYSTEM CAPITAL REQUIREMENTS

Phase	No. EQR	Sewer System Net Cost	Incremental Investment EQR	Cumulative Investment/ EQR
1	1400	$1,375,800	$ 980	$ 980
2	500	214,800	430	840
3	1600	1,117,900	700	770
4	1700	562,700	330	630
5	1200	1,157,000	960	690
Totals	6400	4,428,200		

TABLE V-C

SUMMARY - FIRE PROTECTION SYSTEM CAPITAL REQUIREMENTS

Total Approx. EQR	Assessed Valuation	Fire Protection Capital	Cumulative Investment per dollar Assessed Valuation
400	5,000,000	350,000	.070
1000	18,800,000	50,000	.0211
2700	48,000,000	345,000	.0155
6400	78,000,000	20,000	.0098
Ultimate	78,000,000	150,000	.0104

INCOME REQUIREMENTS

Total District operating income must be sufficient to cover debt service on borrowed capital, system operation and maintenance costs and commodity purchases.

For approximate analysis purposes, debt service requirements have been assumed to be based on paying only interest for the first two years, followed by an 18-year level debt service schedule. In practice, increasing rate debt service repayment schedules may be used; however, this would be to accommodate the District's repayment ability and should not significantly affect the long-term income rate schedules. An interest rate of 8% has been recommended for analysis use by Stern Brothers and Company.

The only significant commodity cost contemplated in this case would be for purchase of finished water from the Denver Water Board. The present bulk purchase price is 47.5¢/1,000 gallons. No increase has been accounted for. The lease purchase of the Last Chance ditch water is a commodity cost to be paid by the golf course operation, not the District.

District operation and maintenance costs have been estimated for each utility at various stages of growth. In general, the unit operations and maintenance costs decrease as the number of systems customers grows. Sample values of O&M estimates are given in Table V-D.

TABLE V-D

SAMPLE VALUES - OPERATIONS & MAINTENANCE COSTS

System-Alternate	Cost per EQR per Year 1000 EQR (Approx. 5-yr)	2000 EQR (Approx. 7-yr)	6400 EQR (15th yr)
Water System - DWB Alternate (Not including commodity costs)	$21.00	$17.00	$13.50
Commodity Cost - DWB Alternate	64.00	62.00	60.00
Water System - Ind. Alternate	42.00	35.00	30.00
Sewer System, Secondary Treatment Only	33.00	30.00	25.00
Sewer System w/Tertiary treatment	55.00	50.00	45.00
Fire Protection System	69.00	66.00	72.00

RATES AND CHARGES FOR SERVICES

The actual rates and charges for service will be set by the District Board of Directors. Tentative rates and charges schedules have been computed and are presented herein for the purpose of informing the developers and land owners in the District of the probable costs of water and sewer service. Two considerations are significant in the establishment of a rate structure:

(1) The rates set must produce enough income to sustain system operation and
(2) The rates should be set equitably so that persons will pay for service in approximate proportion to actual benefits.

The various potential methods of obtaining District income and the recommended initial rates for the Roxborough Metropolitan District are discussed following. The initial rates have been computed so that they should be adequate on a long-term basis if development proceeds reasonably; that is, no significant rate increases would be anticipated with the proposed schedule.

Water Service Charge. This charge should be made as a quarterly water bill and is intended to pay for purchased water (commodity cost), for the operation and maintenance of the water transmission and distribution facilities, and to repay a portion of the debt service for water supply facilities.

Water service charges can be based on water meter readings or a flat-rate schedule. It is recommended that this District proceed with meters for all users immediately. The relatively high commodity cost makes a metered billing system mandatory. District regulations should require the setting of a meter yoke and meter in an insulated box in accordance with District Standards.

The recommended metered water service charge for initial use is $5.00 per month for each equivalent residential unit and 60¢/1000 gallons of use. These rates can apply for either the Denver Water Board or independent supply.

Sewer Service Charge. This is a charge which should also be billed quarterly (in conjunction with water bills) as a payment for sewer service. This charge is designed to pay the cost of the operation and maintenance of the sewer system and to cover a portion of the debt service for the sewerage facilities. In this instance, the sewer service charge could best be made on a flat-rate basis, using a residence as a basic charge unit. Commercial and industrial water users should be billed for sewer service as a percentage of the water service charge. The sewer service charge per equivalent residential unit is recommended to be $8.00 per month per equivalent residential unit. Future lowering of the rate could be possible if tertiary treatment is found not to be needed.

Water and Sewer Standby Charges. In order to insure partial District income (as needed for debt service retirement) it is necessary to establish a standby charge schedule. Provisions for standby charges must be contained in a firm contract between the Developer and the land buyer, made at the time of sale; or the Developer may otherwise guarantee standby charge income. The standby regulations are to include the following provisions.

a. No standby charges shall be made until 24 months after the water and sewer mains, as needed to serve the subject property, have been installed. That is, buyers will have at least two years to build without being affected by these standby provisions.

b. The standby charge for water will be $5.00 per month per equivalent residential unit to be constructed on the property.

c. The standby charge for sewer will be $4.00 per month per equivalent residential unit to be constructed on the property.

d. In the event that actual construction on a particular lot results in more EQR units than have been paid for on a standby basis, then the District shall assess a fee to be paid before connection. The fee shall equal all past standby charges as corrected plus 8% simple interest.

Tap Fees. "Developer Fees" are those obligated by the developers at the time of utilities system installation. These fees are designed to pay that part of the system capital costs which cannot be amortized when service charges and tax levies are set at reasonable rates. The fees are capital contributions to construction as required to result in economically feasible systems. The amounts then are either included in land sales prices or collected separately as tap fees--which is reasonable since the availability of utility services immediately increases land values. Tap fees which are collected from the builder or lot owner at the time of actual connection of utility service will be termed as "connection charges".

A major economic risk for a District results from the early construction of water distribution and sewage collection lines if a relatively large portion of these lines is deficit financed. When development is complete and customers utilize the services, system payback is usually assured. However, vacant tracts are usually incapable of generating sufficient revenues to amortize improvements. The financial stability of the District is strengthened by requiring tap fees to be due at the time of utility construction or lot sales (whichever is sooner).

Estimated average developer fees for Roxborough Park assuming costs and densities as projected, are $450 for water and $430 for sewer or a total of $880 per equivalent residential tap unit. The above have been calculated based on using the Denver Water Board water supply and the most expensive sewer system alternative.

Overall comparative cost calculations at full development indicate that the Denver Water Board supply would be approximately 15% cheaper than the independent supply. (8% less considering the total water system costs). Although the total cost difference is not overwhelming, the Denver Water Board supply results in a better cash flow picture, with investment more nearly paralleling growth. The need to purchase water rights and construct a treatment plant early under the independent supply plan creates a high initial capital requirement. This is reflected in Tables II-F and V-A. For the above reasons, the Denver Water Board supply is the prefered alternative.

The long term future water service charges under the independent plan would be less. This is due to the fact that a large non-depreciable investment in water rights is necessary, but this investment must be amortized within 20 years. In effect, Roxborough property owners would be acquiring an additional equity value - ownership of water rights and plant. If the independent supply alternate is adopted, in order to limit district indebtedness to practical amounts, it is planned that the developers would initially purchase or option the required water rights. These water rights would, in turn, be purchased by the District at the original cost, as needed by growth. To the extent of the water rights capital cost, then, the developer would be essentially responsible for assuring the continued growth needed to assure District financial stability. Under the above arrangements, it is estimated that the initial developer water tap fee would be increased $120 per EQR or to $570. The actual net payment would be less; minus $330 or $240 per tap. The $330 represents the estimated average water rights cost for one EQR.

Connection Charges. There will be no significant connection charge for customers tapping into the water or sewer pipelines. The District will have a nominal inspection fee payable at the time of connection. However, it will be the responsibility of each customer to have installed his service lines including water meters and housing, water service from main to the users building and sewer service line from the collector sewer to the building. The user will remain as owner of these lines and responsible for maintenance. If, because of street paving schedules, it is determined desirable to install portions of the service before actual building construction, then these service line costs can be recovered in the form of an increased connection charge. Note that this procedure will actually result in a savings to property owners since they will not have to cut and replace paving.

Tax Income. A mill levy on property is a common method of obtaining revenue to support water, sanitation and fire protection districts. The water and sewer systems are a property of the entire District and raise property values in the District. Even though a property has no existing improvements which utilize the utilities, by being in the District the property normally has the right to use the District's facilities whenever desired and economically feasible.

An income based primarily on mill levy usually does not proportion the cost of water and sewer service fairly. It is recommended that the Roxborough District, for water and sewer purposes, plans to operate with only a minimal levy. A design tax of 5.0 mills is recommended. It must be remembered that the bonds will be general obligationissues which are backed up by ad valorem property taxes. If later found desirable, or required, the Board could increase the mill levy in order to make up income deficiencies or possibly to lower other parts of the rate structure.

For fire protection purposes, an income based on property value is generally equitable. The fire system design has been limited in the early phases in order that the tax levy not exceed 6.0 mills. This levy is a legal limit for fire protection districts only, but is judged to be a reasonable maximum for Roxborough. The computed mill levy at ultimate development is 5.5 mills, although it is possible that the District may determine to increase the fire protection mill levy in order to reduce net costs as discussed in Section IV.

APPENDIX A

DISTRICT LEGAL DESCRIPTION

The following described real property situate, lying and being in the County of Douglas, State of Colorado, to-wit:

Township 6 South, Range 69 West of the 6th P.M.
The South 1/2 of the SE 1/4 of Section 35.

Township 7 South, Range 68 West of the 6th P.M.
The West 1/2 NW 1/4 and NW 1/4 SW 1/4 of Section 19.

Township 7 South, Range 69 West of the 6th P.M.

Section 1:	The NW 1/4.
Section 2:	The NE 1/4; the West 1/2 SW 1/4 and the SE 1/4.
Section 3:	The SE 1/4 NE 1/4 and the NE 1/4 SE 1/4.
Section 10:	The NE 1/4 NE 1/4.
Section 11:	All.
Section 12:	The South 1/2 SW 1/4 except that part conveyed to the City of Aurora by Deed recorded June 22, 1964 in Book 157 at Page 434.
Section 13:	The West 1/2 and the West 1/2 East 1/2, except from the above described portion that part conveyed to the City of Aurora by Deed recorded June 22, 1964 in Book 157 at Page 434.
Section 14:	The East 1/2; the NW 1/4 and the NE 1/4 SW 1/4.
Section 23:	The East 1/2 NE 1/4 and the NE1/4 SE 1/4.
Section 24:	The NW 1/4; the West 1/2 NE 1/4; the SE 1/4 NE 1/4; and the North 1/2 South 1/2.
Section 25:	The NW 1/4 NE 1/4; the SE 1/4 NW 1/4; and the South 1/2 NE 1/4 NW 1/4.

APPENDIX B

Contract Number _____

Certificate Number _____

Prior Contract No._____

Date:_____

Application No._____

DISTRIBUTOR'S CONTRACT

THIS AGREEMENT, made and entered into as of the _____ day of _____, 19___, by and between the CITY AND COUNTY OF DENVER, acting by and through its BOARD OF WATER COMMISSIONERS, hereinafter sometimes called "Board", and _____

_____

_____

of the State of Colorado, hereinafter sometimes called "Distributor", or referred to by a pronoun,

WITNESSETH:

THIS CONTRACT IS MADE UNDER AND SUBJECT TO THE FOLLOWING CONDITIONS:

A. This contract is made under and conformable to the provisions of the Charter of the City and County of Denver which control the operation of the Denver Municipal Water System consisting of Sections 296-A to 296-V of said Charter (C4.14 to C4.35 of 1960 Compilation), adopted by the General City Election of May, 1959, and effective on and after May 28, 1959. Insofar as applicable, said Charter provisions are incorporated herein and made a part hereof and shall supersede any apparently conflicting provision otherwise contained in this contract.

B. This contract involves the use of water outside the territorial limits of the City and County of Denver from the water works system and plant owned by Denver and controlled by the Board, hereinafter referred to as "Denver Water System", under authority of the Charter of the City and County of Denver which provides,

among other things, that. "The Board shall have power to lease water and water rights for use outside the territorial limits of the City and County of Denver, but such leases shall provide for limitation of delivery of water to whatever extent may be necessary to enable the Board to provide an adequate supply of water to the people of Denver..." As used in this contract "Inside Denver" refers to the area constituting the City and County of Denver as it may exist at any given time, and "Outside Denver" refers to the total area not located inside the City and County of Denver which is furnished potable water from the Denver Water System at any given time.

C. The extent to which limitation of water delivery outside Denver may be necessary to enable the Board to provide adequately for users inside Denver is a fact to be determined by the Board in the exercise of its reasonable discretion from time to time as occasion may require. The current determination by the Board on this subject, which will not be changed without good reasons, is as follows: "The welfare of Denver and its inhabitants requires a stable water supply not only for them but also that part of the adjacent metropolitan area dependent on Denver for a water supply. While it is the purpose of Denver to maintain a water supply adequate to meet the needs of the metropolitan area dependent upon Denver for water supply, there are many elements which make it uncertain whether the supply can always be adequate for all, and therefore in times of shortage, water use outside Denver will be curtailed on the following basis, the first listed curtailment being adopted to meet the least serious situation and the succeeding curtailment being adopted in addition to prior listed curtailments, the last to meet the gravest possible situation and one which every reasonable precaution must be taken to avoid, to-wit:

1. Restriction of uses, which can be accomplished without serious injury to person or property, and prohibition of non-essential uses.

2. Prohibition of irrigation except for commercial greenhouses.

3. Prohibition of every use except for domestic use and for essential commercial enterprises and industry.

4. Prohibition of all use outside the city except domestic uses.

5. Prohibition of all uses outside the city.

In order to enable the Board to provide an adequate supply of water to the people of Denver without impairment of essential deliveries of water under this and similar contracts, the Board will impose any restrictions or prohibitions contemplated by Item 1 above uniformly inside and outside Denver."

D. The Distributor owns and controls certain pipes and other devices for distributing water from the Denver Water System to users within the territory described in Exhibit A, attached hereto and made a part hereof, and hereinafter referred to as "Distributor's Service Area", or is in a position to secure authority and acquire the necessary pipes and devices to do so, which pipes and devices are herein sometimes referred to as "distribution facilities."

E. The securing of an adequate water supply by the Board for the future growth of the Denver Metropolitan Area is necessary and of mutual advantage to the parties hereto and the users they serve.

F. The term "Board" as used herein shall include the Board of Water Commissioners and any authorized representative.

NOW, FOR AND IN CONSIDERATION of the premises and in further consideration of the promises and agreements hereinafter contained, the Board agrees to sell, and the Distributor to buy, the use of water upon the conditions and limitations hereinafter provided:

1. The Distributor promises to cause to be paid to the Board under the provisions of paragraph 32 or 32a hereof, for the use of water provided by the Board hereunder, the amount or amounts of money calculated by utilizing the schedules attached to and made

a part of this contract and denominated Exhibit B. It is mutually agreed that said schedules provide for the payment for water use of amounts sufficient to constitute a compliance with requirements of the Charter of the City and County of Denver at the time of the making of this agreement. The schedule of charges provided for in this paragraph shall remain in full force and effect until the revenue resulting from collection of charges set forth in Exhibit B shall become inadequate to meet the standards of return required by the Charter for water delivered outside Denver, or until the Board shall deem it necessary to raise or lower the charges for the water either inside or outside Denver. The Board may establish reasonable classifications of users for rate making purposes. Methods of collection and schedules of charges for use outside Denver shall be applied uniformly among similar users. Exhibit C attached hereto constitutes the water rates for service inside Denver. Any new schedule of charge for water use outside Denver shall become Exhibit B and for inside Denver, Exhibit C, but nothing herein shall be deemed to require a continuance of classifications of charges of similar definition to those contained in said exhibits as presently or hereafter constituted.

2. It is mutually agreed that the duration of this contract is such that the passage of time will require changes in the charges to be made for the use of water hereunder, and that the most feasible way to insure fairness will be to keep charges for the use of water outside Denver uniformly related to charges for the use of water inside Denver. It is therefore agreed:

a. The Board may modify the schedule of charges for use of water hereunder from time to time in its discretion, provided:

(1) Such modification will become effective not earlier than 3 months after the change shall be adopted by the Board.

(2) The Board will take reasonable steps to notify the Distributor of such change immediately after such change shall have been adopted.

(3) The new charges will not be disproportionately greater for water use outside Denver than for water use inside Denver.

b. The charges under this and other like contracts shall not be deemed to be disproportionately greater to outside users under the reference in subparagraph 2a(3), if the rate of return (expressed as a percentage) from all the Board's potable water sales outside Denver shall be no more than 6 (percentage points) greater than the rate of return from all the Board's potable water sales in Denver. Rate of return shall be derived by dividing total revenue (total outside Denver or total inside Denver) in excess of the applicable costs and charges for operation, maintenance, and depreciation, by the value of the plant devoted to the furnishing of the water supply from which the revenue was derived. The Board shall have reasonable discretion to establish and apply criteria for determining, as to both outside and inside Denver, necessary plant, plant value, and operation, maintenance and depreciation expense, provided the application of the criteria shall be made as if there were no differential between charges inside and outside Denver.

3. No water delivered under this contract shall be used outside the Distributor's Service Area as the same may exist from time to time, and distributor agrees to disconnect forthwith any tap to Distributor's system through which water is furnished for use outside said area.

4. The Distributor's Service Area may be enlarged by the inclusion of such additional property therein as authorized by the Board in writing upon application by the Distributor.

5. After this contract shall have been in force for two years, if any portion of the Distributor's Service Area is not actually receiving water service, or in the opinion of the Board in immediate prospect of requiring water service, it may be

deleted from the area to be served hereunder upon three years written notice from the Board to the Distributor. Unless countermanded, such notice will be effective at its expiration date, as to any area not then actually receiving water service. The Distributor shall be under no obligation by virtue of this agreement as to any territory deleted hereunder from its Service Area.

6. Every service attached to the Distributor's distribution facilities shall be connected under the same provisions as required by Board rules for attaching to distribution facilities inside Denver. The Board agrees that it will not make any tap or issue any permit for attachment to the water system of the Distributor except upon written authorization of the Distributor. Upon receipt of written authority from the Distributor, the Board will make taps on applications in the regular course of its business. The Distributor shall be fully liable to the Board for unreported connections including payment of all water charges thereon.

7. Notwithstanding any other term or provision in this contract, it is specifically understood and agreed that the Board may suspend the making of new taps to Distributor's distribution facilities whenever it appears to the Board that such action is necessary to diminish the likelihood of curtailment of use under the bases set out in paragraph "C" above. The Board agrees to give six months written notice of such suspension to the Distributor unless the circumstances require a shorter period, provided, however, that the Board shall be obligated to exercise such right of suspension uniformly among all distributors similarly situated, and provided further that the Board may, for the benefit of the national defense or for publicly owned agencies or agencies exempt from ad valorem taxes, provide for exception to the rule of uniformity.

8. The Distributor agrees to furnish the Board with a continuously complete record of its installations; agrees that it will not make a new installation or change in its water facilities except

after written notice to the Board and opportunity furnished the Board to inspect installations or changes as they are made to insure their conformity to plans and specifications approved by the Board; and agrees to maintain facilities, once installed, in good repair at all times and to make such replacements thereto as may be necessary to keep said facilities in proper operating condition at all times. All installations of distribution facilities must be in accordance with plans and specifications submitted by the Distributor to and approved by the Board. The Board may require the plans and specifications of the facilities to be prepared by a registered engineer, but in any event in such a manner so as to be readily understood and recorded by the Board's Engineers. The Board reserves the right to require that tracings, maps or blueprints be furnished for the Board's files. The Board will not perform engineering services for a Distributor but shall be entitled to inspect the Distributor's plans and installations thereunder at Distributor's expense. Engineering standards for distribution facilities outside Denver shall be no higher than those in force for like-new distribution facilities inside Denver. The provisions of this paragraph apply to all facilities acquired by the Distributor, including those acquired as completed units.

9. It is mutually agreed that good service to all water users is desired by both parties hereto and that therefore no new tap may be made to the Distributor's distribution facilities which would impair their capacity to furnish reasonably good service to all connected users.

10. The Board agrees to use every reasonable means to furnish a continuous supply of water from the Denver Water System at the point or points of connection between its facilities and those of the Distributor so as to enable the Distributor to furnish an adequate supply of water to all users within the Distributor's Service Area. The Distributor understands and agrees that the Board may limit the use of water outside Denver in times of water shortage on the bases set out in paragraph "C" hereof or any modi-

fication made by the Board thereto for good reason. The Distributor agrees that it will, at all times, operate the distribution system under its control in such a way as not to unreasonably interfere with service to others dependent upon the Denver Water System for a supply of water. In furtherance of this principle the Distributor specifically agrees that it will operate its facilities, especially any pumping or storage facilities, in correlation with operation of Board facilities and will install and use such devices as are reasonably necessary to effectuate correlation.

11. All the general rules and regulations placed in force by the Board to control usage of water delivered through the Denver Water System from time to time shall be as fully enforceable in the Distributor's Service Area as inside Denver. The Distributor shall have the full right to make and enforce rules, not inconsistent with Board rules, to govern uses in the Distributor's area. The Distributor agrees to assist the Board in every manner reasonably possible to enforce its rules made to protect purity and safety of the water supply. The Distributor agrees to prevent all unnecessary or unreasonable waste of water from its distribution facilities and to impose rules against, and make reasonable effort to enforce prevention of, waste from its facilities and all connections thereto.

12. Each of the parties to this agreement recognizes in the other the right to enforce its rules and the terms of this contract by turning off or disconnection of the supply of water of those who violate such rules or contract, and it is the intent of this paragraph that neither shall interfere with the other in the enforcement of its rules or this contract. The Distributor agrees that neither it nor any of its officers, employees or agents by its authority will turn on any service connection after the same shall have been turned off by the Board except by written authority by the Board to do so. The Board agrees that it will not turn on any service connection which shall have been turned off by the Distributor when acting within the limitations imposed by this

agreement, except on the written request of the Distributor. In order to effectuate the intent of this paragraph, both the Board and the Distributor shall notify each other of the turning on or off of water to consumers of either of them in the Distributor's Service Area at times and in a manner so as to cause a minimum of inconvenience to either party hereto.

13. The Distributor agrees that hereafter it will supply no water in its Service Area except that secured from the Denver Water System and that it will devoteits water facilities permanently to that function, and that it will not make or permit any cross-connection whatsoever to any other supply. The Distributor shall be relieved of the obligations of this paragraph as to any portion of its Service Area as to which the Board shall cease to furnish a water supply hereunder.

14. Both parties to this agreement recognize that the water supply for the Denver Metropolitan area is dependent upon sources from which the supply is variable in quantity and beyond the control of the Board. No liability shall attach to the Board hereunder on account of any failure to accurately anticipate availability of water supply or because of an actual failure of water supply due to inadequate run-off or occurrence beyond the reasonable control of the Board. The Board agrees to construct and devote adequate facilities to make available to the Distributor a permanent water supply in view of historical experience with water run-off so far as reasonably possible. Its judgment in providing safety factors shall not be questioned unless clearly unreasonable. The Board agrees that it will not obligate itself for furnishing a greater amount of water outside Denver than it can reasonably anticipate will be available for the entire supply for which the Board has accepted responsibility.

15. The Board agrees to exercise reasonable care and foresight to furnish water outside Denver as potable as that furnished inside Denver. No promise or guarantee of pressure is made by the

Board or is to be implied from anything contained herein.

16. In the event the Distributor shall fail to keep or perform any agreement on its part to be kept and performed according to the terms and provisions of this agreement and the Board gives the Distributor written notice specifying the particular default or defaults, the Distributor shall have such time as provided in said notice, which period of time shall in no event be less than ninety days, in which to correct such default or defaults. In the event the Distributor shall fail to correct such default or defaults within the time provided in the notice, the Board without obligation to the Distributor or any person or corporation claiming by, through or under the Distributor may take possession and control of the distribution facilities and all rights of the Distributor connected thereto which the Board finds to be so affected by Distributor's default. While in possession and control of said facilities, the Board may take such steps as it may deem proper or necessary to correct the default or defaults. During such possession and control the Board may collect the current charges for water furnished the Distributor's Service Area from the various users and the Board shall have power to enforce collection of said charges in the same manner as it employes inside Denver. The Distributor agrees to reimburse the Board for all expenses incurred by the Board in correcting the default or defaults and upon payment of all such expenses, possession and control of said distribution facilities shall be returned to the Distributor. Waiver or failure to give notice of a particular default or defaults, under this paragraph shall not be construed as condoning any continuing or subsequent default.

17. It is agreed that the damage to the Board for failure of the Distributor or its successor to perform its promise to continue to use water from the Denver Water System for supplying its Service Area will be not less than the reproduction cost of the part of the Board's facilities used to supply said Service Area, which damage the Distributor agrees to pay immediately upon the occurrence of such failure.

18. In order to provide for conditions which would be created in the event of annexation by the City and County of Denver of all or part of the Distributor's Service Area:

(a) The Distributor agrees to convey by a suitable instrument to the Board immediately upon request from the Board a clear and unencumbered title, without cost to the Board, to any of its facilities located within the geographical area annexed as requested by the Board. The Board shall have one year from the date of any annexation in which to make said request.

(b) After any conveyance shall have been made to the Board as provided in subparagraph 18(a), the Board agrees to maintain and operate that part of the facilities conveyed hereunder necessary to continue service to all areas supplied with water therefrom as long as said facilities are essential in delivering water from the Denver Water System.

(c) The Distributor agrees to convey by a suitable instrument to the Board a clear and unencumbered title to so much of its total facilities outside the annexed area, including whole or fractional interest in all or parts thereof, as the Board shall elect, provided the Board shall designate within one year of the date of any annexation the parts of the facilities it desires, and further provided that the Board shall pay, at the time of conveyance, the then reasonable market value of the facilities or interest in facilities the Board so elects to acquire from the Distributor together with reimbursements for the then calculated loss to the Distributor on account of any remaining facilities outside Denver not taken.

(d) Until an election shall be made by the Board, under this paragraph and its various subparagraphs, Distributor will continue to distribute water to users in the annexed area provided the income of the Distributor is not disturbed during this interim. Such obligation shall terminate one year after the date of such annexation.

19. This Agreement supersedes any former water supply contract existing between the parties hereto.

20. The benefits and obligations created by this contract shall not be modified by any amendment hereafter made to the Charter of the City and County of Denver unless agreed to by the Board and the Distributor.

21. It is agreed that nothing in this contract shall be taken or held as imposing on the Board any obligation to effectively regulate or control any Distributor outside Denver, it being intended by this agreement to give the Board a voluntary option to exercise certain powers respecting Distributors rather than imposing on the Board an obligation to do so.

22. The Board assumes no responsibility for any facility beyond the Denver Water System and in any case in which the facility of any third party shall be involved in the furnishing of service to the Distributor, the Distributor agrees to look solely to such third party for service to be rendered by facilities of such third party.

23. This contract is similar to a number of other contracts for furnishing a water supply outside Denver and it is understood and agreed that the Board may so perform such contracts as to similarly treat those similarly situated. Insofar as reasonably possible all regulations pertaining to water service outside Denver shall be uniform.

24. The Board reserves the right to refuse to permit its water supply to be furnished to any premises where the use of such water will result in a health hazard in Denver. Any determination on this matter by the Board shall be subject to review by the State Health Department of the State of Colorado or a similar lawfully authorized health authority of the State, and the Board agrees to be bound by the decision of such authority but may contest such decision on the grounds of fraud or abuse of discretion.

25. No assignment by the Distributor of its rights under this contract shall be binding on the Board unless the Board shall have assented to such an assignment with the same formality as employed in the execution of this contract.

26. All water furnished hereunder is on a leasehold basis for the use of the Distributor and its customers for all the various purposes for which Denver has been decreed the right to appropriate water. Such right to use water by the Distributor and its customers does not include any right to make a succession of uses of such water and upon completion of the primary use by the Distributor or its customers all dominion over the water so leased reverts completely to the Board. Except as herein specifically otherwise provided, all property rights to the water to be furnished by the Board hereunder are reserved in the Board, provided, however, that nothing herein shall be deemed or construed as creating an obligation on the Board to separate said water from any material added to it in use by the Distributor or its customers or as creating any obligation on the Board regarding purification of the total mass after use by the Distributor and its customers, nor shall anything contained herein be deemed as imposing on the Distributor any obligation by virtue of this contract for the purification of water after use by the Distributor or its customers, any such obligation, if it exists, being such as may arise without respect to anything contained in this contract. It is the obligation of the Distributor to cooperate with the Board in seeing that water originating in the

system controlled by the Board is used without waste. It is mutually agreed that there is no obligation on the Distributor with respect to creating any particular volume of return flow from water delivered hereunder.

27. The parties hereto agree that this contract will continue until terminated by mutual agreement, notwithstanding curtailment of service as provided for herein; however, if water use is curtailed to the extent set out in subparagraphs 4 or 5 of paragraph C, the Distributor may, within the time such curtailment is being imposed, terminate this agreement by notifying the Board in writing of such intention. This contract shall be terminated forthwith upon receipt of such notice.

28. The parties hereto agree that this contract is and shall be deemed to be performable in the City and County of Denver, notwithstanding that either of the parties may find it necessary to take action in furtherance of or compliance with the contract outside said City and County.

29. Failure of either party hereto to exercise any right hereunder shall not be deemed a waiver of such party's right and shall not affect the right of such party to exercise at some future time said right or rights or any other right it may have hereunder.

30. None of the Board's remedies provided for under this agreement need be exhausted or exercised as a prerequisite to resort to further relief to which it may then be entitled.

31. Nothing in this agreement shall be construed as a grant by the Board of any exclusive right or privilege.

32. All water furnished in the Distributor's Service Area through the Distributor's distribution facilities shall be paid for at current charges, directly to the Board by the various users and the Board shall have power to enforce collection of bills in the same manner as it employs inside Denver.

32a. The Distributor will pay for all water furnished the distribution system controlled by the Distributor at current charges,

and the Board shall have no responsibility for collection of bills of water users in the Distributor's Service Area. The Distributor shall have the right to charge for its services, and if it chooses, may make such charge by reference to quantities or demands for water delivered to users from its system.

(NOTE: 32 and 32a are alternates, strike the inapplicable paragraph)

33. As part of the consideration for the making and performance of this agreement the Distributor waives and relinquishes any and all rights to which the Distributor is now entitled or which may hereafter accrue to the Distributor arising out of any agreement or contract of whatever form or nature to purchase or have furnished water or the use thereof from or by the Board at a rate of charge other than as established hereunder from time to time by the Board, any such claims being unliquidated and disputed.

34. (Special provisions)

_____
Name of Distributor

ATTEST:

By: _____

_____

(S E A L)

_____
Address of Distributor

_____
Telephone Number

CITY AND COUNTY OF DENVER,
ACTING BY AND THROUGH ITS
BOARD OF WATER COMMISSIONERS

ATTEST:

By: _____
President

_____
Secretary

REGISTERED AND COUNTERSIGNED:
Auditor, City and County of Denver

APPROVED:

_____
Planning Division

By: _____

_____
Legal Division

EXHIBIT A

DISTRIBUTOR'S SERVICE AREA

(Exhibits B and C will be separately prepared from published schedules.)

...RD OF WATER
...MISSIONERS
... AND COUNTY
... DENVER

RATE SCHEDULES

Effective
Jan 1, 1970

EXHIBIT B
SCHEDULE OF CHARGES
FOR WATER USE OUTSIDE
THE CITY AND COUNTY OF DENVER

...RED RATE UNDER PARAGRAPH 32

...ly: All licensees outside the territorial limits of the ...unty of Denver who receive water service from the ...ater Commissioners under agreements whereby the ...some manner operates and maintains portions of the ...d to supply him with water and the Board is respon... ...ling each licensee on individual basis.

Rates for water service under this rate schedule are ...are due and payable on receipt of statement and are ...20 days thereafter.

...rvice:

...nthly Usage Gallons	Bi-Monthly Usage Gallons	Rates Per 1,000 Gallons
10,000	20,000	$ .62
40,000	80,000	.48
650,000	1,300,000	.41
3,300,000	6,600,000	.39
4,000,000	8,000,000	.36

MINIMUM CHARGE

	Monthly	Bi-Monthly
5/8"	$ 2.50	$ 5.00
3/4"	3.75	7.50
1"	5.60	11.20
1-1/4"	8.75	17.50
1-1/2"	12.50	25.00
2"	20.00	40.00
3"	40.00	80.00
4"	60.00	120.00
6"	120.00	240.00
8"	200.00	400.00
10"	290.00	580.00
12"	390.00	780.00

...um charge for any size meter shall entitle the licensee ...ll water in an amount sufficient to absorb the minimum ...he regular rate during each billing period. For water ...ess of that amount in any billing period, the charge ...mputed at the regular quantitative rate schedule appli... ...such service.

...ction Service:

	Monthly Charge	Bi-Monthly Charge
...Hydrant	$ 7.50	$ 15.00
...e Hydrant	12.50	25.00
...ystems and Standpipes ...nection		
...er	6.25	12.50
	12.50	25.00
	25.00	50.00
	45.00	90.00
	70.00	140.00
	140.00	280.00

...nt Use Other Than Fire Protection:

...um charge for supplying water from fire hydrants shall ...for each permit which is issued. The minimum charge ...first 5,000 gallons of water withdrawn from the fire ...After the first 5,000 gallons, the rate shall be $0.62 ...nd gallons thereafter.

...ER METER UNDER PARAGRAPH 32a

...antity	Rate Per 1,000 Gallons
...r all water used:	$ 0.475

EXHIBIT C
SCHEDULE OF CHARGES
FOR WATER USE INSIDE
THE CITY AND COUNTY OF DENVER

1. METERED RATE

Applicability: All licensees with metered service having the right to take and use water inside the territorial limits of the City and County of Denver. Private Fire Protection Service: Applicable to all licensees inside the City and County of Denver.

Payment: Rates for water service under this rate schedule are net. Bills are due and payable on receipt of statement and are delinquent 20 days thereafter.

Metered Service:

	Monthly Usage Gallons	Bi-Monthly Usage Gallons	Rates Per 1,000 Gallons
First	10,000	20,000	$ .49
Next	40,000	80,000	.30
Next	650,000	1,300,000	.26
Next	3,300,000	6,600,000	.24
Over	4,000,000	8,000,000	.21

MINIMUM CHARGE

	Monthly	Bi-Monthly
5/8"	$ 1.25	$ 2.50
3/4"	2.90	5.80
1"	4.40	8.80
1-1/4"	6.90	13.80
1-1/2"	8.75	17.50
2"	12.50	25.00
3"	25.00	50.00
4"	45.00	90.00
6"	90.00	180.00
8"	140.00	280.00
10	200.00	400.00
12	275.00	550.00

The minimum charge for any size meter shall entitle the licensee to the use of water in any amount sufficient to absorb the minimum charge at the regular rate during each billing period. For water in excess of that amount in any billing period, the charge shall be computed at the regular quantitative rate schedule applicable for such service.

Private Fire Protection Service:

	Monthly Charge	Bi-Monthly Charge
Fire Hydrant	$ 7.50	$ 15.00
Sprinkler Systems & Standpipes Size of Connection		
4" or smaller	3.75	7.50
6"	7.50	15.00
8"	15.00	30.00
10"	26.00	52.00
12"	45.00	90.00
16"	90.00	180.00

Fire Hydrant Use Other Than Fire Protection:

The minimum charge for supplying water from fire hydrants shall be $10.00 for each permit which is issued. The minimum charge covers the first 5,000 gallons of water withdrawn from the fire hydrant. After the first 5,000 gallons, the rate shall be $0.49 per thousand gallons thereafter.

2. MASTER METER

The use of water is not purchased for resale inside the City and County of Denver and therefore, there is no comparable rate.

This Legal Notebook has been

Prepared by the

SPECIAL DISTRICT ASSOCIATION OF COLORADO

July, 1981

1981 Board of Directors

John V. Amato, President
Upper Eagle Valley Sanitation District

James T. Walker, Vice-President
Alameda Water & Sanitation District

C. Tom Brown
Rocky Mountain Metropolitan
Recreation & Park District

Carol Anne Enslow
Foothills Metropolitan
Recreation & Park District

Robert Ernst (resigned)
Pueblo West Metropolitan District

John Sterling (appointed)
Woodmoor Water & Sanitation District

Ernest Tigges
North Weld County Water District

Lee Woolsey
Red, White & Blue Fire Protection
District

Executive Officers

Dodie Gale
Executive Director

John J. Tipton
General Counsel

James P. Collins
Executive Vice-President
Secretary-Treasurer

SPECIAL DISTRICT ASSOCIATION OF COLORADO

1410 Grant Street, Suite B-103
Denver, Colorado 80203
303.832-3872

"Dedicated to Effective Public Services"

LETTER OF TRANSMITTAL

July 24, 1981

To: Special District Members
and Interested Parties:

This notebook contains that portion of Title 32, Colorado Revised Statutes 1973, which was adopted by the General Assembly in 1981. These are the general laws governing special districts which provide water and sanitation, fire protection, park and recreation, and hospital services.

Laws dealing with specific topics which are found elsewhere in the statutes, will be added later. Eventually, copies of all applicable laws will be made available to complete a legal handbook for special districts. As laws are changed or new ones adopted, an updating will be made available.

In adopting these new statutes, the General Assembly has recognized the role of special districts as a viable part of Colorado's local government structure.

Sincerely,

Dodie Gale

Dodie Gale
Executive Director

DG/pm

DIRECTIONS FOR FILING REVISIONS IN LAWS NOTEBOOK

The following instructions will direct the revision of your Laws Notebook. Please go section by section.

1.	General Provisions	replace entire section
2.	Control Act	replace entire section
3.	Organizational	replace entire section
4.	Inclusion	replace entire section
5.	Exclusion	replace entire section
6.	Consolidation	replace entire section
7.	Dissolution	replace entire section
8.	Elections	replace entire section
9.	Directors-Board	replace entire section
10.	Powers	replace entire section
11.	Financial	not reprinted
	Tax Anticipation Act	new, add to section ———
12.	Taxes	not reprinted
13.	Refunding	not reprinted
14.	Fire Pension	replace pages 9-14
		replace pages 21-46
15.	Accounting	not reprinted
16.	Audit	replace entire section
17.	Budget	replace entire section
18.	Public Meetings	not reprinted
19.	Intergov. Relationships	not reprinted
20.	Emergency Telephone	replace entire section
21.	Public Deposits	new
22.	Public Investments	new
23.	Public Records	new

new law Redbook

SPECIAL DISTRICT ASSOCIATION OF COLORADO
1700 Lincoln, Suite 3711 / Denver, CO 80203 / Phone 839-3791

BOARD OF DIRECTORS

John V. Amato
President
Vail, CO

Jack E. DeLange
Vice President
Pagosa Springs, CO

Robert Barnard
Montrose, CO

Samuel Gates
Estes Park, CO

James Petersen
Ft. Collins, CO

Walt (Tief) Tiefenthal
Dillon, CO

James T. Walker
Lakewood, CO

Dodie Gale
Executive Director

James P. Collins
Executive Vice President
Secretary-Treasurer

LETTER OF TRANSMITTAL

October 30, 1985

To: Members of the Special District Association of Colorado

The enclosed pages should be inserted in your copy of the Laws Notebook and the old pages discarded. Please read the instructions and follow them carefully so you will have a complete up-to-date set of laws.

The page entitled "Colorado Revised Statutes-Redbook" is a section by section code to each change in the statute. Please note that two sections do not become law until January 1, 1986 and they are printed as such. If you are organizing a new district or are going to do an inclusion, you may want to keep the pages containing current law for those two sections in your notebook until 1/1/86. Also, read carefully the election laws. Several sections are printed both as they are currently applicable and how they will be on July 1, 1986. They are clearly marked but be sure you are using the proper procedures.

If you have any questions, call the SDA office. One set of the updates is being provided free of charge to each member district and each associate member. Additional copies are available; however, there will be a charge for printing and postage costs. If you require additional copies, please contact the office for details.

This service is provided by your Association to assist Special District officials in the performance of their duties.

Sincerely,

Dodie Gale

Dodie Gale

SPECIAL DISTRICT ASSOCIATION OF COLORADO
1700 Lincoln, Suite 3711 / Denver, CO 80203 / Phone 839-3791

Pour 1-27-87 pgs

TO: CONTACT PERSON
SPECIAL DISTRICT ASSOCIATION MEMBERS

FROM: DODIE GALE

SUBJECT: UPDATES FOR LAWS NOTEBOOKS, FILING CORRECTION

DATE: NOVEMBER 20, 1986

Enclosed is your 1986 update for the Laws Notebook. If your District has more than one copy of the Notebook and you require additional copies of this document, please mail a check in the amount of $20.00 to Mary Dutter at the SDA office. This represents our printing and mailing costs.

FILING CORRECTIONS

FOLLOW THESE INSTRUCTIONS ALONG WITH THOSE IN THE LETTER OF TRANSMITTAL.

5 FINANCIAL SECTION 32-1-1101.

Pages are misnumbered. Strike the page number 79 and write 111. Page 80 should be page 112 etc. This applies to pages 79-86 which should be 111-118.

8 BUDGET

The entire section is NOT replaced.

PART 1, BUDGET LAW replace pages 1-4 with pages 1-4A.

DO NOT REPLACE PAGES 5 - 7

PART 3, ANNUAL LEVY - INCREASE OR REDUCTION - LIMITATION

Replace pages 8-18 with pages numbered 1-19.

WE ARE SORRY ABOUT THESE ERRORS

SPECIAL DISTRICT ASSOCIATION OF COLORADO
1700 Lincoln, Suite 3711 / Denver, CO 80203 / Phone 839-3791

BOARD OF DIRECTORS

John V. Amato
President
Vail, CO

Jack B. DeLange
Vice President
Pagosa Springs, CO

Robert Barnard
Montrose, CO

Jim Borland
Ft. Collins, CO

Samuel Gates
Estes Park, CO

Ed Sullivan
Englewood, CO

Walt (Tiel) Tiefenthal
Dillon, CO

James Walker
Lakewood, CO

Ray Wells
Englewood, CO

Dodie Gale
Executive Director

James P. Collins
Executive Vice President
Secretary-Treasurer

June 1-27-87 pd.5

LETTER OF TRANSMITTAL

LAWS NOTEBOOK REVISIONS, 1986

October 5, 1986

The enclosed revisions to the Special District Association's Laws Notebook are from the 1986 Regular Session of the General Assembly and do not include the Special Session held in August and September. On the back side of this page is a list by statutory citation of each law that has been revised. Call the SDA office should you have any questions.

Replace the following old pages with the listed new pages. Note that all replacement page numbers do not match with old page numbers.

SECTION	OLD PAGES	NEW PAGES
1. General Provisions	1-6	1-6A
2. Control Act	9-10	9-10A
3. Organization	19-20	19-20
4. Elections (entire section)	57-87	57-76
5. Financial	~~79-84~~ 111-112	79-86
6. Fire Pension (Fire & Metro Districts only)	35-36	35-36A
7. Accounting	~~1-3~~ 1-4	~~1-3~~ 1-4 ff
8. Budget (entire section)	1-18	1-19
9. Public Deposit, Title 11-10.5 Public Deposit, Title 11-47	1-10 5-6	1-11 5-6
10. Public Investments	7-8	7-8
11. Governmental Immunity (new tab enclosed, place after Public Records)	new	1-18

INSTRUCTIONS FOR 1991 REVISIONS OF THE SDA LAWS NOTEBOOKS

	INDEX TABS	OLD PAGES	NEW PAGES
Title 32, Article 1			
Part 1	General Provisions	1-8	1-10
Part 2	Control Act,	1-10	1-12
Part 3	Organization	1-6	1-6
Part 4	Inclusion	1-5	1-6
Part 6	Consolidation	1-11	1-11
Part 7	Dissolution	1-9	1-10
Part 8	Elections	1-21	1-22
Part 9	Directors	1-6	1-6
Part 10	Powers	1-20	1-21
Part 11	Financial	1-10	1-14
ALSO REPRINTED IS TAX ANTICIPATION NOTES WHICH IS FILED AT THE BACK OF THIS TAB. IT IS TITLE 29, ARTICLE 15.		1-3	1-7
Part 14	Adjustment-Debt	1-2	1-3
	THIS SECTION IS FILED AT THE BACK OF THE "REFUNDING" TAB.		
Title 31, Article 30 (provided only for districts providing fire services)			
Part 10	Firemen Pension	1-46	1-48
	DO NOT REMOVE PART 4 OR PART 7		
TITLE 24, ARTICLE 18			
PART 1	Ethics	1-8	1-9
TITLE 29, ARTICLE 1			
Part 5	Accounting	1-3	1-3
Part 6	Audit	1-5	1-5
Part 1	Budget	1-20	1-10

Footnotes	C.R.S.	Bill	Change	Eff. Date	Ch.	Section of Bill
	11-10.5-103 (2)	H-91-1112	A	05/01/91	107	8
	11-10.5-108 (1)	H-91-1112	A	05/01/91	107	9
	11-10.5-108 (3)	H-91-1112	A	05/01/91	107	9
	24-6-401	S-91-0033	A	06/01/91	142	1
	24-6-402	S-91-0033	A	06/01/91	142	2
25	24-6-402 (3)(a)(VI)	S-91-0225	A	00/00/00	99	6
24	24-18-102 (8)	S-91-0137	A	03/29/91	148	1
	24-18-108 (4)	S-91-0137	R	03/29/91	148	2
	24-18-108.5	S-91-0137	N	03/29/91	148	3
	24-18-110	S-91-0137	A	03/29/91	148	4
	24-72-202 (5)	H-91-1101	A	04/20/91	124	3
	24-72-204 (3.5)	S-91-0074	N	07/01/91	145	1
					99	11
24	29-1-102 (13)	S-91-0225	A	04/19/91	312	1
	29-1-301 (1)	H-91-1052	A	06/07/91	166	4
	29-1-304	H-91-1262	R	06/07/91	166	3
	29-1-304.5	H-91-1262	N		99	13
24	29-1-502 (2)	S-91-0225	A	06/01/91	301	43
	29-1-603 (1)	S-91-0243	A	06/01/91	142	3
	29-9-101	S-91-0033	R	03/28/91	92	1
	29-15-112	H-91-1213	A	04/01/91	302	3
	31-30-1006 (4)(c)	H-91-1211	A	03/11/91	132	1
	31-30-1006.5	H-91-1015	N	05/18/91	130	2
	31-30-1014 (4)(d)	S-91-0222	A	05/18/91	130	1
	31-30-1014 (5)	S-91-0222	A	06/04/91	133	2
	32-1-103 (2.5)	S-91-0014	N	06/04/91	133	2
	32-1-103 (6.5)	S-91-0014	A	06/04/91	133	3
	32-1-202 (1)	S-91-0014	A	06/04/91	133	3
	32-1-202 (2)(b)	S-91-0014	A	06/04/91	133	3
	32-1-202 (3)	S-91-0014	A	06/04/91	133	4
	32-1-204 (1)	S-91-0014	A	06/04/91	133	4
	32-1-204 (1.5)	S-91-0014	A	06/04/91	133	4
	32-1-204 (2)	S-91-0014	A	06/04/91	133	5
	32-1-205 (1)	S-91-0014	A	06/04/91	133	6
	32-1-206 (1)	S-91-0014	A	06/04/91	133	7
	32-1-207 (2)	S-91-0014	A	06/04/91	133	7
	32-1-207 (3)(c)	S-91-0014	N	06/04/91	133	8
	32-1-207 (3)(d)	S-91-0014	A	06/04/91	133	9
	32-1-208 (3)	S-91-0014	A	06/04/91	133	10
	32-1-209	S-91-0014	A	06/04/91	133	11
	32-1-301 (1)	S-91-0014	A	06/04/91	133	12
	32-1-304	S-91-0014	A	06/04/91	133	13
	32-1-401 (3)	S-91-0014	A	06/04/91	133	14
	32-1-602.5	S-91-0014	A	04/10/91	134	1
	32-1-701 (2)	S-91-0136	A	04/10/91	134	2
	32-1-702 (4)(b)(I)	S-91-0136	A	04/10/91	134	3
	32-1-704 (1)	S-91-0136	A	04/10/91	134	3
	32-1-707 (2)(b)	S-91-0136	A	04/10/91	134	4
	32-1-707 (3)(b)	S-91-0136	A	06/04/91	133	15
	32-1-708 (1)	S-91-0014	A	06/04/91	133	16
	32-1-805 (2)	S-91-0014	A	06/04/91	133	17
	32-1-902 (4)	S-91-0014	A	06/04/91	133	18
	32-1-903 (3)	S-91-0014	A	06/04/91	133	18
	32-1-1001 (1)(d)	S-91-0014	A	07/01/91	188	45
	32-1-1001 (1)(f)	H-91-1198	A	06/04/91	133	19
	32-1-1004 (1)(b)	S-91-0014	A	06/04/91	133	19
	32-1-1101 (2)	S-91-0014	A	06/04/91	133	20
	32-1-1101 (6)	S-91-0014	A	06/04/91	133	21
	32-1-1101.5	S-91-0014	N	06/04/91	133	22
	32-1-1103 (1)(a)(IV)	S-91-0014	A			
	32-1-1403.5					

SPECIAL DISTRICT ASSOCIATION OF COLORADO
1700 Lincoln, Suite 3711 / Denver, CO 80203-4537 / Phone 839-3791 or 800-783-0791

RECEIVED
NOV 5 1991

LETTER OF TRANSMITTAL

LAWS NOTEBOOK REVISIONS, 1991

The Special District Association provides to each member of the Association an annual update of the Colorado Revised Statutes governing special district government as amended by the General Assembly.

Enclosed are replacement sections or pages. Refer to the Instructions for removing and replacing pages or sections. Each section begins with a Page 1 and the citation is noted in the lower right hand corner of each page for each section.

To locate the changes from 1990 to 1991, refer to the page entitled: Colorado Revised Statutes -- "Red Book 1991". This page will give you the exact statutory citation of 1991 amendments.

Please contact the SDA office should you have any difficulty with the updates or have any questions.

NOTE: The Fire Pension Section will be mailed under separate cover.

This portion of Colorado Revised Statutes, reprinted with the permission of the Committee on Legal Services in accordance with section 2-5-118, C.R.S., is an unofficial publication of Colorado Revised Statutes.

BOARD OF DIRECTORS: James S. Borland, President, Fort Collins-Loveland Water District; Wayne E. Monson, Vice President, Interstate South Metropolitan District; John V. Amato, Sec./Treasurer, Upper Eagle Valley Consolidated Sanitation District; Walter R. Brown, Upper Thompson Sanitation District; Raymond A. Bullock, Greenwood South Metropolitan District; Donald Critchfield, Hyland Hills Park and Recreation District; Jack [illegible] Fire District; Maynard H. Rakowsky, Castlewood Fire District; James T. Walker, Alameda Water and Sanitation District

FIRST AMENDMENT TO THE SERVICE PLAN

FOR

ROXBOROUGH WATER AND SANITATION DISTRICT

(f/k/a Roxborough Metropolitan District and Roxborough Park Metropolitan District)

TABLE OF CONTENTS

SUMMARY 1

SECTION I – AREA DEVELOPMENT 2
GENERAL 2
DESCRIPTION OF AREA 2
PROPOSED DEVELOPMENT 2
DEVELOPMENT SCHEDULE 2

SECTION II – PROPOSED WATER SYSTEM 3
DESIGN CRITERIA 3
WATER REQUIREMENTS 3
EXISTING WATER RESOURCES 3
ON-SITE GROUND WATER AVAILABILITY 3

SECTION III – PROPOSED SEWAGE SYSTEM 4
DESIGN CRITERIA 4
EFFLUENT DISPOSAL 4
PROPOSED FACILITIES 4
COST ESTIMATES 5

SECTION IV – FIRE PROTECTION SYSTEM 6
DESIGN CRITERIA 6
FINANCIAL REQUIREMENTS 6

SECTION V – FINANCING AND OPERATION 7
GENERAL 7
CAPITAL REQUIREMENTS 7
INCOME REQUIREMENTS 7
RATES AND CHARGES FOR SERVICES 7

SECTION VI – CONCLUSION 8

LIST OF EXHIBITS

EXHIBIT A	District Boundary and Service Area
EXHIBIT B	Summary of Capital Improvement Costs
EXHIBIT C	Financial Summary
EXHIBIT D	District Vicinity Map and Legal Description
EXHIBIT E	Amended Order of Inclusion
EXHIBIT F	Assessed Valuation and Certified Mill Levy
EXHIBIT G	Use Projections
EXHIBIT H	Water Distribution System and Wastewater Improvements
EXHIBIT I	Original Service Plan

SUMMARY

On October 8, 2003, and October 28, 2003, the Douglas County Board of County Commissioners (the "Board") held a public meeting on a resolution to approve certain material modifications to the Service Plan for Roxborough Water and Sanitation District (f/k/a Roxborough Metropolitan District and Roxborough Park Metropolitan District) (the "District"). The material modifications included the expansion of the District's boundaries by the inclusion of property located in Jefferson County, Colorado, and modification of its financing plan and services to allow for the design, financing and construction of lift stations and a pipeline to transport domestic wastewater from the District and the Lockheed Martin Waterton facility to the Littleton-Englewood Bi-City Wastewater Treatment Plant. The Board approved the material modifications on October 28, 2003, subject to the District providing an amendment to the District's Service Plan to Douglas County incorporating the modifications approved by the Board. This First Amendment to the Service Plan ("Amended Service Plan") represents an amendment to the original Service Plan approved by Douglas County in October 1971 and incorporates the material modifications approved by the Board. A copy of the original Service Plan is attached hereto as **Exhibit I**. Unless otherwise indicated, the information provided in each Section of this Amended Service Plan is intended to supplement the information reported in the original Service Plan. All exhibits attached to this Amended Service Plan are specifically incorporated herein.

SECTION I

AREA DEVELOPMENT

GENERAL

The current boundary of the District includes those parcels described in the original Service Plan, with the addition of the Chatfield Farms parcel (included into the District in 1988), the Sumner/Lawrence Parcel (included into the District in 1996), Sunrise Land Holdings and Eagle Nest (included into the District in 2000), and the Lockheed Martin parcel (included into the District in 2003). The original development areas of Devonshire and Southdowns are still in the District. However, both areas are now part of Roxborough State Park and will not be developed. A portion of the South Parcel was excluded from the District in 2004. The current area boundaries of the District are shown in **Exhibit A** attached hereto to this Amended Service Plan.

The District may provide facilities or services outside of its boundaries if the District determines that the provision of such facilities or services is in the best interests of the residents and property owners within the District.

The current legal description of the service area of the District is attached hereto as **Exhibit D,** which replaces in its entirety Appendix A in the original Service Plan.

DESCRIPTION OF AREA

The total area within the boundaries of the District represents approximately 9,782 acres; of which, 4,241 acres are located in Douglas County and 5,541 acres are located in Jefferson County. The current assessed value of property within the District's boundaries is $124,627,300, as more particularly described in **Exhibit F**.

PROPOSED DEVELOPMENT

The inclusion of the Lockheed Martin parcel may eventually result in increased development within the District.

DEVELOPMENT SCHEDULE

Substantial development has occurred within the District in the past several years. As of December of 2006, the District had approximately 3,228 water and sewer customers, compared to approximately 1,550 customers in 1997. Currently, the majority of development within the District is occurring in Chatfield Farms. In general, the growth rate is expected to be relatively high for the next several years due to heavy development activity in Chatfield Farms. Upon completion of the Chatfield Farms development, the growth rate is expected to be relatively low until build-out.

SECTION II

PROPOSED WATER SYSTEM

Unless otherwise indicated below, Section II of the Original Service Plan is not amended at this time. A summary of capital improvement costs for the District's water treatment distribution system is attached hereto as **Exhibit B**. Construction of all facilities and improvements within Douglas County, whether located within or outside the public right-of-way, shall require Douglas County approved construction plans and all necessary permits in accordance with Douglas County requirements. The maintenance and testing of system improvements within Douglas County right-of-way shall adhere to all Douglas County permitting requirements.

DESIGN CRITERIA – **No change**

WATER REQUIREMENTS

An updated projection of water service demand is attached hereto as **Exhibit G**.

EXISTING WATER RESOURCES – **No change**

ON-SITE GROUND WATER AVAILABILITY – **No change**

SECTION III

PROPOSED SEWAGE SYSTEM

DESIGN CRITERIA – **No change**

EFFLUENT DISPOSAL – The District's effluent disposal is discussed below in the section entitled "Proposed Facilities").

PROPOSED FACILITIES

Pursuant to an intergovernmental agreement with the City of Littleton (the "Littleton IGA"), the District and the City agreed to regionalize wastewater treatment services (the "Wastewater Project"). Under the terms of the Littleton IGA, the City shall provide wastewater treatment service to the District and the District shall construct all facilities necessary to connect the District to the City's wastewater collection system. To connect to the City's wastewater collection system, the District will construct two lift stations and approximately 14 miles of pipeline. One lift station will serve the Lockheed Martin parcel and the other lift station will serve the remainder of the District's service area. A pipeline will convey wastewater from the District to the City's wastewater collection system for treatment at the Littleton-Englewood Bi-City Wastewater Treatment Plant. The pipeline will include force main and gravity flow segments. The pipeline will generally parallel Wadsworth Boulevard, C-470 and the South Platte River to the connection point located near Santa Fe Street and Belleview Avenue. The overall capacity of the wastewater conveyance system will be 1.75 MGD. A map of this Wastewater Project is attached hereto as **Exhibit H.**

In addition, interceptor sewers are in place to serve the development within the District. Interceptors will be constructed outside of the District as part of the Wastewater Project.

Construction of all facilities and improvements within Douglas County, whether located within or outside the public right-of-way, shall require Douglas County approved construction plans and all necessary permits in accordance with Douglas County requirements. The maintenance and testing of system improvements within the Douglas County right-of-way shall adhere to all Douglas County permitting requirements.

By regionalizing wastewater treatment services with the City, the District and Lockheed Martin will discontinue use of their existing wastewater treatment facilities. The District will own and operate all facilities it constructs to connect to the City's wastewater treatment system until such time as the District's debt associated with the Wastewater Project has been repaid, then it is anticipated the City will accept ownership and operation responsibility for the gravity flow portion of the Wastewater Project.

Estimated wastewater flow projections are attached hereto as **Exhibit G**.

COST ESTIMATES

The estimated capital cost of the wastewater system facilities and improvements is $25,300,000, which includes construction of the lift stations and pipelines and tap fees required to connect to the City's wastewater collection system. A summary of the capital improvement cost is attached hereto as **Exhibit B**.

SECTION IV

FIRE PROTECTION SYSTEM

On January 4, 2000, all property located within the boundaries of the District was included in the West Metro Fire Protection District by Order of the Jefferson County District Court, attached hereto as **Exhibit E.** As a result, West Metro Fire Protection District is providing all fire protection services to the property located within the District and the District is no longer authorized to provide such services. Therefore, Section IV – Fire Protection System is deleted in its entirety from the District's Service Plan.

DESIGN CRITERIA - **Deleted**

FINANCIAL REQUIREMENTS - **Deleted**

SECTION V

FINANCING AND OPERATION

GENERAL

The Financing Plan, attached hereto as **Exhibit C**, sets forth how the District's water and wastewater facilities may be financed and operated by the District and identifies the proposed debt issuance schedule of the District.

CAPITAL REQUIREMENTS

The cost of additional facilities required to serve the District at build-out is more particularly described in **Exhibit B** attached hereto. Estimated costs include construction costs, engineering and legal fees, and contingencies. The estimated cost of the wastewater system improvements required to serve the District at build-out is $25,300,000, including construction costs, engineering and legal fees, and contingencies.

INCOME REQUIREMENTS

Capital costs of the Wastewater Project will be funded from a revolving fund loan in the amount of $9.6 million. Collection of a debt service mill levy shall be used to repay the revolving fund loan. Other revenue sources, including, but not limited to, ad valorem property taxes and user fees, shall be used to fund the remainder of the capital costs as well as operations and maintenance costs for the Wastewater Project. For 2006, the District's certified assessed mill levy was 14.708 mills; of which, 8.5 mills was assessed for debt service obligations and 6.208 mills was assessed for the general fund for operation and maintenance expenses, as set forth in **Exhibit F** attached hereto. It is anticipated that the current mill levy will be reduced in the future, as more specifically set forth in **Exhibit C**, Financial Summary Assumptions, Section 1, item number 2.

RATES AND CHARGES FOR SERVICES

User fees shall be charged to all District customers for payment of operation and maintenance costs of the Wastewater Project.

SECTION VI

CONCLUSION

This Amendment to the Service Plan for the Roxborough Water and Sanitation District meets the requirements of the Special District Act relating to amended service plans (Section 32-1-201 et seq., C.R.S., as amended). It is further submitted that, based upon the above information and the counsel of financial and other advisers, the following findings and conclusions can be made with regard to the District and this First Amendment:

1. There is sufficient existing and projected need for organized service in the area to be serviced by the District;

2. The existing service in the area to be served by the District is inadequate for present and projected needs;

3. The District is capable of providing economical and sufficient service to the area within its boundaries;

4. The area in the District will have the financial ability to discharge the proposed in indebtedness on a reasonable basis;

5. Adequate service is not, or will not be available to the area through the County, other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;

6 The facility and service standards of the Districts are compatible with the facility and service standards of each county within which the District is located and each municipality which is an interested party under section 32-1-204(1);

7. The proposal is in substantial compliance with a master plan adopted by Douglas County pursuant to Section 30-28-106, C.R.S., as amended;

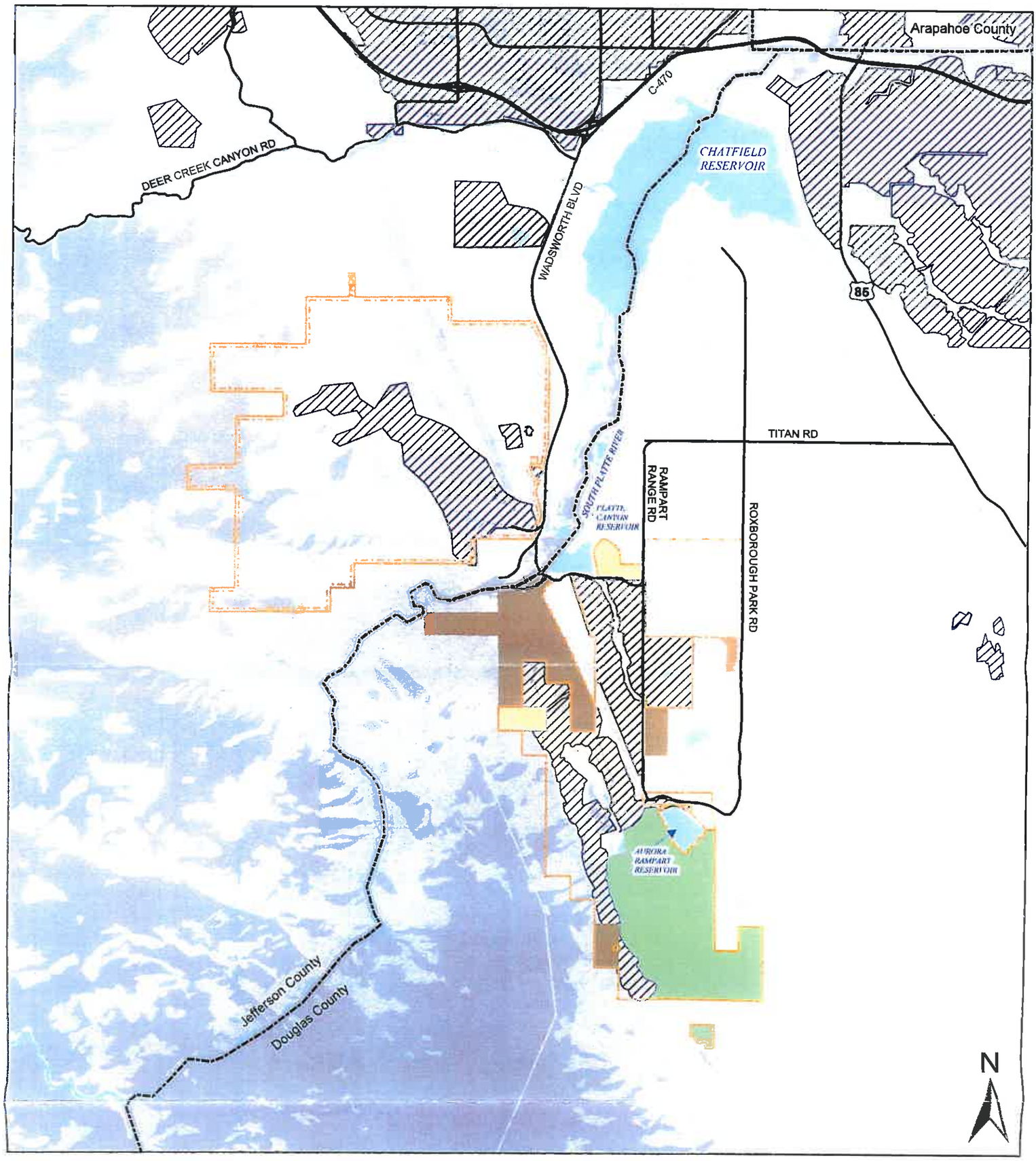
8. The proposal is in compliance with any duly adopted county, regional or state long-range water quality management plan for the area; and

9. The District will be in the best interests of the area proposed to be served.

EXHIBIT A

District Boundary and Service Area

District Boundary & Wastewater Utility Service Area



Data Source: Denver Regional Council of Governments

Legend

- RPMD District Boundary
- CWP Planning Area
- County Boundary
- Urban Growth Boundary
- Regional Envelope
- Special Exemption: Semi-Urban
- Special Exemption: State Park

0.5 0.25 0 0.5 1 1.5 2

Miles

1 inch equals 1.0 miles

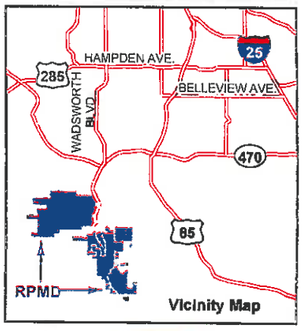


EXHIBIT A

TST Infrastructure, LLC
Consulting Engineers

EXHIBIT B

Summary of Capital Improvement Costs

ROXBOROUGH WATER AND SANITATION DISTRICT

PROJECTED CASH SURPLUS BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

CAPITAL PROJECTS DETAIL

FOR THE YEAR ENDING DECEMBER 31, 2003 AND THE SUBSEQUENT NINETEEN YEARS

(In thousands)

	Year																				
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
WATER																					
Zone 2 & PRV to Sunrise	-	-	-	-	497	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	497
Zone 2 Storage (0.75 gal)	-	-	-	-	1,760	519	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,279
Zone 3 Storage (0.75 gal)	-	-	-	-	1,722	1,061	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,783
Pump Sta nat'l gas generator	-	-	-	-	-	876	-	-	-	-	-	-	-	-	-	-	-	-	-	-	876
Pump Station Upgrade #2	-	-	-	-	-	-	1,020	-	-	-	-	-	-	-	-	-	-	-	-	-	1,020
Distr. sys improv for Wtr Qlty	-	-	-	-	-	-	675	-	-	-	-	-	-	-	-	-	-	-	-	-	675
Telemetry system	-	-	-	-	-	-	35	-	-	35	-	-	35	-	-	35	-	-	-	-	140
Upgrade existing PRV's (1,2,3)	-	-	-	-	-	-	71	-	-	-	-	-	-	-	-	-	-	-	-	-	71
Trans. Line WTP to Rox Village	-	-	-	-	-	-	-	-	2,428	-	-	-	-	-	-	-	-	-	-	-	2,428
Potable water pump sta 1&2	-	-	-	-	-	-	-	-	4,782	-	-	-	-	-	-	-	-	-	-	-	4,782
Perm Chlorine to pump sta.	-	-	-	-	-		-	-	-	516	-	-	-	-	-	-	-	-	-	-	516
Distribution system impr.	-	-	-	-	-	-	100	100	100	100	100	100	-	-	-	-	-	-	-	-	600
Denver Water taps	-	-	-	-	-	-	-	7,376	-	-	-	-	-	-	-	-	-	-	-	-	7,376
Water rights	-	818	730	47	200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,795
Miscellaneous	202	123	199	140	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	2,264
	202	941	929	187	4,279	2,556	2,001	7,576	7,388	751	200	200	135	100	100	135	100	100	100	100	26,080
SEWER																					
Tap fees - Littleton	-	-	-	5,098	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,098
Regional pipeline	-	-	1,171	5,641	13,398	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,210
Sewer Plant	531	469	260	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,260
Miscellaneous	-	-	-	77	500	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	2,077
	531	469	1,431	10,816	13,898	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	28,865
Total Capital Projects	733	1,430	2,360	11,003	18,177	2,656	2,101	7,676	7,488	851	300	300	235	200	200	235	200	200	200	200	56,745

SEE SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES AND ACCOUNTANT'S REPORT

(Preliminary Draft - Subject to change)

Printed: 2/15/2007

EXHIBIT C

Financial Summary

ROXBOROUGH WATER AND SANITATION DISTRICT

PROJECTED CASH SURPLUS BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

ALL FUNDS

SUMMARY

FOR THE YEAR ENDED DECEMBER 31, 2002 AND THE SUBSEQUENT TWENTY YEARS ENDING DECEMBER 31, 2022

			CASH RECEIPTS							CASH DISBURSEMENTS							
Collection Year	Assessed Value	Mill Levy	Net Property Taxes 98.00%	Specific Ownership Taxes 10.00%	Water Revenue (net)	Sewer Revenue (net)	Bond Proceeds (net)	Interest Income 4.00%	Total Receipts	General Exps. 3.00%	LMA Tax Rebate	Debt Service	Capital Outlay	Total Disburs.	Annual Cash Surplus	Cumulative Cash Surplus	Collection Year
Actual																	
2002	58,438,296	17.208	1,040,667	129,869	2,086,388	764,418		436,067	4,457,409	159,908		255,455	1,052,372	1,467,735	2,989,674	25,765,278	2002
2003	66,211,289	17.208	1,171,683	139,784	699,857	246,991		273,067	2,531,392	166,812		265,289	733,000	1,164,901	1,366,491	27,131,769	2003
2004	109,096,743	15.708	1,721,311	180,532	1,302,061	342,873		332,212	3,888,989	172,517		267,832	1,430,000	1,870,349	2,018,640	29,150,409	2004
2005	111,508,260	14.708	1,631,579	194,691	2,857,534	2,142,238	9,995,258	802,558	17,623,656	201,290	208,898	306,334	2,360,000	3,074,522	14,549,334	43,699,743	2005
Projected																	
2006	119,875,390	14.708	1,781,935	173,166	2,375,695	1,315,658		1,585,878	7,232,552	223,288	-	710,379	11,003,000	11,936,667	(4,704,115)	38,995,628	2006
2007	124,631,490	14.708	1,846,312	183,308	1,533,024	584,275		1,336,000	5,482,916	310,509	210,782	957,714	18,177,000	19,656,005	(14,173,087)	24,822,541	2007
2008	127,124,120	11.500	1,432,689	146,193	1,224,587	474,180		992,902	4,270,550	318,624	210,215	952,414	2,656,000	4,138,453	132,097	24,954,638	2008
2009	129,666,602	11.500	1,461,343	149,117	1,265,705	443,196		998,186	4,317,545	329,419	210,215	953,492	2,101,000	3,594,126	723,419	25,678,058	2009
2010	132,259,934	11.500	1,490,669	152,099	1,310,153	468,583		1,027,122	4,448,507	339,302	155,387	958,581	7,676,000	9,129,270	(4,680,782)	20,997,295	2010
2011	134,905,133	11.500	1,520,381	155,141	1,356,176	504,118		839,892	4,377,707	349,481		957,502	7,486,000	8,794,983	(4,417,275)	16,580,020	2011
2012	137,603,236	11.500	1,550,788	158,244	1,410,030	542,388		663,201	4,324,649	359,965		955,394	851,000	2,166,359	2,158,290	18,738,310	2012
2013	140,355,300	11.500	1,581,804	161,409	1,465,992	583,522		749,532	4,542,259	370,764		957,332	300,000	1,628,096	2,914,163	21,652,473	2013
2014	143,162,406	11.500	1,613,440	164,637	1,526,354	645,698		866,099	4,816,228	381,887		957,947	300,000	1,639,834	3,176,394	24,828,868	2014
2015	146,025,654	11.500	1,645,709	167,930	1,591,430	711,845		993,155	5,110,068	393,344		957,529	235,000	1,585,873	3,524,195	28,353,063	2015
2016	148,946,168	11.500	1,678,623	171,288	1,661,552	782,160		1,134,123	5,427,746	405,144		955,957	200,000	1,561,101	3,866,645	32,219,708	2016
2017	151,925,091	11.500	1,712,196	174,714	1,099,755	602,260		1,288,788	4,877,713	417,298		703,353	200,000	1,320,651	3,557,062	35,776,770	2017
2018	154,963,593	11.500	1,746,440	178,208	1,020,026	617,424		1,431,071	4,993,168	429,817		703,716	235,000	1,368,533	3,624,635	39,401,406	2018
2019	158,062,865	11.500	1,781,368	181,772	1,057,510	683,251		1,576,058	5,279,958	442,712		699,807	200,000	1,342,519	3,937,440	43,338,845	2019
2020	161,224,122	11.500	1,816,996	185,408	1,097,551	752,522		1,733,554	5,586,030	455,993		704,284	200,000	1,360,277	4,225,753	47,564,598	2020
2021	164,448,604	11.500	1,853,336	189,116	987,354	805,649		1,902,584	5,738,038	469,673		704,651	200,000	1,374,324	4,363,714	51,928,312	2021
2022	167,737,576	11.500	1,890,402	192,898	1,018,057	878,657		2,077,132	6,057,147	483,763		704,583	200,000	1,388,346	4,668,801	56,597,113	2022
2002 - 2022 Total			33,969,572	3,539,552	29,948,789	14,892,084	9,995,258	23,039,176	115,384,432	7,182,508	993,497	15,589,545	57,797,372	81,562,922	33,821,510		

Note: Net Property Taxes assumes a 1.5% County Treasurer's Collection Fee and a .5% Allowance for Uncollectible Accounts.

SEE SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES AND ACCOUNTANTS' REPORT

ROXBOROUGH WATER AND SANITATION DISTRICT

PROJECTED CASH SURPLUS BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

WATER REVENUE DETAIL

FOR THE YEAR ENDED DECEMBER 31, 2002 AND THE SUBSEQUENT TWENTY YEARS ENDING DECEMBER 31, 2022

			OPERATING REVENUE					NON-OPERATING REVENUE					Expenses		
Year	Avg. No. of Cust.	Avg. Mo. Service Fee	Service Fees	Permit Fees	Meter Fees	Other	Total Operating Revenue	Availability Fees	System Dev. Fees	User Surcharge	Total Non-Oper. Revenue	Total Water Revenue	Operating Expenses	Net Water Revenue	Year
2002	2,850	39.08	1,336,612	60,672	93,670	161,044	1,651,998	53,120	2,119,382	236,727	2,409,229	4,061,227	1,974,839	2,086,388	2002
2003	2,900	45.59	1,586,446	60,835	68,469	128,658	1,844,408	47,925	339,625	249,572	637,122	2,481,530	1,781,673	699,857	2003
2004	2,985	53.42	1,913,631	55,250	77,750	134,563	2,181,194	73,543	535,213	260,119	868,875	3,050,069	1,748,008	1,302,061	2004
2005	3,135	60.08	2,260,385	59,750	69,900	262,043	2,652,078	99,765	1,585,458	270,371	1,955,594	4,607,672	1,750,138	2,857,534	2005
Projected															
2006	3,228	61.37	2,377,184	46,000	63,480	109,753	2,596,417	51,196	1,597,765	280,377	1,929,338	4,525,755	2,150,060	2,375,695	2006
2007	3,288	64.44	2,542,438	45,000	60,000	93,200	2,740,638	39,200	986,184	286,056	1,311,440	4,052,078	2,332,000	1,720,078	2007
2008	3,328	67.66	2,702,036	45,000	60,000	93,200	2,900,236	36,400	646,131	289,536	972,067	3,872,304	2,448,600	1,423,704	2008
2009	3,368	71.04	2,871,238	45,000	60,000	93,200	3,069,438	33,600	652,593	293,016	979,209	4,048,647	2,571,030	1,477,617	2009
2010	3,408	74.59	3,050,606	45,000	60,000	93,200	3,248,806	30,800	659,119	296,496	986,415	4,235,220	2,699,582	1,535,639	2010
2011	3,448	78.32	3,240,731	45,000	60,000	93,200	3,438,931	28,000	665,710	299,976	993,686	4,432,617	2,834,561	1,598,057	2011
2012	3,488	82.24	3,442,243	45,000	60,000	93,200	3,640,443	25,200	672,367	303,456	1,001,023	4,641,466	2,976,289	1,665,177	2012
2013	3,528	86.35	3,655,804	45,000	60,000	93,200	3,854,004	22,400	679,091	306,936	1,008,427	4,862,431	3,125,103	1,737,328	2013
2014	3,568	90.67	3,882,116	45,000	60,000	93,200	4,080,316	19,600	685,881	310,416	1,015,897	5,096,213	3,281,358	1,814,855	2014
2015	3,608	95.20	4,121,919	45,000	60,000	93,200	4,320,119	16,800	692,740	313,896	1,023,436	5,343,556	3,445,426	1,898,130	2015
2016	3,648	99.96	4,375,998	45,000	60,000	93,200	4,574,198	14,000	699,668	317,376	1,031,044	5,605,241	3,617,697	1,987,544	2016
2017	3,664	104.96	4,614,950	-	-	50,000	4,664,950	11,200	247,428	318,768	577,396	5,242,347	3,798,582	1,443,764	2017
2018	3,674	110.21	4,858,923	-	-	50,000	4,908,923	8,400	133,946	319,638	461,984	5,370,907	3,988,511	1,382,395	2018
2019	3,684	115.72	5,115,756	-	-	50,000	5,165,756	5,600	135,285	320,508	461,393	5,627,149	4,187,937	1,439,212	2019
2020	3,694	121.51	5,386,124	-	-	50,000	5,436,124	2,800	136,638	321,378	460,816	5,896,940	4,397,334	1,499,606	2020
2021	3,694	127.58	5,655,430	-	-	50,000	5,705,430	-	-	321,378	321,378	6,026,808	4,617,200	1,409,608	2021
2022	3,694	133.96	5,938,202	-	-	50,000	5,988,202	-	-	321,378	321,378	6,309,580	4,848,061	1,461,519	2022
			74,928,773	732,507	973,269	2,028,061	78,662,610	619,549	13,870,224	6,237,374	20,727,147	99,389,757	64,573,989	34,815,768	

SEE SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES AND ACCOUNTANT'S REPORT

ROXBOROUGH WATER AND SANITATION DISTRICT

PROJECTED CASH SURPLUS BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

SEWER REVENUE DETAIL

FOR THE YEAR ENDED DECEMBER 31, 2002 AND THE SUBSEQUENT TWENTY YEARS ENDING DECEMBER 31, 2022

			OPERATING REVENUE						NON-OPERATING REVENUE						Expenses		
Year	Avg. No. Total of Cust.	Monthly Service Fee	Service Fees	Ravenna Service Fees	LMA Service Fees	Permit Fees	Other	Total Operating Revenue	Availability Charge	System Dev. Fees	User Surcharge	LMA Contribution	Total Non-Oper. Revenue	Total Sewer Revenue	Net Sewer Expenses	Net Sewer Revenue	Year
2002	2,850	28.89	988,301			60,671	95,341	1,144,313	44,013	578,143	40,640	-	660,796	1,805,109	1,040,691	764,418	2002
2003	2,900	30.45	1,059,861			55,488	56,036	1,171,385	39,935	82,486	42,746	-	165,148	1,336,511	1,089,520	246,991	2003
2004	2,985	32.10	1,132,758			64,250	77,145	1,274,153	56,890	125,829	44,510	-	227,229	1,501,382	1,158,509	342,873	2004
2005	3,070	32.57	1,165,913			59,750	154,339	1,380,002	77,126	554,754	46,287	1,000,000	1,678,167	3,058,169	915,931	2,142,238	2005
Projected																	
2006	3,250	32.00	1,263,266	-	-	46,000	351,393	1,660,659	41,054	584,752	48,034	-	673,840	2,324,499	1,008,641	1,315,858	2006
2007	3,330	33.28	1,321,882	11,981	162,500	50,000	36,000	1,582,362	32,000	502,687	49,000	-	583,687	2,166,050	1,581,775	584,275	2007
2008	3,390	34.61	1,399,677	24,920	325,000	50,000	35,000	1,834,597	29,700	387,359	50,850	-	447,909	2,282,506	1,808,326	474,180	2008
2009	3,445	36.00	1,481,581	35,636	341,250	50,000	35,000	1,943,467	27,400	335,917	51,675	-	414,992	2,358,459	1,915,263	443,196	2009
2010	3,500	37.44	1,565,552	47,169	358,313	50,000	35,000	2,056,033	25,100	339,958	52,500	-	417,558	2,473,591	2,005,028	468,563	2010
2011	3,555	38.93	1,653,669	59,567	376,228	50,000	35,000	2,174,665	22,800	344,039	53,325	-	420,164	2,594,829	2,090,711	504,118	2011
2012	3,610	40.49	1,746,748	72,882	395,040	50,000	35,000	2,299,670	20,500	348,161	54,150	-	422,811	2,722,481	2,180,095	542,388	2012
2013	3,665	42.11	1,844,410	87,167	414,792	50,000	35,000	2,431,369	18,200	352,326	54,975	-	425,500	2,856,869	2,273,347	583,522	2013
2014	3,720	43.79	1,947,091	102,478	435,531	50,000	35,000	2,570,100	15,900	356,530	55,800	-	428,230	2,998,330	2,352,632	645,698	2014
2015	3,775	45.55	2,055,035	118,875	457,308	50,000	35,000	2,716,217	13,600	360,777	56,625	-	431,002	3,147,219	2,435,374	711,845	2015
2016	3,830	47.37	2,168,499	136,419	480,173	50,000	35,000	2,870,091	11,300	365,066	57,450	-	433,816	3,303,907	2,521,747	782,160	2016
2017	3,861	49.26	2,273,564	155,177	504,182	15,000	15,000	2,962,923	9,000	179,931	57,915	-	246,846	3,209,769	2,607,509	602,260	2017
2018	3,888	51.23	2,379,877	175,217	529,391	15,000	15,000	3,114,484	6,700	134,117	58,290	-	199,107	3,313,591	2,696,167	617,424	2018
2019	3,911	53.28	2,491,057	196,612	555,860	15,000	15,000	3,273,529	4,400	135,685	58,665	-	198,750	3,472,279	2,789,028	683,251	2019
2020	3,936	55.41	2,607,323	219,438	583,853	15,000	15,000	3,440,414	2,100	137,289	59,040	-	198,409	3,638,824	2,886,302	752,522	2020
2021	3,951	57.63	2,721,989	243,778	612,836	15,000	15,000	3,608,601	-	124,148	59,265	-	183,413	3,792,014	2,986,366	805,649	2021
2022	3,966	59.94	2,841,657	269,709	643,478	15,000	15,000	3,784,844	-	125,617	59,490	-	185,107	3,969,951	3,091,295	878,657	2022
			38,099,907	1,957,024	7,176,533	876,139	1,175,254	49,283,858	497,718	6,433,530	1,111,232	1,000,000	9,042,480	58,326,338	43,434,254	14,892,084	

SEE SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES AND ACCOUNTANT'S REPORT

ROXBOROUGH WATER AND SANITATION DISTRICT

PROJECTED CASH SURPLUS BALANCES AND CASH RECEIPTS AND DISBURSEMENTS
SEWER EXPENDITURE DETAIL

FOR THE YEAR ENDED DECEMBER 31, 2002 AND THE SUBSEQUENT TWENTY YEARS ENDING DECEMBER 31, 2022

		SERVICE CHARGES					
Year	Total Operating Expenses	SC to Littleton LMA	SC to Littleton RWSD	Total Service Charges	Total Sewer Expenses	Year	Littleton Rates
2002	1,040,691	-	-	-	1,040,691	2002	
2003	1,089,520	-	-	-	1,089,520	2003	
2004	1,158,509	-	-	-	1,158,509	2004	
2005	915,931	-	-	-	915,931	2005	
Projected							
2006	1,008,641	-	-	-	1,008,641	2006	
2007	1,032,000	175,000	374,775	549,775	1,581,775	2007	150.06
2008	1,083,600	185,500	539,226	724,726	1,808,326	2008	159.06
2009	1,137,780	196,630	580,853	777,483	1,915,263	2009	168.61
2010	1,194,669	202,529	607,830	810,359	2,005,028	2010	173.67
2011	1,254,402	206,579	629,729	836,308	2,090,711	2011	177.14
2012	1,317,123	210,711	652,261	862,972	2,180,095	2012	180.68
2013	1,382,979	214,925	675,443	890,368	2,273,347	2013	184.30
2014	1,452,128	214,925	685,579	900,504	2,352,632	2014	184.30
2015	1,524,734	214,925	695,715	910,640	2,435,374	2015	184.30
2016	1,600,971	214,925	705,851	920,777	2,521,747	2016	184.30
2017	1,681,019	214,925	711,564	926,490	2,607,509	2017	184.30
2018	1,765,070	214,925	716,172	931,097	2,696,167	2018	184.30
2019	1,853,324	214,925	720,779	935,704	2,789,028	2019	184.30
2020	1,945,990	214,925	725,387	940,312	2,886,302	2020	184.30
2021	2,043,289	214,925	728,151	943,076	2,986,366	2021	184.30
2022	2,145,454	214,925	730,915	945,841	3,091,295	2022	184.30
	29,627,824	3,326,202	10,480,229	13,806,431	43,434,254		

SEE SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES AND ACCOUNTANT'S REPORT

ROXBOROUGH WATER AND SANITATION DISTRICT

PROJECTED CASH SURPLUS BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

CAPITAL PROJECTS DETAIL

FOR THE YEAR ENDING DECEMBER 31, 2003 AND THE SUBSEQUENT NINETEEN YEARS

(In thousands)

	Year																				
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
WATER																					
Zone 2 & PRV to Sunrise	-	-	-	-	497	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	497
Zone 2 Storage (0.75 gal)	-	-	-	-	1,760	519	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,279
Zone 3 Storage (0.75 gal)	-	-	-	-	1,722	1,061	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,783
Pump Sta nat'l gas generator	-	-	-	-	-	876	-	-	-	-	-	-	-	-	-	-	-	-	-	-	876
Pump Station Upgrade #2	-	-	-	-	-	-	1,020	-	-	-	-	-	-	-	-	-	-	-	-	-	1,020
Distr. sys improv for Wtr Qlty	-	-	-	-	-	-	675	-	-	-	-	-	-	-	-	-	-	-	-	-	675
Telemetry system	-	-	-	-	-	-	35	-	-	35	-	-	35	-	-	35	-	-	-	-	140
Upgrade existing PRV's (1,2,3)	-	-	-	-	-	-	71	-	-	-	-	-	-	-	-	-	-	-	-	-	71
Trans. Line WTP to Rox Village	-	-	-	-	-	-	-	-	2,426	-	-	-	-	-	-	-	-	-	-	-	2,426
Potable water pump sta 1&2	-	-	-	-	-	-	-	-	4,762	-	-	-	-	-	-	-	-	-	-	-	4,762
Perm Chlorine to pump sta.	-	-	-	-	-		-	-	-	516	-	-	-	-	-	-	-	-	-	-	516
Distribution system impr.	-	-	-	-	-	-	100	100	100	100	100	100	-	-	-	-	-	-	-	-	600
Denver Water taps	-	-	-	-	-	-	-	7,376	-	-	-	-	-	-	-	-	-	-	-	-	7,376
Water rights	-	818	730	47	200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,795
Miscellaneous	202	123	199	140	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	2,284
	202	941	929	187	4,279	2,556	2,001	7,576	7,388	751	200	200	135	100	100	135	100	100	100	100	28,080
SEWER																					
Tap fees - Littleton	-	-	-	5,098	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,098
Regional pipeline	-	-	1,171	5,641	13,398	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,210
Sewer Plant	531	489	260	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,280
Miscellaneous	-	-	-	77	500	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	2,077
	531	489	1,431	10,816	13,898	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	28,665
Total Capital Projects	733	1,430	2,360	11,003	18,177	2,656	2,101	7,676	7,488	851	300	300	235	200	200	235	200	200	200	200	56,745

SEE SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES AND ACCOUNTANT'S REPORT

Printed: 2/15/2007

ROXBOROUGH WATER AND SANITATION DISTRICT

PROJECTED CASH SURPLUS BALANCES AND CASH RECEIPTS AND DISBURSEMENTS
SYSTEM DEVELOPMENT FEES - WATER
FOR THE YEAR ENDED DECEMBER 31, 2002 AND THE SUBSEQUENT TWENTY YEARS ENDING DECEMBER 31, 2022

	System Development Fees							
Year	New Cust.	System Development Fees	Total	New Prepaid Customers	Prepaid System Dev Fees	Total	Total Water System Dev. Fees	Year
2002								2002
2003							339,625	2003
2004							535,213	2004
2005							1,585,458	2005
Projected								
2006	83	17,151	1,423,533	15	11,887	178,305	1,597,765	2006
2007	50	17,323	866,126	10	12,006	120,059	986,184	2007
2008	30	17,496	524,872	10	12,126	121,259	646,131	2008
2009	30	17,671	530,121	10	12,247	122,472	652,593	2009
2010	30	17,847	535,422	10	12,370	123,697	659,119	2010
2011	30	18,026	540,776	10	12,493	124,934	665,710	2011
2012	30	18,206	546,184	10	12,618	126,183	672,367	2012
2013	30	18,388	551,646	10	12,744	127,445	679,091	2013
2014	30	18,572	557,162	10	12,872	128,719	685,881	2014
2015	30	18,758	562,734	10	13,001	130,006	692,740	2015
2016	30	18,945	568,361	10	13,131	131,306	699,668	2016
2017	6	19,135	114,809	10	13,262	132,619	247,428	2017
2018	-	-	-	10	13,395	133,946	133,946	2018
2019	-	-	-	10	13,529	135,285	135,285	2019
2020	-	-	-	10	13,664	136,638	136,638	2020
2021	-	-	-	-	-	-	-	2021
2022	-	-	-	-	-	-	-	2022
	409	217,518	7,321,746	155	191,344	1,972,873	9,290,546	

ROXBOROUGH WATER AND SANITATION DISTRICT

PROJECTED CASH SURPLUS BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

SYSTEM DEVELOPMENT FEES - SEWER

FOR THE YEAR ENDED DECEMBER 31, 2002 AND THE SUBSEQUENT TWENTY YEARS ENDING DECEMBER 31, 2022

	System Development Fees									
Year	New Cust.	Ravenna Cust. (Swr Only)	System Development Fees	Total	New Prepaid Customers	Prepaid System Dev Fees	Total	Outside Treatment	Total Sewer System Dev. Fees	Year
2002										2002
2003									82,465	2003
2004									125,829	2004
2005									554,754	2005
Projected										
2006	83	-	6,909	573,447	15	1,268	19,020	32,090	584,752	2006
2007	50	20	6,998	489,860	10	1,261	12,807	-	502,687	2007
2008	30	20	7,088	354,424	10	1,293	12,935	-	367,359	2008
2009	30	15	7,175	322,853	10	1,306	13,064	-	335,917	2009
2010	30	15	7,261	326,763	10	1,319	13,195	-	339,958	2010
2011	30	15	7,349	330,713	10	1,333	13,327	-	344,039	2011
2012	30	15	7,438	334,701	10	1,346	13,460	-	348,161	2012
2013	30	15	7,527	338,730	10	1,359	13,595	-	352,325	2013
2014	30	15	7,618	342,799	10	1,373	13,731	-	356,530	2014
2015	30	15	7,709	346,909	10	1,387	13,868	-	360,777	2015
2016	30	15	7,801	351,060	10	1,401	14,007	-	365,066	2016
2017	8	15	7,894	165,784	10	1,415	14,147	-	179,931	2017
2018	-	15	7,989	119,829	10	1,429	14,288	-	134,117	2018
2019	-	15	8,084	121,254	10	1,443	14,431	-	135,685	2019
2020	-	15	8,180	122,694	10	1,458	14,575	-	137,269	2020
2021	-	15	8,277	124,148	-	-	-	-	124,148	2021
2022	-	15	8,374	125,617	-	-	-	-	125,617	2022
	409	250	129,671	4,891,606	155	20,411	210,449	32,090	5,094,339	

SEE SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES AND ACCOUNTANT'S REPORT

ROXBOROUGH WATER AND SANITATION DISTRICT

PROJECTED CASH SURPLUS BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

DEBT SERVICE

FOR THE YEAR ENDED DECEMBER 31, 2002 AND THE SUBSEQUENT TWENTY YEARS ENDING DECEMBER 31, 2022

	Series 1997 Bonds Interest Rate		$3,000,000 4.1% to 5.6%	Series 2005 Bonds Interest Rate		$10,000,000 3.35%	Other Debt Service Costs	Total Debt Service	
Year	Principal	Interest	Total	Principal	Interest	Total			Year
2002	120,000	135,455	255,455	-	-	-	-	255,455	2002
2003	125,000	129,815	254,815	-	-	-	10,474	265,289	2003
2004	130,000	123,815	253,815	-	-	-	14,017	267,832	2004
2005	135,000	117,510	252,510	-	-	-	14,213	266,723	2005
2006	145,000	110,895	255,895	335,000	104,180	439,180	15,304	710,379	2006
2007	150,000	103,717	253,717	345,000	340,605	685,605	18,392	957,714	2007
2008	155,000	96,218	251,218	350,000	333,196	683,196	18,000	952,414	2008
2009	165,000	88,313	253,313	360,000	322,179	682,179	18,000	953,492	2009
2010	175,000	79,733	254,733	375,000	310,848	685,848	18,000	958,581	2010
2011	185,000	70,458	255,458	385,000	299,044	684,044	18,000	957,502	2011
2012	195,000	60,468	255,468	395,000	286,926	681,926	18,000	955,394	2012
2013	205,000	49,840	254,840	410,000	274,492	684,492	18,000	957,332	2013
2014	215,000	38,360	253,360	425,000	261,587	686,587	18,000	957,947	2014
2015	230,000	26,320	256,320	435,000	248,209	683,209	18,000	957,529	2015
2016	240,000	13,440	253,440	450,000	234,517	684,517	18,000	955,957	2016
2017	-	-	-	465,000	220,353	685,353	18,000	703,353	2017
2018	-	-	-	480,000	205,716	685,716	18,000	703,716	2018
2019	-	-	-	490,000	191,807	681,807	18,000	699,807	2019
2020	-	-	-	505,000	181,284	686,284	18,000	704,284	2020
2021	-	-	-	520,000	166,651	686,651	18,000	704,651	2021
2022	-	-	-	535,000	151,583	686,583	18,000	704,583	2022
2023	-	-	-	545,000	138,755	683,755	18,000	701,755	2023
2024	-	-	-	560,000	124,325	684,325	18,000	702,325	2024
2025	-	-	-	595,000	88,274	683,274	18,000	701,274	2025
2026	-	-	-	640,000	45,745	685,745	18,000	703,745	2026
	2,570,000	1,244,357	3,814,357	9,600,000	4,530,276	14,130,276	342,400	15,549,934	

Preliminary Draft - Subject to Change

Printed:2/15/2007

SEE SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES AND ACCOUNTANTS' REPORT

ROXBOROUGH WATER AND SANITATION DISTRICT

PROJECTED CASH SURPLUS BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

CASH BALANCES DETAIL

FOR THE YEAR ENDED DECEMBER 31, 2002 AND THE SUBSEQUENT TWENTY YEARS ENDING DECEMBER 31, 2022

	WATER FUND						SEWER FUND								
Year	Net Water Revenue	Capital Outlay	Transfers To/From Gen & D/S	Loan to Sewer Fund	Interest Income Allocation	Cummulative Cash Balance	Net Sewer Revenue	Capital Outlay	Transfers/ Bond Proceeds	Loan From Wtr Fund	Interest Income Allocation	Cummulative Cash Balance	General, D/S C/P Funds Cummulative Cash Balance	ALL FUNDS Cummulative Cash Surplus	Year
2002	2,088,388	(704,694)			304,234	18,431,600	764,418	(340,400)			103,758	5,178,416	2,155,263	25,765,278	2002
2003	699,857	(202,000)	217,075		181,898	19,338,430	246,991	(531,000)	95,065		60,549	5,050,020	2,743,319	27,131,769	2003
2004	1,302,061	(941,000)	201,457		228,431	20,129,378	342,873	(489,000)	98,110		126,565	5,128,568	3,892,462	29,150,409	2004
2005	2,857,534	(929,000)	246,235		584,937	22,889,085	2,142,238	(1,431,000)	1,113,221		169,836	7,122,863	13,667,795	43,699,743	2005
Projected															
2006	2,375,695	(187,000)	552,804		1,045,639	26,676,223	1,315,858	(10,618,000)	6,284,553		385,810	4,293,084	8,026,321	38,995,628	2006
2007	1,533,024	(4,279,000)	50,000	(6,100,000)	850,000	18,730,247	584,275	(13,898,000)	3,156,053	6,100,000	310,000	547,412	5,544,883	24,822,541	2007
2008	1,224,587	(2,556,000)	367,319	538,039	749,210	19,053,402	474,180	(100,000)	198,551	(538,039)	21,898	604,000	5,297,237	24,954,638	2008
2009	1,265,705	(2,001,000)	332,477	179,801	762,136	19,592,521	443,196	(100,000)	208,446	(179,801)	24,160	1,000,000	5,085,537	25,678,058	2009
2010	1,310,153	(7,576,000)	361,773	630,823	783,701	15,102,971	468,563	(100,000)	222,259	(630,823)	40,000	1,000,000	4,894,324	20,997,295	2010
2011	1,358,176	(7,388,000)	382,874	680,801	604,119	10,740,941	504,118	(100,000)	236,683	(680,801)	40,000	1,000,000	4,839,080	16,580,020	2011
2012	1,410,030	(751,000)	405,032	734,134	429,838	12,968,774	542,386	(100,000)	251,748	(734,134)	40,000	1,000,000	4,769,536	18,738,310	2012
2013	1,465,992	(200,000)	428,309	791,009	518,751	15,972,835	583,522	(100,000)	267,487	(791,009)	40,000	1,000,000	4,879,638	21,852,473	2013
2014	1,526,354	(200,000)	452,771	869,631	638,913	19,260,504	645,698	(100,000)	283,933	(869,631)	40,000	1,000,000	4,588,363	24,828,868	2014
2015	1,591,430	(135,000)	478,486	952,967	770,420	22,916,807	711,845	(100,000)	301,122	(952,967)	40,000	1,000,000	4,434,256	28,353,063	2015
2016	1,661,552	(100,000)	505,525	722,795	916,752	26,625,431	782,160	(100,000)	319,091	(722,795)	40,000	1,318,456	4,275,821	32,219,708	2016
2017	1,099,755	(100,000)	470,234	-	1,065,017	29,160,438	602,260	(100,000)	311,977	-	52,738	2,185,431	4,430,902	35,776,770	2017
2018	1,020,026	(135,000)	484,054	-	1,166,418	31,695,934	617,424	(100,000)	324,659	-	87,417	3,114,931	4,580,540	39,401,406	2018
2019	1,057,510	(100,000)	510,545	-	1,267,837	34,431,827	683,251	(100,000)	342,828	-	124,597	4,165,607	4,741,411	43,338,845	2019
2020	1,097,551	(100,000)	538,288	-	1,377,273	37,344,939	752,522	(100,000)	361,782	-	168,624	5,346,536	4,873,123	47,564,598	2020
2021	987,354	(100,000)	552,055	-	1,493,798	40,276,146	805,649	(100,000)	379,201	-	213,881	6,645,247	5,004,919	51,928,312	2021
2022	1,018,057	(100,000)	581,012	-	1,611,126	43,388,340	878,657	(100,000)	398,995	-	265,810	8,088,709	6,122,064	56,597,113	2022
	29,948,789	(28,784,694)	8,118,325	-	17,360,248	43,388,340	14,692,084	(29,005,400)	15,155,764	-	2,393,823	8,088,709			

SEE SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES AND ACCOUNTANT'S REPORT

ROXBOROUGH WATER AND SANITATION DISTRICT
Assumptions

Page 1 - Summary

1. Assessed value increases 2% annually
2. Mill levy decreased from 14.708 mills to 11.500 mills in 2008 (decrease will be on the operating mill levy)
3. Net property taxes assumes a 1.5% County Treasurer's collection fee and a .5% allowance for uncollectible accounts
4. Specific ownership tax is calculated at 10% of gross property taxes levied
5. Interest income is calculated at 4% annually
6. General Fund expenditures increase 3% annually
7. Debt Service expense assumes no additional debt issues
8. Does not include a financial solution for a permanent water supply

Page 2 - Water Revenue Detail

9. Assumes 60 new customers for 2007 and an additional 40 per year, through build-out of 3,687 homes in 2017
10. Assumes an annual water rate increase of 5%
11. Permit, meter and other fees based on current collections
12. System Development fees - assumes a 1% annual increase per SDC
13. User Surcharge - assumes no annual increase
14. Water operating expenses - assumes a 5% annual increase
15. Other revenue includes: miscellaneous, rental, reimbursed expenditures and other

Page 3 - Sewer Revenue Detail

16. Assumes 80 new customers in 2007, 60 in 2008, 55 per year from 2009-2017 and 15 per year thereafter, through build-out of 3,937 homes in 2022
17. Assumes an annual sewer rate increase of 4%
18. Permits and other fees based on current collections
19. System Development fees - assumes a 1% annual increase per SDC
20. User Surcharge - assumes no annual increase
21. Other revenue includes: miscellaneous, reimbursed expenditures and other
22. Ravenna service fees are 150% of the in-district current rate
23. LMA service fees are based on flow converted to units & 50% of the residential flat rate - minimum of $300,000 annually

Page 4 - Sewer Expenditure Detail

24. Littleton service charges for LM - assumes $175,000 in the first year and is increased based on increases provided by Littleton
25. Littleton service charges for the District - based on number of customers times Littleton's rate and increases provided by Littleton (service to begin 7/1/07)
26. Sewer operating expenses - assumes a 5% annual increase

Page 5 - Capital Projects Detail

27. Capital outlay based on engineers projections

Page 8 - Debt Service

28. The District anticipates paying off the 1997 bonds in 2010 and the 2005 bonds in 2017.

Page 9 - Cash Balance Detail

29. Transfers to/from include: annual budgeted transfers from the General fund to the Water and Sewer funds, and the availability fees from the Water and Sewer funds to the Debt Service fund

Printed:2/15/2007

EXHIBIT D

District Vicinity Map and Legal Description

Roxborough Park Metropolitan District
Vicinity Map

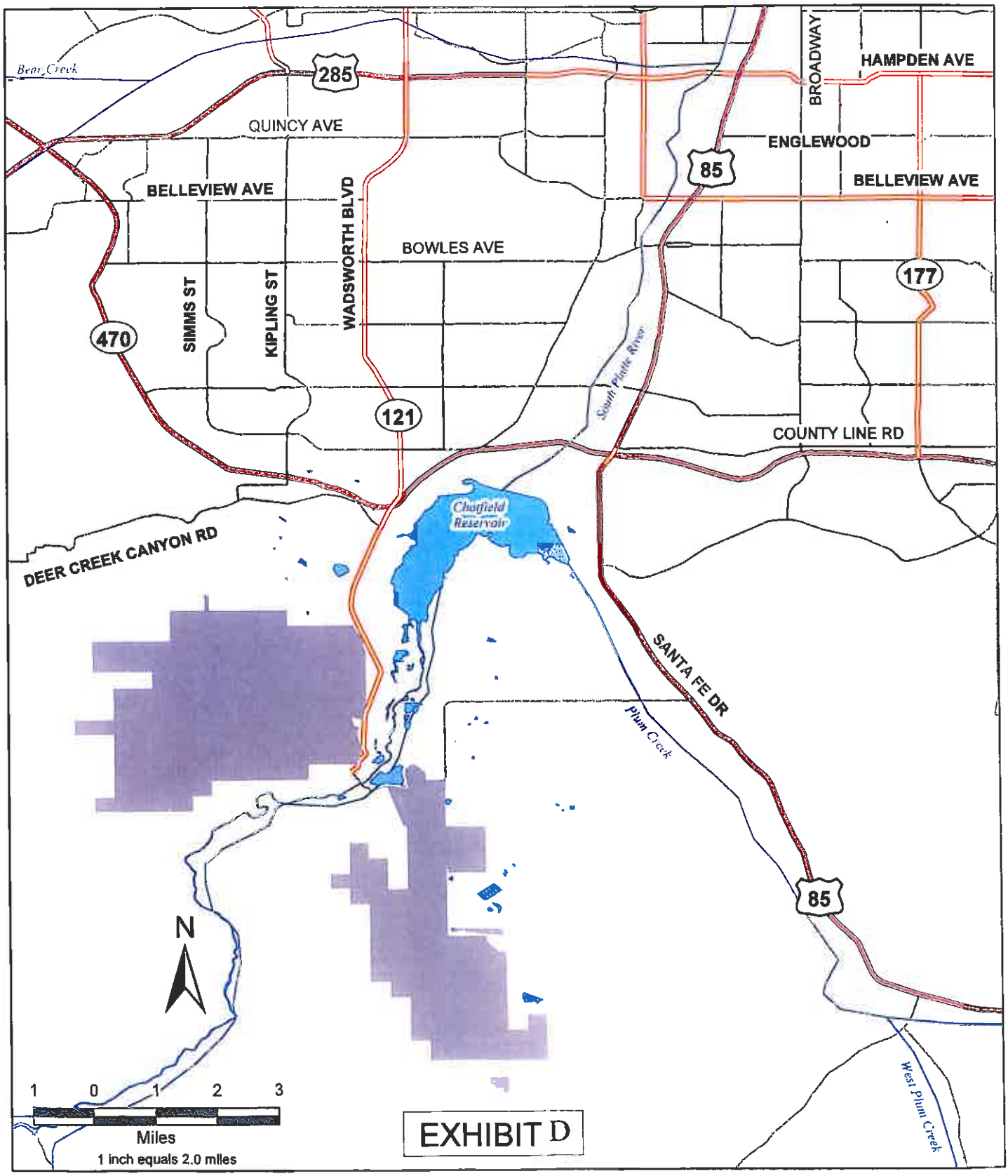


EXHIBIT D

ROXBOROUGH PARK BOUNDARY

DISTRICT LEGAL DESCRIPTION

The following described real property situate, lying and being In the County of Douglas, State of Colorado, to-wit:

Township 6 South, Range 69 West of the 6th P.M.
The South 1/2 of the SE 1/4 of Section 35.

Township 7 South, Range 68 West of the 6th P.M.
The West 1/2 NW 1/4 and NW 1/4 SW 1/4 of Section 19.

Township 7 South, Range 69 West of the 6th P.M.

Section 1: The NW 1/4.

Section 2: The NE 1/4; the West 1/2 SW 1/4 and the SE 1/4.

Section 3: The SE 1/4 NE 1/4 and tho NE 1/4 SE 1/4.

Section 10: The NL 1/4 NE 1/4.

Section 11: All.

Section 12: The South 1/2 SW 1/4 except that part conveyed to the City of Aurora by Deed recorded June 22, 1964 In book 157 at Page 434.

Section 13: The West 1/2 and the West 1/2 East 1/2, except from the above described portion that part conveyed to the City of Aurora by Deed recorded June 22, 1964 In book 157 at Page 434.

Section 14: The East 1/2; the NW 1/4 and the NE 1/4 SW 1/4.

Section 23: The East 1/2 NE 1/4 and the NE 1/4 SE 1/4.

Section 24: The NW 1/4; the West 1/2 NE 1/4; the SE 1/4 NE 1/4; and the North 1/2 South 1/2.

Section 25: The NW 1/4 NE 1/4; the SE 1/4 NW 1/4; and the South 1/2 NE 1/4 NW 1/4.

This description was prepared by Roxborough Park Metropolitan District, 6222 N. Roxborough Park Road, Littleton, CO 80125 and includes the following 3 parcels:

PARCEL NO. 1:

A TRACT OF LAND LOCATED IN SECTION 35, TOWNSHIP 6 SOUTH, RANGE 69 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTH ONE-QUARTER CORNER OF SAID SECTION 35;
THENCE S 89°45'23" W ALONG THE SOUTH LINE OF SAID SECTION 35 A DISTANCE OF 219.03 FEET;
THENCE N 18°06'00" W A DISTANCE OF 3,646.27 FEET;
THENCE 130.57 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 22°27'41"; A RADIUS OF 333.07 FEET AND A CHORD WHICH BEARS N 89°13'41" E, A CHORD DISTANCE OF 129.74 FEET;
THENCE S 79°32'28" E, A DISTANCE OF 602.46 FEET;
THENCE 246.31 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 15°08'53", A RADIUS OF 931.65 FEET;
THENCE S 64°23'35" E A DISTANCE OF 258.44 FEET;
THENCE 167.91 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 36°28'23", A RADIUS OF 263.77 FEET TO A POINT OF COMPOUND CURVATURE;
THENCE 230.73 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 93°44'52". A RADIUS OF 141.01 FEET;
THENCE N 14°36'49" W A DISTANCE OF 341.95 FEET;
THENCE 105.70 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 8°06'24", A RADIUS OF 747.06 FEET;
THENCE N 06°30'25" W, A DISTANCE OF 170.28 FEET;
THENCE 281.02 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 13°43'54", A RADIUS OF 1,172.58 FEET TO A POINT OF REVERSE CURVATURE,
THENCE 181.34 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 15°47'20", A RADIUS OF 658.06 FEET,
THENCE N 4°26'58" W, A DISTANCE OF 114.23 FEET;
THENCE 163.39 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 13°29'17", A RADIUS OF 694.05 FEET;
THENCE N 9°02'19" E A DISTANCE OF 93.09 FEET;
THENCE 238.88 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 33°00'45", A RADIUS OF 414.59 FEET;
THENCE N 42°03'04" E A DISTANCE OF 347.45 FEET;
THENCE 417.30 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 83°24'06", A RADIUS OF 286.68 FEET;
THENCE S 54°32'50" E A DISTANCE OF 256.66 FEET'
THENCE 239.58 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 14°38'06", A RADIUS OF 937.95 FEET;
THENCE S 39°54'44" E, A DISTANCE OF 216.09 FEET;
THENCE 225.96 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 5°39'58" A RADIUS OF 2,284.93 FEET AND A CHORD WHICH BEARS S 42°44'43" E, A CHORD DISTANCE OF 225.87 FEET;
THENCE S 00°25'06" E, A DISTANCE OF 620.15 FEET:
THENCE N 89°47'35" E, A DISTANCE OF 1,291.71 FEET;
THENCE S 00°07'06" E, A DISTANCE OF 1,324.92 FEET;

THENCE S 89°34'18" W A DISTANCE OF 4.04 FEET;
THENCE S 00°03'44" E A DISTANCE OF 843.10 FEET;
THENCE S 00°18'37" E, A DISTANCE OF 485.53 FEET;
THENCE S 89°35'39" W A DISTANCE OF 2,594.73 FEET;
THENCE S 00°30'52" E. A DISTANCE OF 1,326.31 FEET TO THE POINT OF BEGINNING,

CONTAINING 10.867,509 SQUARE FEET OR 249.2541 ACRES OF LAND, MORE OR LESS

This legal description was prepared by Paragon Engineering Consultants, 5575 S. Syracuse Street, Suite 103, Littleton, CO 80120.

PARCEL NO: 2:

A PORTION OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SECTION 3, TOWNSHIP 7 SOUTH, RANGE 69 WEST OF THE SIXTH PRINCIPAL MERIDIAN, DOUGLAS COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE EAST LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SECTION 3, TOWNSHIP 7 SOUTH, RANGE 69 WEST OF THE SIXTH PRINCIPAL MERIDIAN, DOUGLAS COUNTY, COLORADO, BEING MONUMENTED AT THE SOUTHEAST CORNER OF SAID SECTION 3 BY A 3 1/2" BRASS CAP STAMPED "US DEPARTMENT OF INTERIOR BUREAU OF LAND MANAGEMENT", AND AT THE NORTHEAST CORNER OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3 BY A #5 REBAR WITH A YELLOW PLASTIC CAP STAMPED "LS 2682 N.H.P.O." AND BEING ASSUMED TO BEAR NORTH 01 DEGREES 07 MINUTES 21 SECONDS WEST.

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 3, THENCE NORTH 01 DEGREES 07 MINUTES 21 SECONDS WEST AND ALONG THE EAST LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3 A DISTANCE OF 450.00 FEET TO THE POINT OF BEGINNING; THENCE NORTH 64 DEGREES 12 MINUTES 47 SECONDS WEST A DISTANCE OF 1082.97 FEET; THENCE SOUTH 72 DEGREES 10 MINUTES 01 SECONDS WEST A DISTANCE OF 1735.24 FEET TO A POINT ON THE WEST LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3; THENCE NORTH 01 DEGREES 49 MINUTES 56 SECONDS WEST AND ALONG THE WEST LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3 A DISTANCE OF 938.64 FEET TO THE NORTHWEST CORNER OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE QUARTER OF SAID SECTION 3; THENCE SOUTH 89 DEGREES 40 MINUTES 28 SECONDS EAST AND ALONG THE NORTH LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3, A DISTANCE OF 2640.13 FEET TO THE NORTHEAST CORNER OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3; THENCE SOUTH 01 DEGREES 07 MINUTES 21 SECONDS EAST AND ALONG THE EAST LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3 ADISTANCE OF 863.04 FEET TO THE POINT OF BEGINNING.

THIS LEGAL DESCRIPTION WAS PREPARED BY JR ENGINEERING, LTD., 6110 GREENWOOD PLAZA BLVD., ENGLEWOOD, CO 80111, JEFFREY A. GUSTAFSON, SURVEYOR, P.L.S. 29039.

PARCEL NO. 3:

A PORTION OF THE SOUTH ONE-HALF OF THE SOUTHEAST CNE-QUARTER OF SECTION 3, TOWNSHIP 7 SOUTH, RANGE 69 WEST OF THE SIXTH PRINCIPAL MERIDIAN, DOUGLAS COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE EAST LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SECTION 3, TOWNSHIP 7 SOUTH, RANGE 69 WEST OF THE SIXTH PRINCIPAL MERIDIAN, DOUGLAS COUNTY, COLORADO BEING MONUMENTED AT THE SOUTHEAST CORNER OF SAID SECTION 3 BY A 3 1/2" BRASS CAP STAMPED "US DEPARTMENT OF INTERIOR BUREAU OF LAND MANAGEMENT", AND AT THE NORTHEAST CORNER OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE–QUARTER OF SAID SECTION 3 BY A #5 REBAR WITH A YELLOW PLASTIC CAP STAMPED "LS 2682 N.H.P.O." AND BEING ASSUMED TO BEAR NORTH 01 DEGREES 07 MINUTES 21 SECONDS WEST.

BEGINNING AT THE SOUTHEAST CORNER OF SAID SECTION 3, THENCE NORTH 89 DEGREES 33 MINUTES 24 SECONDS WEST AND ALONG THE SOUTH LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3 A DISTANCE OF 2624.07 FEET TO THE SOUTH ONE QUARTER CORNER OF SAID SECTION 3; THENCE NORTH 01 DEGREES 49 MINUTES 56 SECONDS WEST AND ALONG THE WEST LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3 A DISTANCE OF 369.50 FEET; THENCE NORTH 72 DEGREES 10 MINUTES 01 SECONDS EAST A DISTANCE OF 1735.24 FEET; THENCE SOUTH 64 DEGREES 12 MINUTES 47 SECONDS EAST A DISTANCE OF 1082.97 FEET TO A POINT ON THE EAST LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3; THENCE SOUTH 01 DEGREES 07 MINUTES 21 SECONDS EAST AND ALONG THE EAST LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE QUARTER OF SAID SECTION 3 A DISTANCE OF 450.00 FEET TO THE POINT OF BEGINNING, COUNTY OF DOUGLAS, STATE OF COLORADO.

THIS LEGAL DESCRIPTION WAS PREPARED BY JR ENGINEERING, LTD., 6110 GRER4WOOD PLAZA BLVD., ENGLEWOOD, 00 80111, JEFFREY A. GUSTAFSON, SURVEYOR, P.L.S. 29039.

00001167 - 01/06/00 11:41 - CAROLE R. MURRAY DOUGLAS CO. COLO. CLERK & RECORDER
B1797 - P0833 - $45.00 - 8/ 9

PARCEL NO.4

SOUTH HALF OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 1, TOWNSHIP 7 SOUTH, RANGE 69 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, EXCEPT THAT TRACT OF LAND DESCRIBED IN BOOK 418 AT PAGE 317 OF THE REAL PROPERTY RECORDS OF THE DOUGLAS COUNTY, COLORADO, CLERK AND RECORDER.

THIS DESCRIPTION WAS RECORDED IN BOOK 597 AT PAGE 495A, IN THE OFFICE OF THE DOUGLAS COUNTY CLERK AND RECORDER .

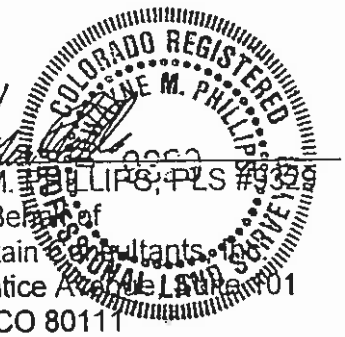
00001167 - 01/06/00 11:41 - CAROLE R. MURRAY DOUGLAS CO. COLO. CLERK & RECORDER
B1797 - P0834 - $45.00 - 9/ 9

PARCEL NO.5

THE NORTH HALF OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 1, TOWNSHIP 7 SOUTH, RANGE 69 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO.

THIS DESCRIPTION WAS RECORDED IN BOOK 446 AT PAGE 27, IN THE OFFICE OF THE DOUGLAS COUNTY CLERK AND RECORDER.

THIS DOCUMENT IS DERIVED FROM VARIOUS LEGAL DESCRIPTIONS AND WAS CHECKED AGAINST ASSESSOR'S MAPS, BUT DOES NOT CONSTITUTE A BOUNDARY SURVEY.



DuWAYNE M. PHILLIPS, PLS #9329
For and On Behalf of
Rocky Mountain Consultants, Inc.
8301 E. Prentice Avenue, Suite 401
Englewood, CO 80111
(303) 741-6000

Date: 12/23/99

SUNRISE INCLUSION

A TRACT OF LAND SITUATED IN THE SOUTH 1/2 OF THE NORTH 1/2 OF THE SOUTH 1/2 OF SECTION 12, TOWNSHIP 7 SOUTH, RANGE 69 WEST OF THE 6TH PRINCIPLE MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 12 AND CONSIDERING THE NORTH LINE OF SAID SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 12 TO BEAR NORTH 89 DEGREES 34 MINUTES 40 SECONDS EAST WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;

THENCE NORTH 89 DEGREES 34 MINUTES 40 SECONDS EAST ALONG SAID NORTH LINE A DISTANCE OF 1131.94 FEET TO A POINT THAT IS 200.00 FEET WEST OF THE NORTHEAST CORNER OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 12;
THENCE SOUTH 0 DEGREES 17 MINUTES 21 SECONDS EAST PARALLEL WITH THE EAST LINE OF SAID SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE SOUTHEAST 1/4 A DISTANCE OF 753.11 FEET TO THE NORTH LINE OF THE COUNTY ROAD;
THENCE NORTH 58 DEGREES 01 MINUTES 20 SECONDS WEST ALONG SAID NORTH LINE A DISTANCE OF 4.31 FEET;
THENCE NORTH 75 DEGREES 38 MINUTES 00 SECONDS WEST ALONG SAID NORTH LINE A DISTANCE OF 702.43 FEET;
THENCE NORTH 85 DEGREES 26 MINUTES 35 SECONDS WEST ALONG SAID NORTH LINE A DISTANCE OF 996.69 FEET;
THENCE NORTH 76 DEGREES 53 MINUTES 55 SECONDS WEST ALONG SAID NORTH LINE A DISTANCE OF 587.28 FEET;
THENCE NORTH 70 DEGREES 39 MINUTES 06 SECONDS WEST ALONG SAID NORTH LINE A DISTANCE OF 400.31 FEET;
THENCE NORTH 67 DEGREES 51 MINUTES 57 SECONDS WEST ALONG SAID NORTH LINE A DISTANCE OF 113.31 FEET;
THENCE SOUTH 81 DEGREES 04 MINUTES 08 SECONDS WEST ALONG SAID NORTH LINE A DISTANCE OF 150.95 FEET;
THENCE SOUTH 67 DEGREES 20 MINUTES 53 SECONDS WEST ALONG SAID NORTH LINE A DISTANCE OF 362.66 FEET;
THENCE NORTH 55 DEGREES 02 MINUTES 05 SECONDS WEST ALONG SAID NORTH LINE A DISTANCE OF 98.76 FEET;
THENCE SOUTH 84 DEGREES 51 MINUTES 41 SECONDS WEST ALONG SAID NORTH LINE A DISTANCE OF 169.82 FEET;
THENCE NORTH 1 DECREE 51 MINUTES 30 SECONDS WEST ALONG THE EAST LINE OF THE COUNTY ROAD A DISTANCE OF 371.53 FEET TO THE NORTH LINE OF THE SOUTH 1/2 OF THE NORTH 1/2 OF THE SOUTHWEST 1/4 OF SECTION SECTION 12;
THENCE SOUTH 89 DEGREES 34 MINUTES 40 SECONDS EAST ALONG SAID NORTH LINE A DISTANCE OF 2388.32 FEET TO THE TRUE POINT OF BEGINNING. COUNTY OF DOUGLAS, STATE OF COLORADO.

EAGLES NEST INCLUSION

EXHIBIT A
LEGAL DESCRIPTION

THE WEST ½ OF THE NORTHEAST ¼ OF SECTION 23, TOWNSHIP 7 SOUTH, RANGE 69 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO EXCEPT THAT PORTION OF THE SOUTHWEST ¼ OF THE NORTHWEST ¼ CONVEYED IN BOOK 266 AT PAGE 934 OF THE DOUGLAS COUNTY, COLORADO RECORDS.

BEGINNING AT THE NORTHEAST CORNER OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION; THENCE ALONG THE EAST LINE OF THE WEST ½ OF THE NORTHEAST ¼ OF SAID SECTION S00°44'29"E, A DISTANCE OF 1,171.69 FEET; THENCE S89°15'31"W, A DISTANCE OF 295.00 FEET; THENCE S00°44'29"E, A DISTANCE OF 238.00 FEET; THENCE N89°15'31"E, A DISTANCE OF 295.00 FEET; THENCE ALONG THE EAST LINE OF THE WEST ½ OF THE NORTHEAST ¼ OF SAID SECTION S00°44'29"E, A DISTANCE OF 954.73 FEET; THENCE S89°14'25"W, A DISTANCE OF 1,309.39 FEET; THENCE N00°53'10"W, A DISTANCE OF 2,398.15 FEET TO THE NORTHWEST CORNER OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION; THENCE ALONG THE NORTH LINE OF SAID SECTION S89°17'28"E, A DISTANCE OF 1,315.87 FEET TO THE POINT OF BEGINNING, CONTAINING 70.15 ACRES, MORE OR LESS.

LOCKHEED MARTIN INCLUSION

MARTIN-MARIETTA
SECS. 15, 16, 17, 19, 20, 21, 22, 27, 28, 29, 30, 31, 32, 33, 34
T. 6S., R. 69W. OF THE 6TH P.M.

A parcel of land located in Section 15, 16, 17, 19, 20, 21, 22, 27, 28, 29, 30, 31, 32, 33, and 34, Township 6 South, Range 69 West of the Sixth Principal Meridian, being more particularly described as follows:+

BEGINNING at the southwest corner of the Southeast Quarter of said Section 17; THENCE N00'14'03"W along the northerly line of said Southeast Quarter of Section 17 a distance of 2604.62 feet; THENCE N89'53'21"E along the northerly line of said Southeast Quarter of Section 17 a distance of 2315.13 feet; THENCE N00'13'51"W along the westerly line of the East Half of the East Half of the Southeast Quarter of the Northeast Quarter of said Section 17 a distance of 1313.44 feet; THENCE N89'35'12"E along the northerly line of said East Half of the East Half of the Southeast Quarter of the Northeast of Section 17 a distance of 330.32 feet; THENCE S00'13'31"E along the easterly line of said East Half of the East Half of the Southeast Quarter of the Northeast Quarter of Section 17 a distance of 1315.24 feet; THENCE N89'15'35"E along the northerly line of the South Half of said Section 16 a distance of 5187.12 feet; THENCE S00'32'12"E along the easterly line of said South Half of Section 16 a THENCE S00'32'12"E along the easterly line of said South Half of Section 1 a distance of 1329.88 feet; THENCE N89'14'37"E along the northerly line of the South Half of the Southwest Quarter of said Section 15 a distance of 2643.82 feet; THENCE N89'13'23"E along the northerly line of the South Half of the Southeast Quarter of said Section 15 a distance of 1814.48 feet; THENCE S26'59'33"E a distance of 1480.18 feet to the southerly line of said Southeast Quarter of Section 15; THENCE S00'26'26"E along the easterly line of the West Half of the East Half of the Northeast Quarter of the Northeast Quarter of said Section 22 a distance of 670.22 feet; THENCE N89'23'06"E along the southerly line of said West Half of the East Half of the Northeast Quarter of the Northeast Quarter of the Northeast Quarter of said Section 22 a distance of 164.65 feet; THENCE S00'24'30"E along the easterly line of the Northeast Quarter of said Section 22 a distance of 2011.82 feet; THENCE S00'25'40"E along the easterly line of the Southeast Quarter of said Section 22 a distance of 2686.77 feet; THENCE S09'20'23"W along the westerly deed line of that parcel of land described in Book 2112, Page 29, Jefferson County Clerk and Recorder's Office a distance of 1480.97 feet; THENCE along the deed line of that parcel of land described in Book 2833, Page 135, Jefferson County Clerk and Recorder's Office the following five (5) courses:

1. N46'05'02"W a distance of 1.61 feet;
2. THENCE N72'13'14"W a distance of 795.57 feet;
3. THENCE S12'56'12"E a distance of 678.43 feet;
4. THENCE S69'14'54"E a distance of 56.73 feet;
5. THENCE S68'49'04"E a distance of 36.14 feet;

THENCE S67'50'10"E along the southerly deed line of that parcel of land described in Book 1097, Page 148, Jefferson County Clerk and Recorder's Office a distance of 327.44 feet; THENCE along the deed lines of that parcel of land described in said Book 2112, Page 29, Jefferson County Clerk and Recorder's Office the following six (6) courses:

1. S17'17'16"W a distance of 600.35 feet;

2. THENCE S14'44'00"E a distance of 1345.91 feet.
3. THENCE S14'18'17"W a distance of 742.53 feet;
4. THENCE S32'11'41"E along a line non-tangent with the following described curve a distance of 200.14 feet;
5. THENCE along the arc of a curve to the right having a central angle of 16'12'43", a radius of 949.23 feet, a chord bearing S65'07'22"W a distance of 267.69 feet, and an arc distance of 268.59 feet;
6. THENCE S00'29'37"E along a line non-tangent with the last described curve a distance of 304.15 feet;

THENCE S89'27'35"W along the southerly line of the Southeast Quarter of said Section 27 a distance of 1976.93 feet; THENCE S89'29'27"W along the southerly line of the Southeast Quarter of the Southwest Quarter of said Section 27 a distance of 1317.59 feet; THENCE S00'17'38"E along the easterly line of the Northwest Quarter of the Northwest Quarter of said Section 34 a distance of 1318.51 feet; THENCE S89'29'33"W along the southerly line of said Northwest Quarter of the Northwest Quarter of Section 34 a distance of 1312.38 feet; THENCE S89'27'33"W along the southerly line of the North Half of the Northeast Quarter of said Section 33 a distance of 2583.92 feet; THENCE S89'21'21"W along the southerly line of the North Half of the Northwest Quarter of said Section 33 a distance of 2582.03 feet; THENCE S00'18'58"E along the easterly line of the Southeast Quarter of the Northeast Quarter of said Section 32 a distance of 1305.32 feet; THENCE S89'48'01"W along the southerly line of said Southeast Quarter of the Northeast Quarter a distance of 1283.74 feet; THENCE S00'19'09"E along the easterly line of the Northwest Quarter of the Southeast Quarter of said Section 32 a distance of 1304.37 feet,

THENCE S89'50'35"W along the southerly line of said Northwest Quarter of the Southeast Quarter of Section 32 a distance of 1283.67 feet;

THENCE S89'37'01"W along the southerly line of the North Half of the Southwest Quarter a distance of 2588.98 feet;

THENCE S89'20'51"W along the southerly line of the North Half of the Southeast Quarter of said Section 31 a distance of 2610.38 feet;

THENCE N00'38'17"W a long the westerly line of said North Half of the Southeast Quarter of Section 31 a distance of 1307.68 feet;

THENCE N89'15'41"E along the northerly line of said North Half of the Southeast Quarter of said Section 31 a distance of 1312.34 feet;

THENCE N00'19'30"W along the westerly line of the East Half of the Northeast Quarter of said Section 31 a distance of 2619.32; THENCE N00'19'31"W along the westerly line of the East Half of the Southeast Quarter of said Section 30 a distance of 2641.69 feet; THENCE S89'15'41"W along the southerly line of the Southwest Quarter of the Northeast Quarter of said Section 30 a distance of 1315.36 feet; THENCE S89'15'41"W along the southerly line of the Southeast Quarter of the Northwest Quarter of said Section 3k0 a distance of 1309.42 feet; THENCE N00'01'57"E a long the westerly line of said Southeast Quarter of the Northwest Quarter of Section 30 a distance of 1331.46 feet; . THENCE N89'26'40"E along the Northerly line of said Southeast Quarter of the Northwest Quarter of Section 30 a distance of 1306.73 feet, THENCE N89'26'37"E along the northerly line of said Southwest Quarter of the Northeast Quarter of Section 30 a distance of 1309.70 feet; THENCE N00'19'30"W along the westerly line of the

Northeast Quarter of the Northeast Quarter of said Section 30 a distance of 1323.03 feet; THENCE N01'29'35"W along the westerly line of the Southeast Quarter of the Southeast Quarter of said Section 19 a distance of 1339.76 feet; THENCE N89'40'12"E along the northerly line of said Southeast Quarter of Southeast Quarter a distance of 1306.56 feet; THENCE N89'56'55"E along the northerly line of the Southwest Quarter of the Southwest Quarter of said section 20 a distance of 1278.91 feet; THENCE N01'34'20"W along the easterly line of the Northeast Quarter of the Southwest Quarter of said Section 20 a distance of 1334.91 feet; THENCE N89'50'36"W along the southerly line of the Southwest Quarter of said Section 20 a distance of 1275.06 feet; THENCE S89'41'50"W along the southerly line of the Northeast Quarter of said Section 19 a distance of 2617.38 feet; THENCE N01'35'29"W along the westerly line of said Northeast Quarter of Section 19 a distance of 2668.84 feet, THENCE N89'32'06"E along the northerly line of said Northeast Quarter of Section 19 a distance of 2626.68 feet; THENCE S89'34'25"E along the northerly line of the Northwest Quarter of said Section 20 a distance of 2533.62 feet to the POINT OF BEGINNING.

Said parcel contains 5540.439 acres, more or less.

EXCEPTING therefrom the following described parcel of land;

BEGINNING at the east quarter corner said Section 21; THENCE N89'32'37"E along the northerly line of the Southwest Quarter of said Section 21 a distance of 2611.57 feet; THENCE N89'32'37"E along the northerly line of the Southeast Quarter of said Section 21 a distance of 380.00 feet; THENCE S40'58'23"E a distance of 939.25 feet; THENCE S01'52'00"E a distance of 1732.21 feet; THENCE S48'08'00"W a distance of 1672.48 feet; THENCE S80'08'00"W a distance of 2269.79 feet; THENCE N52'52'00"W a distance of 1533.10 feet; THENCE N00'52'00"W a distance of 1493.28 feet; THENCE S89'08'00"W a distance of 1851.67 feet; THENCE N28'22'00"W a distance of 577.40 feet; THENCE N38'38'00"E a distance of 2040.82 feet; THENCE N89'08'00"E a distance of 1906.42 feet; THENCE S00'47'03"E along the easterly line of the Northeast Quarter of said Section 20 a distance of 600.00 feet to the POINT OF BEGINNING.

Said parcel contains 460.353 acres, more or less

AND EXCEPTING therefrom the following described parcel of land:

COMMENCING at the southeast corner of said Section 27, whence the east quarter corner of said Section 27 bears N00'32'04"W a distance of 2602.61 feet; THENCE N15'53'50"W a distance of 1857.95 feet to the POINT OF BEGINNING; THENCE S00'26'42"E along the easterly lines of the Southwest Quarter of the Northwest Quarter of the Southeast Quarter of the Northeast Quarter of the Southeast Quarter and the Northwest Quarter of the Southwest Quarter of the Southeast Quarter of the Northeast Quarter of the Southeast Quarter of said Section 27 a distance of 325.69 feet; THENCE S89'40'46"W along the southerly line of said Northwest Quarter of the Southwest Quarter of the Southeast Quarter of the Northeast Quarter of the Southeast Quarter of

Section 27 a distance of 140.09 feet; THENCE along the deed line of that parcel of land described in Reception No. 92033440, Jefferson County Clerk and Recorder's Office the following two (2) courses:

1. S89'04'06"W a distance of 138.47 feet;
2. THENCE N02'51'44"E a distance of 1.48 feet THENCE S89'40'46"W along the southerly line of the Northeast Quarter of the Southeast Quarter of the Southwest Quarter of the Northeast Quarter of the Southeast Quarter of said Section 27 a distance of 50.00 feet; THENCE N00'25'37"W along the westerly lines of the Northeast Quarter of the Southeast Quarter of the Southwest Quarter of the Northeast Quarter of the Southeast Quarter and the Southeast Quarter of the Northeast Quarter of the Southwest Quarter of the Northeast Quarter of the Southeast Quarter of said Section 27 a distance of 325.97 feet.

THENCE N89'43'37"E along the northerly lines of the Southeast Quarter of the Northeast Quarter of the Southwest Quarter of the Northeast Quarter of the Southeast Quarter and the Southwest Quarter of the Northwest Quarter of the Southeast Quarter of the Northeast Quarter of the Southeast Quarter of said Section 27 a distance of 328.36 feet to the POINT OF BEGINNING.

Said parcel contains 2.459 acres more or less

Parcel contains 5077.627 net acres, more or less.

GOODWIN EXCLUSION
APPROVED BY THE BOARD OF DIRECTORS ON JANUARY 15, 2003

LEGAL DESCRIPTION

THE SOUTHEAST ¼ NORTHWEST ¼ AND THE SOUTH ½ NORTHEAST ¼ NORTHWEST ¼ OF SECTION 25, TOWNSHIP 7 SOUTH, RANGE 69 WEST OF THE 6TH P.M., COUNTY OF DOUGLAS, STATE OF COLORADO.

AND

THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SECTION 25, TOWNSHIP 7 SOUTH, RANGE 69 WEST OF THE 6TH P.M., COUNTY OF DOUGLAS, STATE OF COLORADO, EXCEPTING THEREFROM PROPERTY CONVEYED IN DEED RECORDED JULY 29, 1987 IN BOOK 737 AT PAGE 596 OF THE DOUGLAS COUNTY, COLORADO RECORDS.

EXCEPTING THEREFROM THE FOLLOWING PROPERTY:

A PARCEL OF LAND SITUATED IN THE NW ¼ OF THE NE ¼ OF SECTION 25, LYING NORTH AND EAST OF THE WEST BOUNDARY OF THE EXISTING ROAD KNOWN AS COUNTY ROAD NO. 5 (OR OLD THOMAS ROAD SURVEYED FEBRUARY 10, 1890 DOUGLAS COUNTY RECORDS, PLAT BOOK 2 PAGE 17). EXCEPT:

A PARCEL OF LAND LOCATED IN THE NORTHWEST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SECTION 25, TOWNSHIP 7 SOUTH, RANGE 69 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHEAST ONE-QUARTER OF SAID NORTHEAST ONE-QUARTER OF SAID SECTION 25; THENCE N00'20'27"W ALONG THE WEST LINE OF THE EAST ONE-HALF OF SAID NORTHEAST ONE-QUARTER A DISTANCE OF 1,315.67 FEET TO THE SOUTHEAST CORNER OF SAID NORTHWEST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER; THENCE N88'34'08"W ALONG THE SOUTH LINE OF SAID NORTHWEST ONE-QUARTER A DISTANCE OF 608.83 FEET TO THE POINT OF BEGINNING; THENCE N45'57'14"E A DISTANCE OF 328.93 FEET TO A PIN & CAP, L.S. #16112;
THENCE N54'51'22"W A DISTANCE OF 131.26 FEET TO A PIN & CAP, L.S. #16112;
THENCE N90'00'00"W A DISTANCE OF 25.00 FEET TO A PIN & CAP, L.S. #16112;

THENCE N52'32'50"W A DISTANCE OF 173.45 FEET TO A PIN & CAP, L.S. #16112;
THENCE S59'17'01"W A DISTANCE OF 167.56 FEET TO A PIN & CAP, L.S. #16112;
THENCE S24'55'54"W A DISTANCE OF 274.18 FEET TO A PIN & CAP, L.S. #16112; ON THE SOUTHWESTERLY EDGE OF AN EXISTING DIRT ROAD; THENCE S46'29'27"E ALONG SAID EDGE OF ROAD A DISTANCE OF 101.69 FEET TO A POINT ON THE SOUTH LINE OF SAID NORTHWEST ONE-QUARTER; THENCE S88'34'08"E ALONG SAID SOUTH LINE A DISTANCE OF 219.55 FEET TO THE POINT OF BEGINNING;

ALL IN TOWNSHIP 7 SOUTH, RANGE 69 WEST OF THE 6TH P.M., COUNTY OF DOUGLAS, STATE OF COLORADO.

EXHIBIT E

Amended Order of Inclusion

00001167 - 01/06/00 11:41 - CAROLE R. MURRAY DOUGLAS CO. COLO. CLERK & RECORDER
B1797 - P0826 - $45.00 - 1/ 9

DISTRICT COURT, JEFFERSON COUNTY, STATE OF COLORADO
Case No. 93-CV-1418-2

DC00001167

AMENDED ORDER OF INCLUSION

IN THE MATTER OF THE INCLUSION)
OF LAND WITHIN THE WEST METRO)
FIRE PROTECTION DISTRICT)

9p

THIS MATTER comes before the court on Petitioners' EXPEDITED MOTION FOR AMENDED ORDER OF INCLUSION, filed by the Board of Directors of West Metro Fire Protection District. This Court, being fully advised in the premises and there being no objection filed by any person, hereby ORDERS:

That the real property hereinafter described shall be, and is hereby included within the boundaries of West Metro Fire Protection District.

DESCRIPTION OF LAND: See Attached Amended Exhibit A.

This Amended Order of Inclusion shall *nuc pro tunc* supercede and restate in its entirety the Order of Inclusion of property into the boundaries of West Metro Fire Protection District signed by this Court on March 25, 1999.

DONE AND EFFECTIVE THIS 4th day of January, 2000

BY THE COURT:

LELAND ANDERSON
District Court Judge

RPMD\MISC\LSM1031122299
0011.0313

00001167 - 01/06/00 11:41 - CAROLE R. MURRAY DOUGLAS CO. COLO. CLERK & RECORDER
B1797 - P0827 - $45.00 - 2/ 9

AMENDED EXHIBIT A

00001167 - 01/06/00 11:41 - CAROLE R. MURRAY DOUGLAS CO. COLO. CLERK & RECORDER
B1797 - P0828 - $45.00 - 3/ 9

ROXBOROUGH PARK BOUNDARY

DISTRICT LEGAL DESCRIPTION

The following described real property situate, lying and being In the County of Douglas, State of Colorado, to-wit:

Township 6 South, Range 69 West of the 6th P.M.
The South 1/2 of the SE 1/4 of Section 35.

Township 7 South, Range 68 West of the 6th P.M.
The West 1/2 NW 1/4 and NW 1/4 SW 1/4 of Section 19.

Township 7 South, Range 69 West of the 6th P.M.

Section 1: The NW 1/4.

Section 2: The NE 1/4; the West 1/2 SW 1/4 and the SE 1/4.

Section 3: The SE 1/4 NE 1/4 and tho NE 1/4 SE 1/4.

Section 10: The NL 1/4 NE 1/4.

Section 11: All.

:ection 12: The South 1/2 SW 1/4 except that part conveyed to the City of Aurora by Deed recorded June 22, 1964 In book 157 at Page 434.

Section 13: The West 1/2 and the West 1/2 East 1/2, except from the above described portion that part conveyed to the City of Aurora by Deed recorded June 22, 1964 In book 157 at Page 434.

Section 14: The East 1/2; the NW 1/4 and the NE 1/4 SW 1/4.

Section 23: The East 1/2 NE 1/4 and the NE 1/4 SE 1/4.

Section 24: The NW 1/4; the West 1/2 NE 1/4; the SE 1/4 NE 1/4; and the North 1/2 South 1/2.

Section 25: The NW 1/4 NE 1/4; the SE 1/4 NW 1/4; and the South 1/2 NE 1/4 NW 1/4.

This description was prepared by Roxborough Park Metropolitan District, 6222 N. Roxborough Park Road, Littleton, CO 80125 and includes the following 3 parcels:

PARCEL NO. 1:

A TRACT OF LAND LOCATED IN SECTION 35, TOWNSHIP 6 SOUTH, RANGE 69 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTH ONE-QUARTER CORNER OF SAID SECTION 35;
THENCE S 89'45'23" W ALONG THE SOUTH LINE OF SAID SECTION 35 A DISTANCE OF 219.03 FEET;
THENCE N 18°06'00" W A DISTANCE OF 3,646.27 FEET;
THENCE 130.57 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 22°27'41"; A RADIUS OF 333.07 FEET AND A CHORD WHICH BEARS N 89°13'41" E, A CHORD DISTANCE OF 129.74 FEET;
THENCE S 79°32'28" E, A DISTANCE OF 602.46 FEET;
THENCE 246.31 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 15°08'53", A RADIUS OF 931.65 FEET;
THENCE S 64°23'35" E A DISTANCE OF 258.44 FEET;
THENCE 167.91 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 36°28'23", A RADIUS OF 263.77 FEET TO A POINT OF COMPOUND CURVATURE;
THENCE 230.73 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 93°44'52". A RADIUS OF 141.01 FEET;
THENCE N 14°36'49" W A DISTANCE OF 341.95 FEET;
THENCE 105.70 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 8°06'24", A RADIUS OF 747.06 FEET;
THENCE N 06°30'25" W, A DISTANCE OF 170.28 FEET;
THENCE 281.02 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 13°43'54", A RADIUS OF 1,172.58 FEET TO A POINT OF REVERSE CURVATURE,
THENCE 181.34 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 15°47'20", A RADIUS OF 658.06 FEET,
THENCE N 4°26'58" W, A DISTANCE OF 114.23 FEET;
THENCE 163.39 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 13°29'17", A RADIUS OF 694.05 FEET;
THENCE N 9°02'19" E A DISTANCE OF 93.09 FEET;
THENCE 238.88 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 33°00'45", A RADIUS OF 414.59 FEET;
THENCE N 42°03'04" E A DISTANCE OF 347.45 FEET;
THENCE 417.30 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 83°24'06", A RADIUS OF 286.68 FEET;
THENCE S 54°32'50" E A DISTANCE OF 256.66 FEET'
THENCE 239.58 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 14°38'06", A RADIUS OF 937.95 FEET;
THENCE S 39°54'44" E, A DISTANCE OF 216.09 FEET;
THENCE 225.96 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 5°39'58" A RADIUS OF 2,284.93 FEET AND A CHORD WHICH BEARS S 42°44'43" E, A CHORD DISTANCE OF 225.87 FEET;
THENCE S 00°25'06" E, A DISTANCE OF 620.15 FEET:
THENCE N 89°47'35" E, A DISTANCE OF 1,291.71 FEET;
THENCE S 00°07'06" E, A DISTANCE OF 1,324.92 FEET;

THENCE S 89°34'18" W A DISTANCE OF 4.04 FEET;
THENCE S 00°03'44" E A DISTANCE OF 843.10 FEET;
THENCE S 00°18'37" E, A DISTANCE OF 485.53 FEET;
THENCE S 89°35'39" W A DISTANCE OF 2,594.73 FEET;
THENCE S 00°30'52" E. A DISTANCE OF 1,326.31 FEET TO THE POINT OF BEGINNING,

CONTAINING 10.867,509 SQUARE FEET OR 249.2541 ACRES OF LAND, MORE OR LESS

This legal description was prepared by Paragon Engineering Consultants, 5575 S. Syracuse Street, Suite 103, Littleton, CO 80120.

PARCEL NO: 2:

A PORTION OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SECTION 3, TOWNSHIP 7 SOUTH, RANGE 69 WEST OF THE SIXTH PRINCIPAL MERIDIAN, DOUGLAS COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE EAST LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SECTION 3, TOWNSHIP 7 SOUTH, RANGE 69 WEST OF THE SIXTH PRINCIPAL MERIDIAN, DOUGLAS COUNTY, COLORADO, BEING MONUMENTED AT THE SOUTHEAST CORNER OF SAID SECTION 3 BY A 3 1/2" BRASS CAP STAMPED "US DEPARTMENT OF INTERIOR BUREAU OF LAND MANAGEMENT", AND AT THE NORTHEAST CORNER OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3 BY A #5 REBAR WITH A YELLOW PLASTIC CAP STAMPED "LS 2682 N.H.P.O." AND BEING ASSUMED TO BEAR NORTH 01 DEGREES 07 MINUTES 21 SECONDS WEST.

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 3, THENCE NORTH 01 DEGREES 07 MINUTES 21 SECONDS WEST AND ALONG THE EAST LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3 A DISTANCE OF 450.00 FEET TO THE POINT OF BEGINNING; THENCE NORTH 64 DEGREES 12 MINUTES 47 SECONDS WEST A DISTANCE OF 1082.97 FEET; THENCE SOUTH 72 DEGREES 10 MINUTES 01 SECONDS WEST A DISTANCE OF 1735.24 FEET TO A POINT ON THE WEST LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3; THENCE NORTH 01 DEGREES 49 MINUTES 56 SECONDS WEST AND ALONG THE WEST LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3 A DISTANCE OF 938.64 FEET TO THE NORTHWEST CORNER OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE QUARTER OF SAID SECTION 3; THENCE SOUTH 89 DEGREES 40 MINUTES 28 SECONDS EAST AND ALONG THE NORTH LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3, A DISTANCE OF 2640.13 FEET TO THE NORTHEAST CORNER OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3; THENCE SOUTH 01 DEGREES 07 MINUTES 21 SECONDS EAST AND ALONG THE EAST LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3 ADISTANCE OF 863.04 FEET TO THE POINT OF BEGINNING.

THIS LEGAL DESCRIPTION WAS PREPARED BY JR ENGINEERING, LTD., 6110 GREENWOOD PLAZA BLVD., ENGLEWOOD, CO 80111, JEFFREY A. GUSTAFSON, SURVEYOR, P.L.S. 29039.

PARCEL NO. 3:

A PORTION OF THE SOUTH ONE-HALF OF THE SOUTHEAST CNE-QUARTER OF SECTION 3, TOWNSHIP 7 SOUTH, RANGE 69 WEST OF THE SIXTH PRINCIPAL MERIDIAN, DOUGLAS COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE EAST LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SECTION 3, TOWNSHIP 7 SOUTH, RANGE 69 WEST OF THE SIXTH PRINCIPAL MERIDIAN, DOUGLAS COUNTY, COLORADO BEING MONUMENTED AT THE SOUTHEAST CORNER OF SAID SECTION 3 BY A 3 1/2" BRASS CAP STAMPED "US DEPARTMENT OF INTERIOR BUREAU OF LAND MANAGEMENT", AND AT THE NORTHEAST CORNER OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE–QUARTER OF SAID SECTION 3 BY A #5 REBAR WITH A YELLOW PLASTIC CAP STAMPED "LS 2682 N.H.P.O." AND BEING ASSUMED TO BEAR NORTH 01 DEGREES 07 MINUTES 21 SECONDS WEST.

BEGINNING AT THE SOUTHEAST CORNER OF SAID SECTION 3, THENCE NORTH 89 DEGREES 33 MINUTES 24 SECONDS WEST AND ALONG THE SOUTH LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3 A DISTANCE OF 2624.07 FEET TO THE SOUTH ONE QUARTER CORNER OF SAID SECTION 3; THENCE NORTH 01 DEGREES 49 MINUTES 56 SECONDS WEST AND ALONG THE WEST LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3 A DISTANCE OF 369.50 FEET; THENCE NORTH 72 DEGREES 10 MINUTES 01 SECONDS EAST A DISTANCE OF 1735.24 FEET; THENCE SOUTH 64 DEGREES 12 MINUTES 47 SECONDS EAST A DISTANCE OF 1082.97 FEET TO A POINT ON THE EAST LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 3; THENCE SOUTH 01 DEGREES 07 MINUTES 21 SECONDS EAST AND ALONG THE EAST LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE QUARTER OF SAID SECTION 3 A DISTANCE OF 450.00 FEET TO THE POINT OF BEGINNING, COUNTY OF DOUGLAS, STATE OF COLORADO.

THIS LEGAL DESCRIPTION WAS PREPARED BY JR ENGINEERING, LTD., 6110 GRER4WOOD PLAZA BLVD., ENGLEWOOD, 00 80111, JEFFREY A. GUSTAFSON, SURVEYOR, P.L.S. 29039.

00001167 - 01/06/00 11:41 - CAROLE R. MURRAY DOUGLAS CO. COLO. CLERK & RECORDER
B1797 - P0833 - $45.00 - 8/ 9

PARCEL NO.4

SOUTH HALF OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 1, TOWNSHIP 7 SOUTH, RANGE 69 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, EXCEPT THAT TRACT OF LAND DESCRIBED IN BOOK 418 AT PAGE 317 OF THE REAL PROPERTY RECORDS OF THE DOUGLAS COUNTY, COLORADO, CLERK AND RECORDER.

THIS DESCRIPTION WAS RECORDED IN BOOK 597 AT PAGE 495A, IN THE OFFICE OF THE DOUGLAS COUNTY CLERK AND RECORDER .

Q0001167 - 01/06/00 11:41 - CAROLE R. MURRAY DOUGLAS CO. COLO. CLERK & RECORDER
B1797 - P0834 - $45.00 - 9/ 9

PARCEL NO.5

THE NORTH HALF OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 1, TOWNSHIP 7 SOUTH, RANGE 69 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO.

THIS DESCRIPTION WAS RECORDED IN BOOK 446 AT PAGE 27, IN THE OFFICE OF THE DOUGLAS COUNTY CLERK AND RECORDER.

THIS DOCUMENT IS DERIVED FROM VARIOUS LEGAL DESCRIPTIONS AND WAS CHECKED AGAINST ASSESSOR'S MAPS, BUT DOES NOT CONSTITUTE A BOUNDARY SURVEY.



DuWAYNE M. PHILLIPS, PLS #9329
For and On Behalf of
Rocky Mountain Consultants, Inc.
8301 E. Prentice Avenue, Suite 101
Englewood, CO 80111
(303) 741-6000

Date: 12/23/99

EXHIBIT F

Assessed Valuation and Certified Mill Levy

EXHIBIT F

ROXBOROUGH WATER AND SANITATION DISTRICT
ASSESSED VALUATION AND MILL LEVY

Value Source	2006 Assessed Value
Douglas County	$90,249,680
Jefferson County (Lockheed Martin only)	$34,377,620
DISTRICT TOTAL	$124,627,300
2007 Certified Mill Levy	
General	6.208
Debt Service	8.500
Total Mill Levy	14.708

EXHIBIT G

Use Projections

EXHIBIT G
PHASING OF CAPITAL IMPROVEMENTS

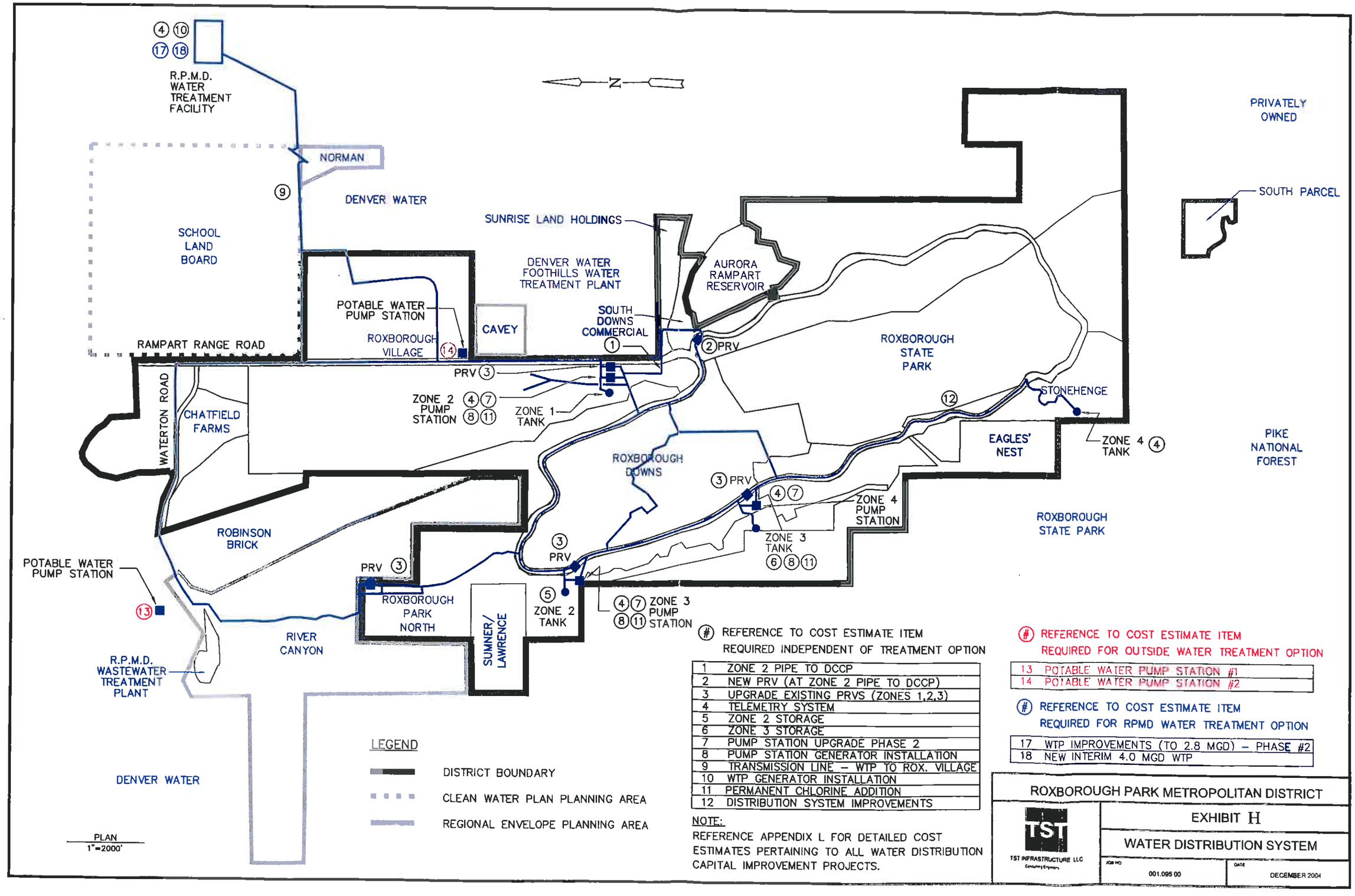
WATER DEMAND & WASTEWATER FLOW PROJECTIONS

WATER SYSTEM	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2025	2040
Water Service Area Projected EQRs	2,936	3,163	3,188	3,213	3,238	3,263	3,288	3,313	3,338	3,363	3,388	3,688	3,688
Water Demand Projections													
AVERAGE DAY (312 gal/EQR/day) 1	916,032	986,856	994,656	1,002,456	1,010,256	1,018,056	1,025,856	1,033,656	1,041,456	1,049,256	1,057,056	1,150,656	1,150,656
MAX. DAY (2.5 PF) 1	2,290,080	2,467,140	2,486,640	2,506,140	2,525,640	2,545,140	2,564,640	2,584,140	2,603,640	2,623,140	2,642,640	2,876,640	2,876,640

WASTEWATER SYSTEM	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2025	2040
Wastewater Service Area Projected EQRs (excluding Lockheed Martin)	2,936	3,163	3,213	3,263	3,313	3,363	3,413	3,463	3,513	3,563	3,613	3,939	3,939
Wastewater Flow Projections													
TOTAL PROJECTED WASTEWATER FLOW	716,736	766,688	785,488	804,288	823,088	841,888	860,688	879,488	898,288	917,088	935,888	1,103,264	1,243,264
RPMD - AVERAGE DAY (176 gal/EQR/day) 2	516,736	556,688	565,488	574,288	583,088	591,888	600,688	609,488	618,288	627,088	635,888	693,264	693,264
LOCKHEED MARTIN - AVERAGE DAY	200,000	210,000	220,000	230,000	240,000	250,000	260,000	270,000	280,000	290,000	300,000	410,000	550,000

EXHIBIT H

Water Distribution System and Wastewater Improvements



(#) REFERENCE TO COST ESTIMATE ITEM REQUIRED INDEPENDENT OF TREATMENT OPTION

1	ZONE 2 PIPE TO DCCP
2	NEW PRV (AT ZONE 2 PIPE TO DCCP)
3	UPGRADE EXISTING PRVS (ZONES 1,2,3)
4	TELEMETRY SYSTEM
5	ZONE 2 STORAGE
6	ZONE 3 STORAGE
7	PUMP STATION UPGRADE PHASE 2
8	PUMP STATION GENERATOR INSTALLATION
9	TRANSMISSION LINE – WTP TO ROX. VILLAGE
10	WTP GENERATOR INSTALLATION
11	PERMANENT CHLORINE ADDITION
12	DISTRIBUTION SYSTEM IMPROVEMENTS

NOTE:
REFERENCE APPENDIX L FOR DETAILED COST ESTIMATES PERTAINING TO ALL WATER DISTRIBUTION CAPITAL IMPROVEMENT PROJECTS.

(#) REFERENCE TO COST ESTIMATE ITEM REQUIRED FOR OUTSIDE WATER TREATMENT OPTION

13	POTABLE WATER PUMP STATION #1
14	POTABLE WATER PUMP STATION #2

(#) REFERENCE TO COST ESTIMATE ITEM REQUIRED FOR RPMD WATER TREATMENT OPTION

17	WTP IMPROVEMENTS (TO 2.8 MGD) – PHASE #2
18	NEW INTERIM 4.0 MGD WTP

ROXBOROUGH PARK METROPOLITAN DISTRICT

TST INFRASTRUCTURE LLC

EXHIBIT H

WATER DISTRIBUTION SYSTEM

JOB NO 001.095 00

DATE DECEMBER 2004

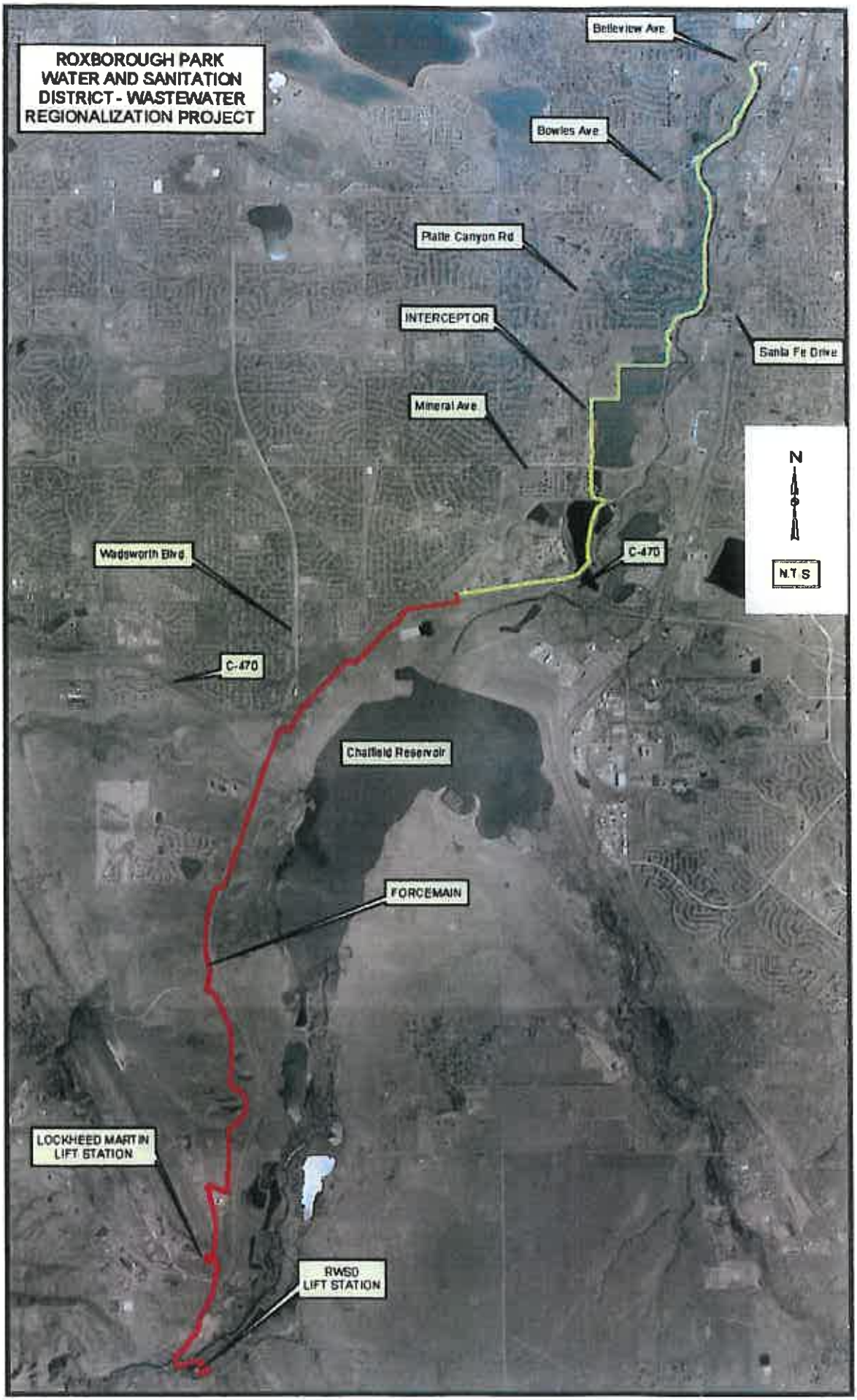

ROXBOROUGH PARK
WATER AND SANITATION
DISTRICT - WASTEWATER
REGIONALIZATION PROJECT
Belleview Ave
Bowles Ave
Platte Canyon Rd
INTERCEPTOR
Santa Fe Drive
Mineral Ave
N
N.T.S
Wadsworth Blvd
C-470
C-470
Chatfield Reservoir
FORCEMAIN
LOCKHEED MARTIN
LIFT STATION
RWSD
LIFT STATION

EXHIBIT I

Original Service Plan

APPENDIX D

2005 Description of Meadow Ditch Water Purchase

2005004305 62 PGS

OFFICIAL RECORDS
DOUGLAS COUNTY CO
CAROLE R. MURRAY
CLERK & RECORDER
RECORDING FEE: $911.00
62 PGS
2005004305
01/12/2005 04:01 PM

AMENDED WATER RIGHTS PURCHASE AND SALE AGREEMENT

BY AND BETWEEN

VALLEY DEVELOPMENT GROUP, LLC (AS "SELLER")

AND

ROXBOROUGH PARK METROPOLITAN DISTRICT (AS "PURCHASER")

Dated: January 11, 2005

Table of Contents

1. PARTIES 1

2. RECITALS AND PURPOSES 1

3. PURCHASE PRICE AND TERMS 1

3.1 Earnest Money 1
3.2 Cash at Closing 1
3.3 Escrow Deposit 2

4. CLOSING 2

5. TRANSFER OF TITLE 2

6. REPRESENTATIONS AND WARRANTIES OF SELLER 2

7. REPRESENTATIONS AND WARRANTIES OF PURCHASER 3

8. EASEMENTS 3

9. DUE DILIGENCE 4

9.1 Title Matters 4
9.2 Matters Not Shown of Public Record 4
9.3 Property Disclosure 5
9.4. Inspection 5
9.5 Due Diligence Resolution 5
9.6 Damage; Liens; Indemnity 5

10. CONDITION OF, AND DAMAGE TO PROPERTY AND FACILITIES 5

10.1 Casualty; Insurance 5
10.2 Walk-Through; Verification of Condition 5

11. ISSUANCE OF WATER RIGHTS DECREE; TERMINATION OF AGREEMENT; RELEASE OF ESCROW FUNDS 6

11.1 Change of Water Rights Decree 6
11.2 Release of Escrow Funds 6
11.3 Partial Refund If Not All Subject Water Rights Decreed 7
11.4 Condition Precedent to Full Use of Water Rights 7

AMENDED WATER RIGHTS PURCHASE AND SALE AGREEMENT

1. **PARTIES.** The parties to this agreement ("Agreement") are **Valley Development Group, LLC**, a Colorado limited liability company, whose mailing address is 10579 W. Bradford Road, Suite 107, Littleton, CO 80127 ("Seller"), and **Roxborough Park Metropolitan District**, a quasi-municipal corporation and political subdivision of the State of Colorado, whose address is 6222 North Roxborough Park Road, Littleton, Colorado 80125 ("Purchaser"). The effective date of this Agreement shall be January 11, 2005 (the "Effective Date").

2. **RECITALS AND PURPOSES.**

2.1 The parties entered into a Water Rights Purchase and Sale Agreement dated December 19, 2003. This amended agreement is intended to replace and supercede the earlier agreement in its entirety.

2.2 Seller has agreed to convey to Purchaser certain water rights and easements associated therewith located in Douglas County, Colorado, which are more particularly described in the Special Warranty Deed attached hereto as Exhibit 1 (the "Subject Water Rights and Easements").

2.3 Seller has also agreed to convey to Purchaser any rights that Seller may have in certain non-exclusive easements located in Douglas County, Colorado, which are more particularly described in the Quitclaim Deed attached hereto as Exhibit 2 ("Quitclaim Easements").

2.4 Purchaser's use of the Easements and Quitclaim Easements will be subject to the terms of an Easement and Operating Agreement to be signed at closing, the form of which is attached hereto as Exhibit 3.

3. **PURCHASE PRICE AND TERMS.** Seller agrees to sell to Purchaser, and Purchaser agrees to purchase from Seller, free and clear of all liens and encumbrances, at the price and upon the terms and conditions set forth below, all of Seller's right, title and interest in the Subject Water Rights and Easements, and the Quitclaim Easements. The total purchase price shall be $882,750.00 payable in U.S. dollars by Purchaser to Seller as follows:

3.1 Earnest Money. $25,000.00, in the form of a check, previously paid to and held by First American Heritage Title Company ("Escrow Agent") in its trust account on behalf of Seller as earnest money deposit. Such funds shall be delivered by Escrow Agent to Seller as part payment of the purchase price at Closing (as defined below).

3.2 Cash at Closing. $706,200.00 at Closing to be paid by Purchaser to Seller, consisting of $25,000 in earnest money and $681,200 in cash, certified check, cashier's

check, or by electronic transfer of funds ("Closing Funds") in accordance with the terms of this Agreement.

3.3 Escrow Deposit. $176,550.00 at Closing to be delivered to Escrow Agent and placed in an interest bearing escrow account (Escrow Funds), subject to the terms of an Escrow Agreement attached hereto as Exhibit 4.

4. **CLOSING.** Subject to the satisfaction of the terms and conditions of this Agreement pertaining to Closing, the Closing of the purchase and sale of the Subject Water Rights and Easements and the Quitclaim Easements shall take place thirty (30) days after the Effective Date of this Agreement, or on such earlier date as is mutually agreed to by the parties. The Closing shall be held at the offices of the Escrow Agent or at such other place as is mutually agreed to by the parties.

5. **TRANSFER OF TITLE.** Subject to tender of payment at the Closing of the Purchase Price as described above and compliance by Purchaser and Seller with the other terms and conditions of this Agreement, Seller shall execute and deliver to Purchaser, the Special Warranty Deed in the form attached hereto as Exhibit 1 conveying the Subject Water Rights and Easements to Purchaser free and clear of all taxes, liens and encumbrances, and the Quitclaim Deed conveying the Quitclaim Easements to Purchaser in the form attached hereto as Exhibit 2.

6. **REPRESENTATIONS AND WARRANTIES OF SELLER.** Seller represents and warrants to Purchaser that:

6.1 Seller is a Colorado limited liability company duly formed and validly existing in the State of Colorado;

6.2 Seller has full right, power and authority to enter into this Agreement and to perform its obligations hereunder. This Agreement and all other documents required by this Agreement, when duly executed by Seller and delivered to Purchaser, shall constitute the valid and binding obligation of Seller, enforceable in accordance with their terms;

6.3 To the best of Seller's actual current knowledge, and without investigation, there is no pending or threatened litigation, condemnation or eminent domain action, administrative proceeding, pending or threatened against or affecting the ownership, value or use of the Subject Water Rights and Easements, the Quitclaim Easements or any portion thereof, including the diversion dam, ditch and headgate of the Meadow Ditch, and the inlet, reservoir, dam and outlet for Lambert Reservoir No. 3 (the "Physical Facilities"). Seller's actual current knowledge shall mean the actual current knowledge of any and all of the members of Seller;

6.4 Execution of this Agreement will not result in breach of any terms and conditions of or constitute a default under any mortgage, lease, encumbrance or any agreement or instrument to which Seller is a party or to which Seller is bound;

6.5 Seller has not retained any broker, agent or finder, or agreed to pay any commissions or finder's fees in connection with this Agreement or the transfer of the Subject Water Rights and Easements, and the Quitclaim Easements;

6.6 Seller has no contractual obligations to any third parties to continue to operate and maintain Lambert Reservoir No. 3;

6.7 Seller has not been ordered by the State Engineer or any other governmental authority to make any improvements to the dam or related facilities for Lambert Reservoir No. 3 as a condition precedent to repair of the dam or use of the reservoir or the Subject Water Rights and Easements; and

6.8 To the best of Seller's actual current knowledge, Seller has not created or granted any liens, encumbrances, leases, contracts, or other interests in the Subject Water Rights and Easements during the period of Seller's ownership of the Subject Water Rights and Easements that will not be released prior to or at Closing. Further, Seller does not have any actual current knowledge of any assessments, charges, or adverse claims of any person or entity on or against the Subject Water Rights and Easements during the period of Seller's ownership. Finally, Seller has not intended to abandon any of the Subject Water Rights and Easements.

6.9 Seller's actual current knowledge means the actual current knowledge of the current members of Seller.

7. **REPRESENTATIONS AND WARRANTIES OF PURCHASER.** Purchaser represents and warrants to Seller that:

7.1 Purchaser is a quasi-municipal corporation and political subdivision of the State of Colorado, duly formed and validly existing in the State of Colorado;

7.2 Purchaser has all authority necessary to enter into this Agreement, and when executed and delivered, this Agreement shall constitute a valid and binding obligation of Purchaser, enforceable in accordance with its terms; and

7.3 Purchaser has not retained any broker, agent or finder, or agreed to pay any commissions or finder's fee in connection with this Agreement or the transfer of the Subject Water Rights and Easements or the Quitclaim Easements.

8. **EASEMENTS.** Seller shall also enter into an Easement Deed and Agreement with Purchaser at Closing, in the form attached hereto as Exhibit 5, for Purchaser's use of the

easements (the "General Water Rights Easements") described in the Declaration of Protective Covenants for The Lambert Ranch dated August 5, 1999, recorded in the real property records of Douglas County, Colorado at Reception No. 99070471 (the "Declaration") and the Deed of Conservation Easement in Gross dated August 5, 1999, recorded in the real property records of Douglas County, Colorado at Reception No. 99070472 (the "Conservation Easement") as necessary or convenient for Purchaser to divert, store, deliver or export the Subject Water Rights on, over, across or under the Lambert Ranch for use by Purchaser or its successors and assigns, including an easement for ingress to and egress from, and the right to install utilities and allow for construction, operation, maintenance, repair and replacement of the Meadow Ditch, Lambert Reservoir No. 3, pipelines and related facilities. Seller shall reserve an undivided interest in the General Water Rights Easements to allow Seller to utilize and export Seller's Denver basin rights and those water, ditch and reservoir rights associated with or appurtenant to the Meadow Ditch and Lambert Reservoir No. 3 being retained by Seller, and for all other purposes not inconsistent with Purchaser's use of the General Water Rights Easements.

9. **DUE DILIGENCE**. Purchaser has conducted such investigations and inspections, and consulted such attorneys, engineers, and other consultants as it deems appropriate and, given the warranties and representations of Seller contained herein, has determined that the Subject Water Rights and Easements and Quitclaim Easements are suitable for Purchaser's intended purpose. That investigation has included the following matters:

9.1 Title Matters. Purchaser has obtained, at its expense, by a law firm chosen by Purchaser that has expertise in the field of Colorado water rights conveyancing, an opinion regarding title to the Subject Water Rights.

9.2 Matters Not Shown of Public Record. Seller affirms that it has delivered to Purchaser copies of all leases, maps, and surveys in Seller's possession pertaining to the Subject Water Rights and Easements, and Physical Facilities. Seller affirms that it has disclosed to Purchaser in writing, all easements, liens or other title matters not shown by the public records, of which Seller has actual current knowledge. Seller affirms that it has delivered to Purchaser copies of all subdivision plats and rural site plans of Lambert Ranch, any recorded covenants or easements affecting Lambert Ranch, including but not limited to the Declaration and the Conservation Easement, all sales promotion or marketing materials that reference any of the Subject Water Rights and Easements, the Physical Facilities, or the water supply source for Lambert Ranch, and all reports, correspondence or other documents from or to the Seller, the Colorado State Engineer, or Douglas County, regarding the source of water and adequacy of water supply for Lambert Ranch (collectively, the "Delivered Documents"). Exhibit 6 ("Description of Delivered Documents") attached hereto and incorporated herein by reference more particularly describes the Delivered Documents which have been delivered by Seller to Purchaser.

9.3 Property Disclosure. Seller has provided to Purchaser a written disclosure of matters regarding the Subject Water Rights and Easements, and the Physical Facilities, in the form attached hereto as Exhibit 7 ("Property Disclosure").

9.4 Inspection. Purchaser has inspected Lambert Ranch to determine if any third parties have any rights in the Subject Water Rights and Easements, or the Physical Facilities, not shown by the public records, and has inspected the condition of the Physical Facilities.

9.5 Due Diligence Resolution. Purchaser has determined that the Subject Water Rights and Easements, and the Physical Facilities are satisfactory to Purchaser and that all other conditions of the Subject Water Rights and Easements, and the Physical Facilities are satisfactory to Purchaser.

9.6 Damage; Liens; Indemnity. Purchaser has completed all inspections, surveys, engineering reports or any other work which it deemed necessary or appropriate to its determination that the Subject Water Rights and Easements are suitable for Purchaser's intended purpose. Purchaser has paid for all inspections, surveys, engineering reports and any other work which it has performed or caused to be performed with its activities on any of the real estate comprising Lambert Ranch as well as any damage resulting from such activities. If any claims or liens are asserted against Seller, or any of the real property comprising Lambert Ranch as a result of Purchaser's activities, Purchaser shall cause such liens or claims to be released and discharged within ten (10) days after Purchaser becomes aware of the existence of same. Provisions of this Section shall survive the closing or the termination of this Agreement.

10. **CONDITION OF, AND DAMAGE TO PROPERTY AND FACILITIES.** Except as otherwise provided in this Agreement, the Subject Water Rights, Easements and the Physical Facilities shall be delivered in the condition existing as of January 5, 2004, ordinary wear and tear excepted.

10.1 Casualty; Insurance. In the event the Physical Facilities shall be damaged by flood, fire or other casualty prior to the Closing, in amount of not more than $88,275.00 Seller shall be obligated to repair or replace the same before the Closing. In the event such damage is not repaired before Closing, or if the damages exceed such sum, this Agreement may be terminated at the option of Purchaser by delivering to Seller written notice of termination prior to the date of Closing. Should Purchaser elect to proceed with this Agreement despite such damage, Purchaser shall be entitled to a credit at Closing for all the insurance proceeds resulting from such damage to the Physical Facilities, payable to Seller, plus the amount of any deductible provided for in such insurance policy, such credit not to exceed the total purchase price.

10.2 Walk-Through; Verification of Condition. Purchaser, upon reasonable notice to Seller, shall have the right to walk through the Lambert Ranch property to inspect the

Physical Facilities prior to Closing to verify that the physical condition of those facilities complies with this Agreement.

11. ISSUANCE OF WATER RIGHTS DECREE; TERMINATION OF AGREEMENT; RELEASE OF ESCROW FUNDS

11.1 Change of Water Rights Decree. The Purchaser shall file a Water Court Application seeking the issuance of the change of water rights decree described below (the "Change of Water Rights Decree") within thirty (30) days after Closing and shall diligently process the application. Due to the contingent nature of this sale, Seller shall have the right to participate in the Water Court proceeding as a Co-applicant in order to protect its interest in the Subject Water Rights. Regardless of whether Seller chooses to participate in the litigation, Purchaser shall consult with Seller regarding all proposed terms and conditions of the Change of Water Rights Decree. Seller shall have the right to review and approve: (a) the terms of the proposed Change of Water Rights Decree prior to its submittal to the Water Court, and (b) any proposed revisions to the terms of the Change of Water Rights Decree prior to submittal of a revised Change of Water Rights Decree to the Water Court or any Objectors. Seller's approval shall not be unreasonably withheld. If Purchaser submits a Change of Water Rights Decree, or any proposed revisions to the terms of a Change of Water Rights Decree, for Seller's approval that does not or do not authorize a change in place of use and change in type of use of at least 75 acre feet per year (the "Minimum Decree Amount") of the Meadow Ditch water right determined by decree of the District Court for Water Division No. 1, in Case No. 2000CW231, dated July 1, 2003 (the "Meadow Ditch Water Right"), to municipal use by Purchaser, Seller shall have the right to terminate this Agreement by giving written notice of termination to Purchaser not later than seven (7) days after the date on which such Change of Water Rights Decree or revisions, as the case may be, was or were submitted for Seller's approval. Purchaser shall be primarily responsible for processing the Application in the Water Court, and shall be responsible for all fees and costs that it incurs in processing the Application. Seller shall cooperate with Purchaser in processing the Application and shall be solely responsible for all fees and costs that it incurs in processing such Application. If the District Court for Water Division No. 1 does not issue the Change of Water Rights Decree within three (3) years after the Closing, Seller shall have the right to terminate this Agreement, by giving written notice of termination to Purchaser not later than three (3) years and twenty (20) days after the Closing. The termination shall be effective on the date upon such notice is effective.

11.2 Release of Escrow Funds. The release of Escrow Funds to Seller is subject to the issuance by the District Court for Water Division No. 1 of the Change of Water Rights Decree authorizing a change in place of use and change in type of use of the Meadow Ditch Water Right in an amount not less than the Minimum Decree Amount to municipal use by Purchaser. The Escrow Funds shall be released to Seller five (5) days after the issuance by the District Court for Water Division No. 1, of a Change of Water Rights Decree (a "Final Change Decree") for which the deadline for filing a notice of appeal,

including any extensions as a result of filing post-trial motions, has passed and no notice of appeal has been timely filed, or a notice of appeal has been filed and the appeal has been concluded, confirming the decree and mandating entry of the final decree. If a Final Change Decree is not issued within five (5) years after the Effective Date, this Agreement shall terminate five (5) days later ("Termination Date") unless the Purchaser waives this condition in writing prior to such termination and releases the Escrow Funds and interest earned thereon to Seller.

11.3 Partial Refund If Not All Subject Water Rights Decreed. If, despite best efforts, Purchaser obtains a Final Change Decree authorizing a change in place of use and change in type of use of less than 80.25 acre feet of the Meadow Ditch Water Right, but not less than the Minimum Decree Amount, Seller shall pay to Purchaser, five (5) days after the Escrow Funds have been released to Seller in accordance with the provisions of Section 11.2, an amount equal to $11,000 multiplied by the number of acre-feet of the Subject Water Rights that were excluded from such Final Change Decree.

11.4 Condition Precedent to Full Use of Water Rights. Notwithstanding any provisions of this Agreement or any other agreements or understanding between the parties, oral or written, to the contrary, until a document (the "Release Document") executed by Seller and Purchaser confirming the release to Seller of certain Escrow Funds held by Escrow Agent has been recorded in the office of the Clerk and Recorder of Douglas County, Colorado, the District shall not use the Subject Water Rights and Easements, the Quitclaim Easements or the Physical Facilities for any purpose or reason except to continue the historical use of such water rights in accordance with: (a) that certain decree of the District Court of Douglas County dated December 10, 1883, with appropriation date of May 31, 1866, as the same has been modified by decree of the District Court for Water Division No. 1, in Case No. 2000CW231, dated July 1, 2003; (b) that certain decree of the District Court for Water Division No. 1, in Civil Action No. 3635, dated May 18, 1972, with appropriation date of July 17, 1896, as the same has been modified by decree of the District Court for Water Division No. 1, in Case No. 2000CW231, dated July 1, 2003; or (c) a temporary substitute water supply plan approved by the State Engineer consistent with the Application for change of water right to be filed by Purchaser.

11.5 Reconveyance. If this Agreement terminates in accordance with the provisions of Section 11.1 or 11.2, Purchaser shall convey to Seller: (a) by Special Warranty Deed the Subject Water Rights and Easements using the same form of deed attached hereto as Exhibit 1; (b) by Quitclaim Deed the Quitclaim Easements using the same form of deed attached hereto as Exhibit 2; and (c) the General Water Rights Easements using the form of quitclaim deed attached hereto as Exhibit 8. Such re-conveyance shall occur within fifty (50) days after the Termination Date or at such earlier date as is agreed to in writing by Seller and Purchaser. The Subject Water Rights, Easements and the Physical Facilities shall be re-conveyed to Seller by Purchaser in the condition existing as of the date of this Agreement, ordinary wear and tear excepted. Contemporaneously with such re-

conveyance, Seller shall repay to Purchaser the Earnest Money and Closing Funds with simple interest thereon at the same rate as is earned on the Escrow Funds, which interest shall be calculated from the date that such funds were received by Seller. In addition, the Escrow Agent shall release the Escrow Funds and interest earned thereon to Purchaser.

11.6 Obligation to Continue Historic Use. Following conveyance of the Subject Water Rights to Purchaser, Purchaser shall be obligated to continue the historical use of the Subject Water Rights until such time as the Release Document has been recorded or until deeds are recorded by which Purchaser re-conveys to Seller all of the Subject Water Rights and Easements, the Quitclaim Easements and the General Water Rights Easements. Alternatively, Purchaser may use the Subject Water Rights pursuant to approval by State Engineer of a temporary substitute water supply plan consistent with the Water Court Application to be file by Purchaser. Seller shall have the right to review and approve the proposed terms of such a plan prior to its submittal to the State Engineer. Seller's approval shall not be unreasonably withheld.

12. **REMEDIES**. Time is of the essence hereof. If any note or check received as earnest money is not paid, honored or tendered when due, or if any other obligation hereunder is not performed or waived, there shall be the following remedies:

12.1 If Purchaser is in default, Seller may elect to treat this Agreement as canceled, in which case all Earnest Money paid to Seller by Purchaser shall be retained by Seller, and Seller may recover such damages as may be proper, or Seller may elect to treat this Agreement as being in full force and effect and Seller shall have the right to specific performance or damages, or both.

12.2 If Seller is in default, Purchaser may elect to treat this Agreement as cancelled, in which case all Earnest Money received by Seller hereunder shall be returned to Purchaser, and Purchaser may recover such damages as may be proper, or Purchaser may elect to treat this Agreement as being in full force and effect and Purchaser shall have the right to specific performance, or damages, or both.

In the event of a default, the non-defaulting party shall provide written notice to the defaulting party explaining the basis for the alleged default and requesting corrective action. If such default is not corrected within thirty (30) days of such notice, the non-defaulting party may pursue any and all remedies which are available to such party under this Agreement or otherwise.

13. **NOTICE**: All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed effective: (a) upon receipt, if personally delivered; (b) five (5) days after date of posting, if mailed, certified mail, return receipt requested; or (c) one day after deposit with a reputable overnight carrier, to the following addresses:

To Purchaser:

Larry Moore
Roxborough Park Metropolitan District
6222 North Roxborough Park Road
Littleton, CO 80125

With a copy to:

Gary R. White, Esq.
White, Bear and Ankele, P.C.
1805 Shea Center Drive, Suite 100
Highlands Ranch, CO 80129

and
Steven P. Jeffers, Esq.
Bernard, Lyons, Gaddis & Kahn, P.C.
P.O. Box 978
Longmont CO 80502-0978

To Seller:

P. David Crane, Co-Manager
Valley Development Group, LLC
10579 W. Bradford Road, Suite 107
Littleton, CO 80127

With a copy to:

Robert E. Schween, Esq.
Robert E. Schween, P.C.
P. O. Box 262104
Littleton, CO 80163-2104

and

Ernest F. Fazekas II, Esq.
Folkestad & Fazekas, P.C.
316 Wilcox Street
Castle Rock, CO 80104

Such addresses may be changed by any party by notice to the others in the manner provided above.

14. **ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement between the parties relating to the subject hereof, and any prior agreements pertaining thereto, whether oral or written, have been merged and integrated into this Agreement.

15. **ASSIGNMENT.** This Agreement shall not be assigned by either party without the prior written consent of the other party.

16. **GOVERNING LAW.** This Agreement shall be governed by the laws of the State of Colorado.

17. **WAIVER.** The waiver of any breach of any of the provisions of this Agreement by any party shall not constitute a continuing waiver or a waiver of any subsequent breach by said party, either of the same or of another provision of this Agreement.

18. **BINDING EFFECT.** This Agreement and the rights and obligations created hereby shall be binding upon and shall inure to the benefit of the parties hereto, and their respective successors and assigns; provided, however, that nothing in this paragraph shall be construed to permit the assignment of this Agreement, except as otherwise expressly authorized herein.

19. **SURVIVAL.** All representations and warranties of Seller (except those that merge into the deeds conveying the Subject Water Rights, and easements), and Purchaser, and the obligations of Seller and Purchaser to be performed after Closing, shall survive the Closing.

20. **RECORDING OF AGREEMENT.** This Agreement shall be recorded by the Seller with the Douglas County Clerk and Recorder.

IN WITNESS **WHEREOF,** the parties have signed this Agreement on the date set forth below.

SELLER:

VALLEY DEVELOPMENT GROUP, LLC

By: P. D. C
P. David Crane, Manager

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 11th day of January, 2005, by P. David Crane, as Manager of Valley Development Group, LLC.

Witness my hand and official seal.
My commission expires: My Commission Expires 1/18/2006

Victoria C. Nolen
Notary Public

VICTORIA C. NOLEN NOTARY PUBLIC STATE OF COLORADO

PURCHASER:

ROXBOROUGH PARK METROPOLITAN DISTRICT

By: David R Heldt
Its: President

ATTEST:

By: Phillip Scott III
Its: Secretary

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 11th day of January, 2005, by David R. Helat as Phillip Scott III, and President as Secretary, of Roxborough Park Metropolitan District.

Witness my hand and official seal.
My commission expires: My Commission Expires 1/18/2006

Victoria C. Nolen
Notary Public

VICTORIA C. NOLEN NOTARY PUBLIC STATE OF COLORADO

EXHIBIT 1

SPECIAL WARRANTY DEED

THIS DEED, dated January ___, 2005, given by **VALLEY DEVELOPMENT GROUP, LLC**, a Colorado limited liability company ("Valley Development"), whose legal address is 10579 W. Bradford Road, Suite 107, Littleton, CO 80127, of the County of Douglas, and State of Colorado, to **ROXBOROUGH PARK METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"), whose legal address is 6222 North Roxborough Park Road, Littleton, CO 80125, of the County of Douglas, and State of Colorado:

WITNESS, that Valley Development, for and in consideration of the sum of **TEN DOLLARS ($10.00)** and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold, conveyed and assigned, and by these presents does grant, bargain, sell, convey, assign and confirm unto the District, its successors and assigns, forever, all the real property situate, lying and being in the County of Douglas, and State of Colorado, described as follows:

WATER RIGHTS

Meadow Ditch. The right to divert and use 3.75 cfs out of the 5.0 cfs of water decreed to the Meadow Ditch from Indian Creek, tributary to Plum Creek, tributary to the South Platte River, for irrigation use, by decree of the District Court of Douglas County dated December 10, 1883, with appropriation date of May 31, 1866; as the same has been changed by decree of the District Court for Water Division No. 1, in Case No. 2000CW231, dated July 1, 2003. Such conveyance includes a pro rata share of the historic consumptive use of the Meadow Ditch Water Right as determined in Case No. 2000CW231, including an average consumptive use of approximately 80.25 acre feet per year and a maximum of approximately 158.925 acre feet per year.

Lambert Reservoir No. 3. The right to store and use 17.05 acre feet per year out of 22.73 acre feet per year of water decreed to the Lambert Reservoir No. 3 from Indian Creek, tributary to Plum Creek, tributary to the South Platte River, for irrigation use, by decree of the District Court for Water Division No. 1, in Civil Action No. 3635, dated May 18, 1972, with appropriation date of July 17, 1896; as the same has been changed by decree of the District Court for Water Division No. 1, in Case No. 2000CW231, dated July 1, 2003.

EASEMENTS

A perpetual, non-exclusive easement for the continued location of, and for the operation, maintenance, repair and replacement of Lambert Reservoir No. 3 and related physical structures, in the same place or places where such structures are

presently located and maintained as more particularly described in ATTACHMENT A, attached hereto and incorporated herein by reference;

A perpetual, non-exclusive easement for the continued location of, and for the operation, maintenance, repair and replacement of Meadow Ditch and its related physical structures in the same place or places where such structures are presently located and maintained as more particularly described in ATTACHMENT B, attached hereto and incorporated herein by this reference; and

A perpetual, non-exclusive easement for the location, maintenance and operation of a pumping and pipeline facility to take water from Lambert Reservoir No. 3 and deliver it to the southern boundary of the Property as more particularly described in ATTACHMENT C, attached hereto and incorporated herein by reference.

TOGETHER with all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of Valley Development, either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances;

TO HAVE AND TO HOLD the said premises above bargained and described, with the appurtenances, unto the District. Valley Development, for itself, its successors and assigns, does covenant and agree that it shall and will WARRANT AND FOREVER DEFEND the above bargained premises in the quiet and peaceable possession of the District against all and every person or persons claiming the whole or any part thereof, by, through or under Valley Development.

IN WITNESS WHEREOF, Valley Development and the District have executed this Special Warranty Deed as of the date set forth above.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

VALLEY DEVELOPMENT GROUP, LLC

By:_____
P. David Crane, Manager

STATE OF COLORADO)
) ss.
COUNTY OF ____)

The foregoing instrument was acknowledged before me this ___ day of January, 2005, by P. David Crane, as Manager of Valley Development Group, LLC.

Witness my hand and official seal.
My commission expires: _____

_____
Notary Public

LEGAL DESCRIPTION

A parcel of land located in the East Half of Section 21, Township 7 South; Range 68 West, of the Sixth Principal Meridian, County of Douglas, State of Colorado, being more particularly described as follows:

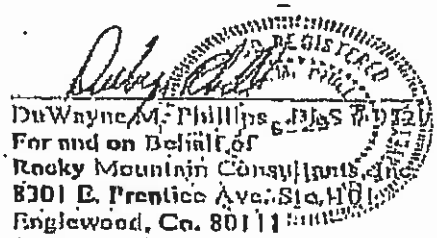
Commencing at the Center Quarter Section of said Section 21; Thence North 85°20'21" East, a distance of 158.82 feet, to the True Point of Beginning;

Thence along the following fifteen (15) courses;

1.) North 36°27'22" West, a distance of 262.49 feet;
2.) North 00°13'56" East, a distance of 221.10 feet;
3.) North 12°09'41" East, a distance of 143.69 feet;
4.) North 83°38'58" East, a distance of 164.95 feet;
5.) North 77°20'11" East, a distance of 119.12 feet;
6.) South 78°59'56" East, a distance of 79.06 feet;
7.) South 23°57'22" East, a distance of 110.79 feet;
8.) South 12°54'35" West, a distance of 104.99 feet;
9.) South 34°25'58" West, a distance of 108.98 feet;
10.) South 28°54'04" West, a distance of 103.39 feet;
11.) South 52°13'56" West, a distance of 67.73 feet;
12.) South 57°03'10" East, a distance of 128.19 feet;
13.) South 31°09'31" West, a distance of 141.27 feet;
14.) South 76°00'34" West, a distance of 55.42 feet;
15.) North 68°33'15" West, a distance of 75.27 feet, to the True Point of Beginning.

Containing 4.468 acres (194,610 square feet), more or less.

Bearings are based on the West line of the Southwest Quarter of the Northeast Quarter said Section 21, being South 00°42'10" East.

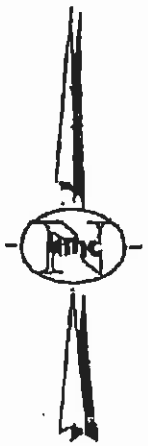


DuWayne M. Phillips, PLS 19321
For and on Behalf of
Rocky Mountain Consultants, Inc.
8301 E. Prentice Ave., Ste. 401
Englewood, Co. 80111
(303) 741-6000
Date: 7/17/98

Lambert Ranch Pond
RMC Job No. 3704.001.00
Doc. No. C:\Project\Lambert\Pond.wpd
June 15, 1998 VRI

7.B

EXHIBIT



SCALE: 1"= 200'

THE RANCH AT
COYOTE RIDGE
RECEPTION NO.B515274

1988
1/16
LS 8935

NW COR., SW 1/4, NE 1/4
SEC. 21, T7S, R68W, 6TH PM

S 00°42'10" E
W. LINE SW 1/4, NE 1/4
1322.83' (M)

BASIS OF BEARINGS

LINE	BEARING	DISTANCE
L1	N 38°27'22" W	262.49'
L2	N 00°13'58" E	221.10'
L3	N 12°09'41" E	143.69'
L4	N 83°38'58" E	101.85'
L5	N 77°20'11" E	119.12'
L6	S 78°59'56" E	79.06'
L7	S 23°57'22" E	110.79'
L8	S 12°51'35" W	104.99'
L9	S 34°25'58" W	108.90'
L10	S 28°51'04" W	103.39'
L11	S 52°13'56" W	67.73'
L12	S 67°03'10" E	128.19'
L13	S 31°09'31" W	111.27'
L14	S 76°00'34" W	55.42'
L15	N 88°33'15" W	75.27'

POND
AREA=
1.488 ACRES

N 85°20'21" E
158.82'

P.O.C.
C 1/4 COR.SEC. 21,
T7S, R68W, 6TH PM

THE RANCH AT
COYOTE RIDGE
RECEPTION NO.B515274

T.P.O.B.

N 88°50'10" E
2632.36'(M)

E 1/4 COR.SEC. 21,
T7S, R68W, 6TH PM

S 00°39'11" E
1318.74'(M)

BOOK 206
PAGE 69

SW COR., NW 1/4, SE 1/4
SEC. 21, T7S, R68W, 6TH PM

THIS EXHIBIT DOES NOT REPRESENT A MONUMENTED SURVEY. IT IS ONLY INTENDED TO DEPICT THE ATTACHED DESCRIPTION.

RMC

ROCKY MOUNTAIN CONSULTANTS, INC.
6301 E. Prentice Ave. Suite 101 Englewood, CO 80111 (303) 741-5000 FAX (303) 741-5106

SHEET 2 OF 2

JOB NO. 3704.001.00 | DATE 08/15/98 | REVISED

PDRD.DWG

LEGAL DESCRIPTION

A Strip of land 20 feet wide, located in the Northeast Quarter of Section 21 and the East Half of Section 16, Township 7 South, Range 68 West, of the Sixth Principal Meridian, County of Douglas, State of Colorado, being more particularly described as follows:

Commencing at the Center Quarter corner of said Section 21; Thence North 21°56'37" East, a distance of 663.21 feet, to a point on the Northerly line of an existing pond, said point also being the True Point of Beginning;

Thence along said centerline of 20 foot wide strip of land, along the following 25 courses:

1.) North 09°50'17" West, a distance of 74.44 feet;
2.) North 02°00'42" West, a distance of 85.98 feet;
3.) North 05°02'41" West, a distance of 89.50 feet;
4.) North 07°12'02" East, a distance of 24.22 feet;
5.) North 10°09'14" East, a distance of 140.93 feet;
6.) North 09°24'45" East, a distance of 251.05 feet;
7.) North 22°43'37" East, a distance of 56.08 feet;
8.) North 01°56'22" East, a distance of 57.55 feet;
9.) North 08°48'33" East, a distance of 62.01 feet;
10.) North 24°27'29" East, a distance of 92.66 feet;
11.) North 06°08'32" East, a distance of 84.51 feet;
12.) North 05°18'10" West, a distance of 79.78 feet;
13.) North 05°24'39" West, a distance of 111.37 feet;
14.) North 09°33'43" East, a distance of 223.28 feet;
15.) North 13°12'07" East, a distance of 116.24 feet;
16.) North 10°10'00" East, a distance of 90.65 feet;
17.) North 34°36'27" East, a distance of 164.70 feet;
18.) North 18°30'22" East, a distance of 77.38 feet;
19.) North 04°24'10" East, a distance of 93.69 feet;
20.) North 02°01'19" West, a distance of 38.75 feet;
21.) North 05°59'00" West, a distance of 44.79 feet;
22.) North 10°00'27" West, a distance of 29.49 feet;
23.) North 20°59'41" West, a distance of 9.45 feet;
24.) North 17°00'40" East, a distance of 23.75 feet;
25.) North 03°39'06" West, a distance of 20.50 feet, to the North line of the Northeast Quarter of said Section 21, which bears South 88°36'12" West, a distance of 650.74 feet, to the South Quarter corner of said Section 16;

Thence across the East Half of said Section 16, along the following 58 courses;

1.) North 09°07'50" West, a distance of 46.83 feet;
2.) North 29°21'30" West, a distance of 30.60 feet;
3.) North 08°28'05" West, a distance of 30.60 feet;
4.) North 23°19'24" West, a distance of 60.40 feet;
5.) North 10°53'36" East, a distance of 20.59 feet;
6.) North 68°30'30" East, a distance of 10.06 feet;
7.) North 17°00'44" East, a distance of 97.46 feet;
8.) North 46°39'44" East, a distance of 78.93 feet;
9.) North 51°49'39" East, a distance of 120.20 feet;
10.) North 13°26'26" East, a distance of 38.39 feet;
11.) North 03°00'30" East, a distance of 46.01 feet;
12.) North 26°34'09" West, a distance of 36.26 feet;
13.) North 14°35'44" West, a distance of 24.96 feet;
14.) North 79°39'45" West, a distance of 8.02 feet;
15.) North 01°50'44" East, a distance of 221.78 feet;
16.) North 03°27'50" West, a distance of 121.86 feet;
17.) North 13°40'47" West, non-tangent to the following described curve, a distance of 26.26 feet;

T-B

18.) Along a curve to the left, having a central angle of 18°49'04", a radius of 500.00 feet, an arc length of 164.21 feet, a chord bearing of North 01°58'24" East and a chord distance of 163.48 feet;
19.) North 03°07'01" West, tangent to the last and following described curves, a distance of 69.37 feet;
20.) Along a curve to the right, having a central angle of 25°19'44", a radius of 450.00 feet, an arc length of 198.93 feet, a chord bearing of North 11°51'08" East and a chord distance of 197.32 feet, to a point of reverse curvature;
21.) Along a curve to the left, having a central angle of 29°51'22", a radius of 250.00 feet, an arc length of 130.27 feet, a chord bearing of North 11°22'29" East and a chord distance of 128.80 feet, to a point of reverse curvature;
22.) Along a curve to the right, having a central angle of 11°18'20", a radius of 250.00 feet, an arc length of 49.33 feet, a chord bearing of North 02°05'58" East and a chord distance of 49.25 feet;
23.) North 07°45'09" East, tangent to the last described curve, a distance of 151.82 feet;
24.) North 03°10'00" East, tangent to the following described curve, a distance of 230.32 feet;
25.) Along a curve to the left, having a central angle of 15°02'52", a radius of 350.00 feet, an arc length of 91.92 feet, a chord bearing of North 04°21'26" West and a chord distance of 91.66 feet;
26.) Along a curve to the right, having a central angle of 63°14'14", a radius of 170.00 feet, an arc length of 187.63 feet, a chord bearing of North 19°44'16" East and a chord distance of 178.25 feet, to a point of reverse curvature;
27.) Along a curve to the left, having a central angle of 16°02'05", a radius of 530.00 feet, an arc length of 148.33 feet, a chord bearing of North 40°15'59" East and a chord distance of 147.84 feet, to a point of reverse curvature;
28.) Along a curve to the right, having a central angle of 27°54'18", a radius of 215.00 feet, an arc length of 104.71 feet, a chord bearing of North 39°29'36" East and a chord distance of 103.68 feet, to a point of reverse curvature;
29.) Along a curve to the left, having a central angle of 15°05'25", a radius of 300.00 feet, an arc length of 79.01 feet, a chord bearing of North 47°54'07" East and a chord distance of 78.78 feet, to a point of compound curve;
30.) Along a curve to the left, having a central angle of 110°15'44", a radius of 25.00 feet, an arc length of 48.11 feet, a chord bearing of North 11°04'50" West and a chord distance of 41.02 feet, to a point of curve;
31.) Along a curve to the right, having a central angle of 51°15'09", a radius of 235.00 feet, an arc length of 210.21 feet, a chord bearing of North 23°59'49" East and a chord distance of 203.27 feet, to a point of reverse curvature;
32.) Along a curve to the left, having a central angle of 52°23'12", a radius of 100.00 feet, an arc length of 91.43 feet, a chord bearing of North 44°40'44" East and a chord distance of 88.28 feet;
33.) Thence North 32°08'45" East, a distance of 43.59 feet;
34.) North 05°02'11" West, a distance of 57.35 feet;
35.) North 00°43'21" West, a distance of 267.15 feet;
36.) North 45°21'04" West, non-tangent to the following described curve, a distance of 26.70 feet;
37.) Along a curve to the right, having a central angle of 134°17'05", a radius of 50.00 feet, an arc length of 117.19 feet, a chord bearing of North 27°08'59" West and a chord distance of 92.15 feet;
38.) North 15°46'33" East, non-tangent to the last and tangent to the following described curves, a distance of 52.05 feet;
39.) Along a curve to the right, having a central angle of 52°39'50", a radius of 170.00 feet, an arc length of 156.26 feet, a chord bearing of North 33°09'04"East and a chord distance of 150.81 feet, to a point of reverse curvature;
40.) Along a curve to the left, having a central angle of 119°23'27", a radius of 110.00 feet, an arc length of 229.21 feet, a chord bearing of North 08°00'01" East and a chord distance of 189.94 feet;
41.) North 42°13'22" West, tangent to the last and following described curves, a distance of 40.57 feet;
42.) Along a curve to the right, having a central angle of 66°43'26", a radius of 130.00 feet, an arc length of 151.39 feet, a chord bearing of North 10°40'08" West and a chord distance of 142.98 feet, to a point of compound curve;
43.) Along a curve to the right, having a central angle of 54°21'52", a radius of 160.00 feet, an

arc length of 151.81 feet, a chord bearing of North 44°17'32" East and a chord distance of 146.18 feet, to a point of reverse curvature;
44.) Along a curve to the left, having a central angle of 73°54'56", a radius of 75.00 feet, an arc length of 96.76 feet, a chord bearing of North 35°48'06" East and a chord distance of 90.18 feet;
45.) North 00°05'13" West, tangent to the last described curve, a distance of 84.51 feet;
46.) North 15°08'47" West, tangent to the following described curve, a distance of 100.18 feet;
47.) Along a curve to the right, having a central angle of 17°04'10", a radius of 200.00 feet, an arc length of 59.58 feet, a chord bearing of North 07°19'40" West and a chord distance of 59.36 feet, to a point of reverse curvature;
48.) Along a curve to the left, having a central angle of 93°31'59", a radius of 50.00 feet, an arc length of 81.62 feet, a chord bearing of North 39°38'32" West and a chord distance of 72.86 feet;
49.) North 86°24'31" West, tangent to the last and following described curves, a distance of 24.86 feet, to a point of reverse curvature;
50.) Along a curve to the right, having a central angle of 96°29'11", a radius of 40.00 feet, an arc length of 67.36 feet, a chord bearing of North 42°52'56" West and a chord distance of 59.68 feet;
51.) North 09°13'07" West, tangent to the last described curve, a distance of 84.87 feet;
52.) North 15°56'40" West, tangent to the following described curve, a distance of 90.82 feet;
53.) Along a curve to the right, having a central angle of 55°29'45", a radius of 185.00 feet, an arc length of 179.19 feet, a chord bearing of North 10°10'46" East and a chord distance of 172.27 feet, to a point of reverse curvature;
54.) Along a curve to the left, having a central angle of 34°42'28", a radius of 205.00 feet, an arc length of 124.18 feet, a chord bearing of North 23°09'55" East and a chord distance of 122.29 feet, to a point of compound curve;
55.) Along a curve to the left, having a central angle of 63°12'31", a radius of 105.00 feet, an arc length of 115.84 feet, a chord bearing of North 23°48'11" West and a chord distance of 110.05 feet, to a point of reverse curvature;
56.) Along a curve to the right, having a central angle of 53°47'08", a radius of 400.00 feet, an arc length of 375.49 feet, a chord bearing of North 27°47'26" West and a chord distance of 361.86 feet;
57.) North 02°26'38" West, a distance of 86.01 feet;
58.) North 09°58'49" West, a distance of 78.61 feet, to the Point of Termination, which bears North 85°26'47" East, a distance of 1,509.66 feet, to the Northeast corner of said Section 16.

Containing (159,728 square feet) or 3.667 acres, more or less.

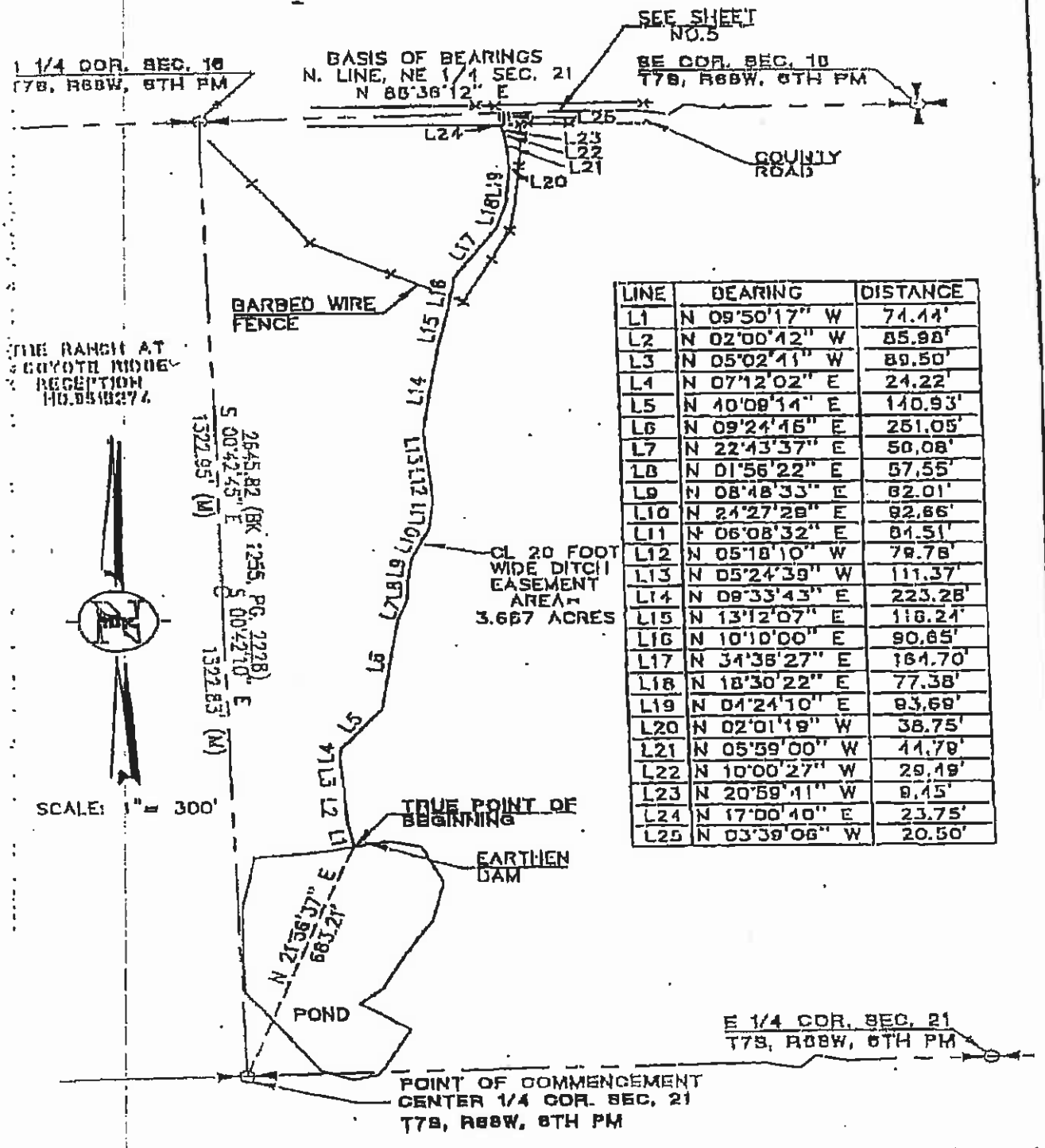
The basis of bearings was formed on the North line of the Northeast Quarter of said Section 21, being North 88°36'12" East.

DuWayne M. Phillips, PLS No. 9329
For and on Behalf of
Rocky Mountain Consultants, Inc.
8301 E. Prentice Ave. Ste. 101
Englewood, CO 80111
(303) 741-6000
Date: 2/12/99

Ditch Easement
NE 1/4 Sec. 21 & E 1/2 Sec. 16
RMC Job No. 3698.001.00
Doc. No. C:\Project\Lambert\Ditch1.wpd
June 29, 1998 VRJ

T.P.

EXHIBIT



LINE	BEARING	DISTANCE
L1	N 09°50'17" W	71.11'
L2	N 02°00'12" W	85.98'
L3	N 05°02'11" W	89.50'
L4	N 07°12'02" E	24.22'
L5	N 10°08'14" E	140.93'
L6	N 09°24'16" E	251.05'
L7	N 22°43'37" E	50.08'
L8	N 01°56'22" E	57.55'
L9	N 08°48'33" E	82.01'
L10	N 24°27'28" E	92.66'
L11	N 06°08'32" E	81.51'
L12	N 05°18'10" W	79.78'
L13	N 05°24'39" W	111.37'
L14	N 09°33'43" E	223.28'
L15	N 13°12'07" E	118.24'
L16	N 10°10'00" E	90.65'
L17	N 34°36'27" E	164.70'
L18	N 18°30'22" E	77.38'
L19	N 01°24'10" E	93.69'
L20	N 02°01'19" W	38.75'
L21	N 05°59'00" W	44.79'
L22	N 10°00'27" W	29.19'
L23	N 20°59'11" W	9.45'
L24	N 17°00'40" E	23.75'
L25	N 03°39'06" W	20.50'

THIS EXHIBIT DOES NOT REPRESENT A MONUMENTED SURVEY. IT IS ONLY INTENDED TO DEPICT THE ATTACHED DESCRIPTION.

RMC

ROCKY MOUNTAIN CONSULTANTS, INC.
8301 E. Prentice Ave. Suite 101 Englewood, CO 80111 (303) 741-0009 FAX (303) 741-5106

SHEET 4 OF 6

DITCH1.DWG	DATE 09/29/00	REVISED
JOB NO. 3690.001.00		

EXHIBIT

CURVE	DELTA	RADIUS	LENGTH
C1	18°48'04"	500.00	164.21
C2	28°19'44"	150.00	198.83
C3	29°51'22"	250.00	130.27
C4	11°18'20"	250.00	49.33
C5	15°02'52"	350.00	91.92
C6	63°14'14"	170.00	187.63
C7	16°02'05"	530.00	148.33
C8	27°54'18"	215.00	104.71
C9	15°05'25"	300.00	79.01
C10	110°15'44"	25.00	48.11
C11	51°15'09"	235.00	210.21
C12	52°23'12"	100.00	91.43

LINE	BEARING	DISTANCE
L26	N 09°07'50" W	46.83'
L27	N 29°21'30" W	30.60'
L28	N 08°28'05" W	30.60'
L29	N 23°19'24" W	60.40'
L30	N 10°53'35" E	20.59'
L31	N 68°30'30" E	10.06'
L32	N 17°00'44" E	97.46'
L33	N 46°39'44" E	78.93'
L34	N 51°19'39" E	120.20'
L35	N 13°26'26" E	38.39'
L36	N 03°00'30" E	46.01'
L37	N 26°34'09" W	36.26'
L38	N 14°35'44" W	24.96'
L39	N 78°39'45" W	8.02'
L40	N 01°50'44" E	221.78'
L41	N 03°27'50" W	121.86'
L42	N 13°40'47" W	26.26'
L43	N 03°07'01" W	69.37'
L44	N 07°45'09" E	151.82'
L45	N 03°10'00" E	230.32'
L46	N 32°08'45" E	43.59'
L47	N 05°02'11" W	57.35'

SEE SHEET NO.6

BARBED WIRE FENCE

CL 20' WIDE DITCH EASEMENT

O.H. POWER LINES

CL 12 FOOT WIDE DIRT ROAD

WOOD FENCE

SCALE: 1" = 300'

SE COR. SEC. 16
T7S, R68W, 6TH PM

1228.22'
N 88°36'12" E
N. LINE, NE 1/4 SEC. 21
BASIS OF BEARINGS

SEE SHEET NO.4

S 1/4 COR. SEC. 16
T7S, R68W, 6TH PM

COUNTY ROAD

THIS EXHIBIT DOES NOT REPRESENT A MONUMENTED SURVEY. IT IS ONLY INTENDED TO DEPICT THE ATTACHED DESCRIPTION.

RMC

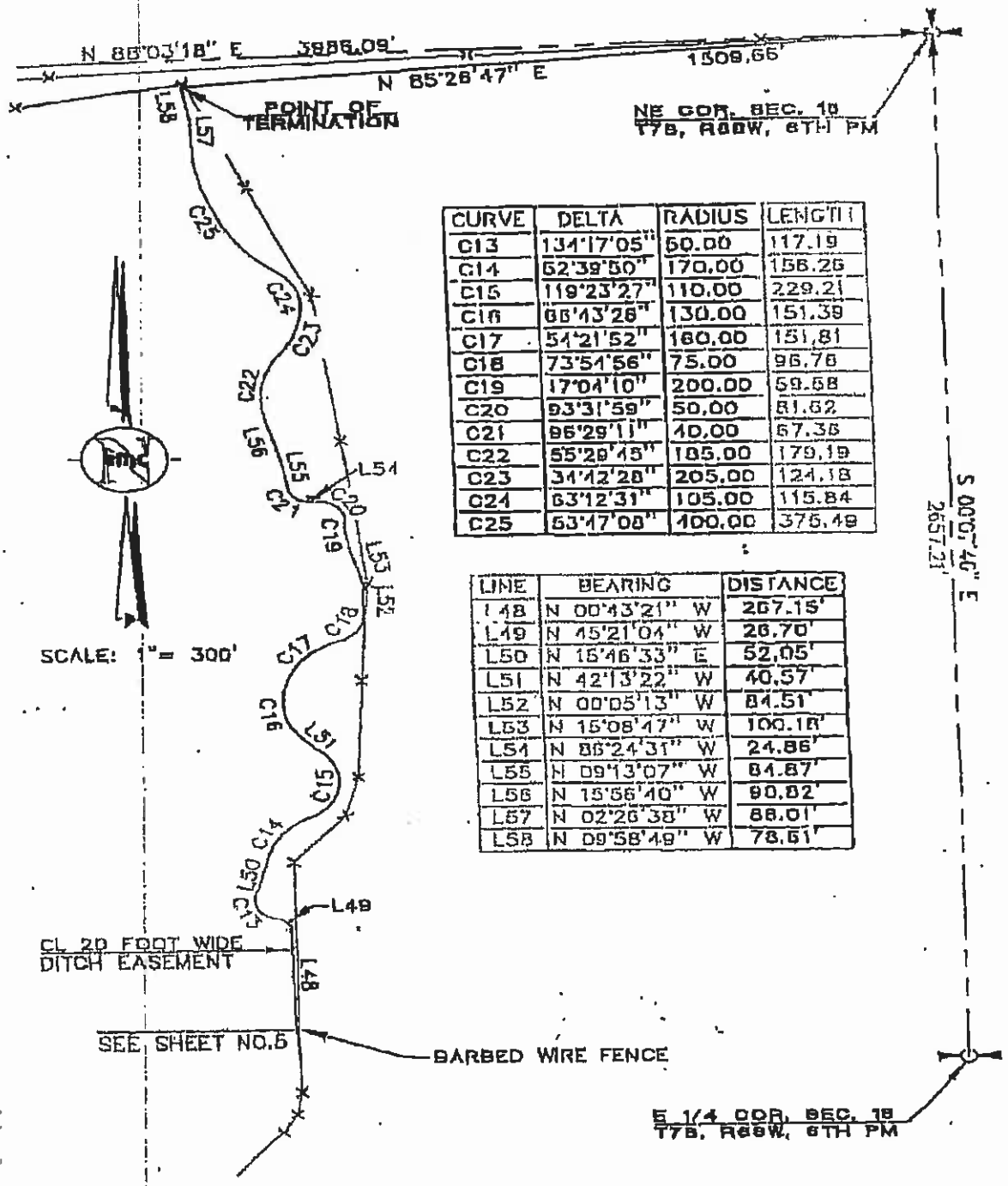
ROCKY MOUNTAIN CONSULTANTS, INC.

SHEET 5 OF 6

8301 E. Prentice Ave, Suite 101 Englewood, CO 80111 (303) 741-6008 FAX (303) 741-8108

Job No. 3628.001.00	Ditch 1b.dwg	DATE 06/29/98	REVISED

EXHIBIT



CURVE	DELTA	RADIUS	LENGTH
C13	134°17'05"	50.00	117.19
C14	52°39'50"	170.00	156.26
C15	119°23'27"	110.00	229.21
C16	66°43'28"	130.00	151.39
C17	54°21'52"	160.00	151.81
C18	73°54'56"	75.00	96.76
C19	17°04'10"	200.00	59.58
C20	93°31'59"	50.00	81.62
C21	96°29'11"	40.00	67.36
C22	55°29'45"	185.00	179.19
C23	31°12'28"	205.00	124.18
C24	63°12'31"	105.00	115.84
C25	53°17'08"	100.00	375.49

LINE	BEARING	DISTANCE
L48	N 00°43'21" W	267.15'
L49	N 15°21'04" W	26.70'
L50	N 15°46'33" E	52.05'
L51	N 42°13'22" W	40.57'
L52	N 00°05'13" W	84.51'
L53	N 15°08'47" W	100.18'
L54	N 86°24'31" W	24.86'
L55	N 09°13'07" W	84.87'
L56	N 15°56'40" W	90.82'
L57	N 02°26'38" W	88.01'
L58	N 09°58'49" W	78.61'

THIS EXHIBIT DOES NOT REPRESENT A MONUMENTED SURVEY. IT IS ONLY INTENDED TO DEPICT THE ATTACHED DESCRIPTION.

ROCKY MOUNTAIN CONSULTANTS, INC.
5301 E. Yale Ave., Suite 101 · Englewood, CO 80111 · (303) 741-6000 · FAX (303) 741-0100

SHEET 6 OF 6

Ditch E.dwg JOB NO. 3688.001.00	DATE 08/28/98	REVISED

LEGAL DESCRIPTION

A parcel of land located in the East Half of Section 21, Township 7 South, Range 68 West, of the Sixth Principal Meridian, County of Douglas, State of Colorado, being more particularly described as follows:

Beginning at the Northwest corner of the South half of the Southeast Quarter of said Section 21; Thence North 00°39'11" West, along the West line of the Southeast Quarter of said Section 21, a distance of 1,318.74 feet, to the Center of said Section 21; Thence North 00°42'10" West, along the West line of the Northeast Quarter of said Section 21, a distance of 227.14 feet; Thence North 89°17'50" East, a distance of 15.12 feet, to Westerly line of a proposed Pond easement; Thence South 36°27'02" East, along last said Westerly line, a distance of 42.59 feet; Thence South 00°42'10" East, leaving last said Westerly line, 40 feet East of and parallel with the West line of the Northeast Quarter of said Section 21, a distance of 192.59 feet, to the North line of the Southeast Quarter of said Section 21; Thence South 00°39'11" East, 40 feet East of and parallel with the West line of the Southeast Quarter of said Section 21, a distance of 1,278.57 feet; Thence North 89°04'23" East, along a line 40 feet North of and parallel with the North line of Indian Creek Ranch Filing No. 2, recorded in Reception Number 140385, in the Office of the Douglas County Clerk and Recorder, a distance of 1314.30 feet; Thence South 00°36'22" East, along a line 40 feet East of and parallel with the East line of the said Indian Creek Ranch, a distance of 1,367.90 feet, to the South line of the Southeast Quarter of said Section 21, said line also being the North line of the Indian Creek Ranch Filing Number 1, recorded in Reception Number 137884, in the Office of the Douglas County Clerk and Recorder; Thence South 89°04'17" West, along last said North line, a distance of 40.00 feet, to the Southeast corner of the Southwest Quarter of the Southeast Quarter of said Section 21; Thence North 00°36'22" West, along the East line of the said Indian Creek Ranch Filing Number 2, a distance of 1,327.90 feet, to the Northeast corner of the Southwest Quarter of the Southeast Quarter of said Section 21; Thence South 89°04'23" West, along the North line of the said Indian Creek Ranch Filing Number 2, a distance of 1,314.27 feet, to the Point of Beginning.

Containing 3.836 acres (167,095 square feet), more or less.

Bearings are based on the North line of the Northeast Quarter of said Section 21, being North 88°36'12" East.

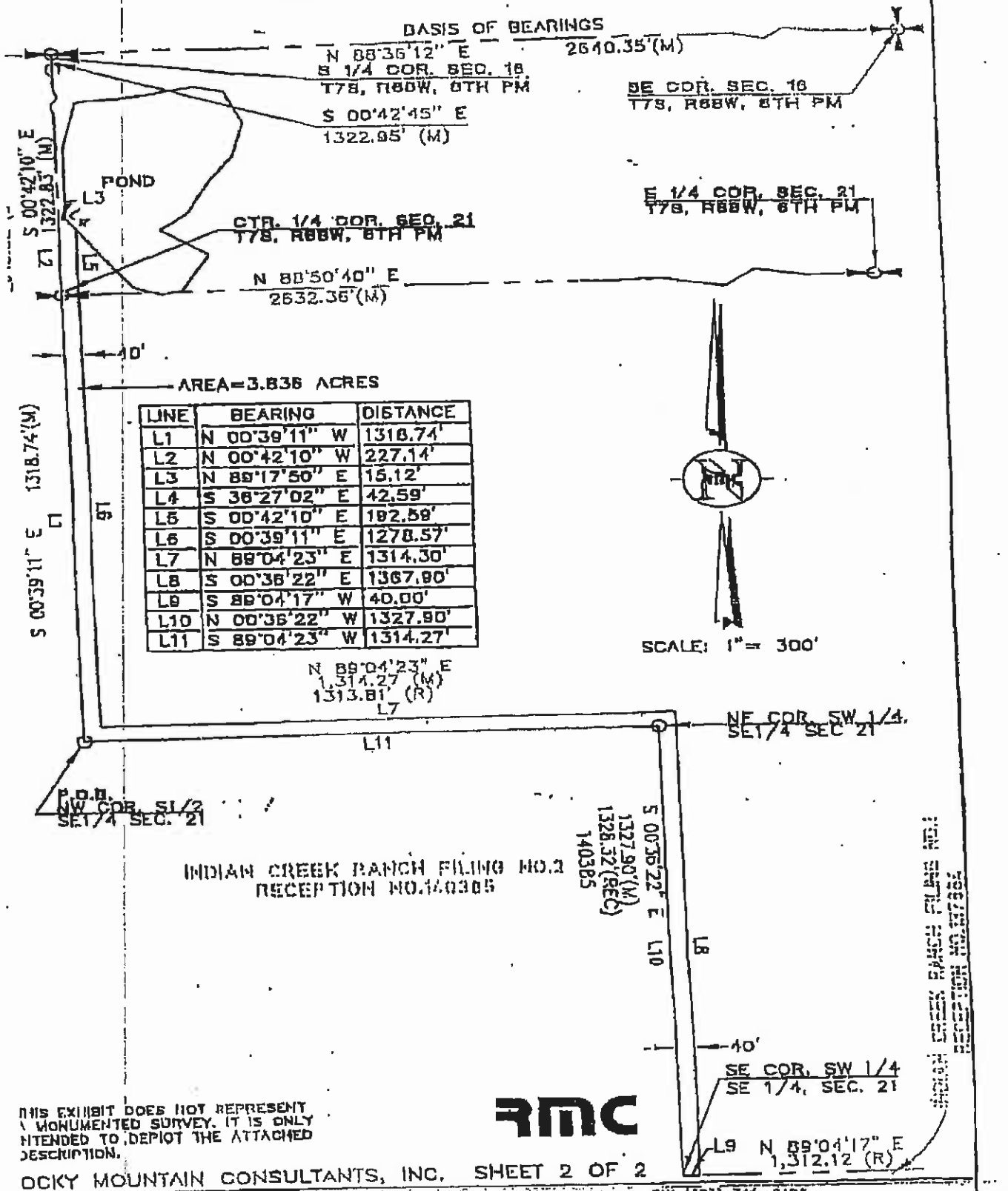
DuWayne M. Phillips, PLS # 9329
For and on Behalf of
Rocky Mountain Consultants, Inc.
8301 E. Prentice Ave, Ste. 101
Englewood, CO 80111
(303) 741-6000

Date: 7/22/98

Lambert Ranch
40' wide Ditch Easement
RMC Job No. 3698.001.00
Doc. No. C:\Project\Lambert\Ditch2.wpd
July 21, 1998 VRI

GM 7.6.

EXHIBIT



LINE	BEARING	DISTANCE
L1	N 00°39'11" W	1318.74'
L2	N 00°42'10" W	227.14'
L3	N 89°17'50" E	15.12'
L4	S 36°27'02" E	42.59'
L5	S 00°42'10" E	192.59'
L6	S 00°39'11" E	1278.57'
L7	N 89°04'23" E	1314.30'
L8	S 00°36'22" E	1367.90'
L9	S 89°04'17" W	40.00'
L10	N 00°36'22" W	1327.90'
L11	S 89°04'23" W	1314.27'

THIS EXHIBIT DOES NOT REPRESENT A MONUMENTED SURVEY. IT IS ONLY INTENDED TO DEPICT THE ATTACHED DESCRIPTION.

RMC

ROCKY MOUNTAIN CONSULTANTS, INC. SHEET 2 OF 2

301 E. Prentice Ave. Suite 101 Englewood, CO 80113 (303) 741-6000 FAX (303) 741-6108

Ditch2.Dwg JD NO. 3898.001.00 YRI	DATE 07/01/98	REVISED EXTEND 40FT ESMT 07/21/98

EXHIBIT 2

QUITCLAIM DEED

THIS QUITCLAIM DEED, dated January ___, 2005, given by VALLEY DEVELOPMENT GROUP, LLC, a Colorado limited liability company ("Valley Development"), whose legal address is 10579 W. Bradford Road, Suite 107, Littleton, CO 80127, of the County of Douglas and State of Colorado, to ROXBOROUGH PARK METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"), whose legal address is 6222 North Roxborough Park Road, Littleton, CO 80125, of the County of Douglas, and State of Colorado.

WITNESS, that Valley Development, for and in consideration of the sum of TEN DOLLARS ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has remised, released, sold and QUITCLAIMED, and by these presents does remise, release, sell and QUITCLAIM unto the District, its successors and assigns, forever, all the right, title, interest, claim and demand which Valley Development has in and to the real property, together with improvements, if any, situate, lying and being in the County of Douglas and State of Colorado, described as follows:

A non-exclusive easement over and across the real property more particularly described on ATTACHMENT A, attached hereto and incorporated herein by reference, for the construction, maintenance, repair, and replacement of a portion of the Meadow Ditch; and

A perpetual, non-exclusive easement for access by persons, vehicles and equipment over and across the dirt road where presently located traversing the Property described in ATTACHMENT B (the "Property"), attached hereto and incorporated herein by reference, or at such substituted location as may be reasonably designated by the owner or owners of the Property, from the northern boundary of the Property to Lambert Reservoir No. 3, the Meadow Ditch, and the related physical structures for the operation, maintenance, repair and replacement thereof

TO HAVE AND TO HOLD the same, together with all and singular the appurtenances and privileges thereunto belonging, or in anywise thereunto appertaining, and all the estate, right, title, interest and claim whatsoever of Valley Development, either in law or equity, to the only proper use, benefit and behoof of the District, its successors and assigns forever.

IN WITNESS WHEREOF, Valley Development has executed this Quitclaim Deed as of the date set forth above.

VALLEY DEVELOPMENT GROUP, LLC

By:_____
P. David Crane, Manager

STATE OF COLORADO)
) ss.
COUNTY OF_____)

The foregoing instrument was acknowledged before me this ___ day of January, 2005, by P. David Crane, as Manager of Valley Development Group, LLC.

Witness my hand and official seal.
My commission expires: _____

_____
Notary Public

ATTACHMENT A

(1 of 2)

LEGAL DESCRIPTION OF MEADOW DITCH QUITCLAIM EASEMENT

A twenty (20) foot wide strip of land located in the NE 1/4 of Section 21, Township 7 South, Range 68 West of the Sixth Principal Meridian, County of Douglas, State of Colorado, more particularly described as follows:

Commencing at the NW corner of said NE 1/4; Thence South 42°34'08" East, 747.21 feet to a point on the Westerly limits of an irrigation ditch right-of-way recorded in Book 1583 at Page 206, said point being the TRUE POINT OF BEGINNING;

Thence North 87°15'58" East, 20.80 feet to a point on the Easterly limits of said irrigation ditch right-of-way; Thence South 18°40'20" East, 81.14 feet; Thence South 54°22'54" West, 64.25 feet to a point on the Easterly limits of said irrigation ditch right-of-way; Thence North 58°01'41" West, 21.63 feet to a point on the Westerly limits of said irrigation ditch right-of-way; Thence North 54°22'54" East, 57.68 feet; Thence North 18°40'20" West, 72.04 feet to the TRUE POINT OF BEGINNING, Containing 2,781 square feet, or 0.063 acres, more or less.

Bearings are based on the North line of said NE 1/4 being North 88°36'12" East.

PREPARED BY:

DUWAYNE M. PHILLIPS
FOR AND ON BEHALF OF
ROCKY MOUNTAIN CONSULTANTS, INC.
8301 E. PRENTICE AVE.
ENGLEWOOD, CO 80111
(303) 741-8000

DATE: 11/19/97

ATTACHMENT A

(2 of 2)

LEGAL DESCRIPTION OF MEADOW DITCH QUITCLAIM EASEMENT

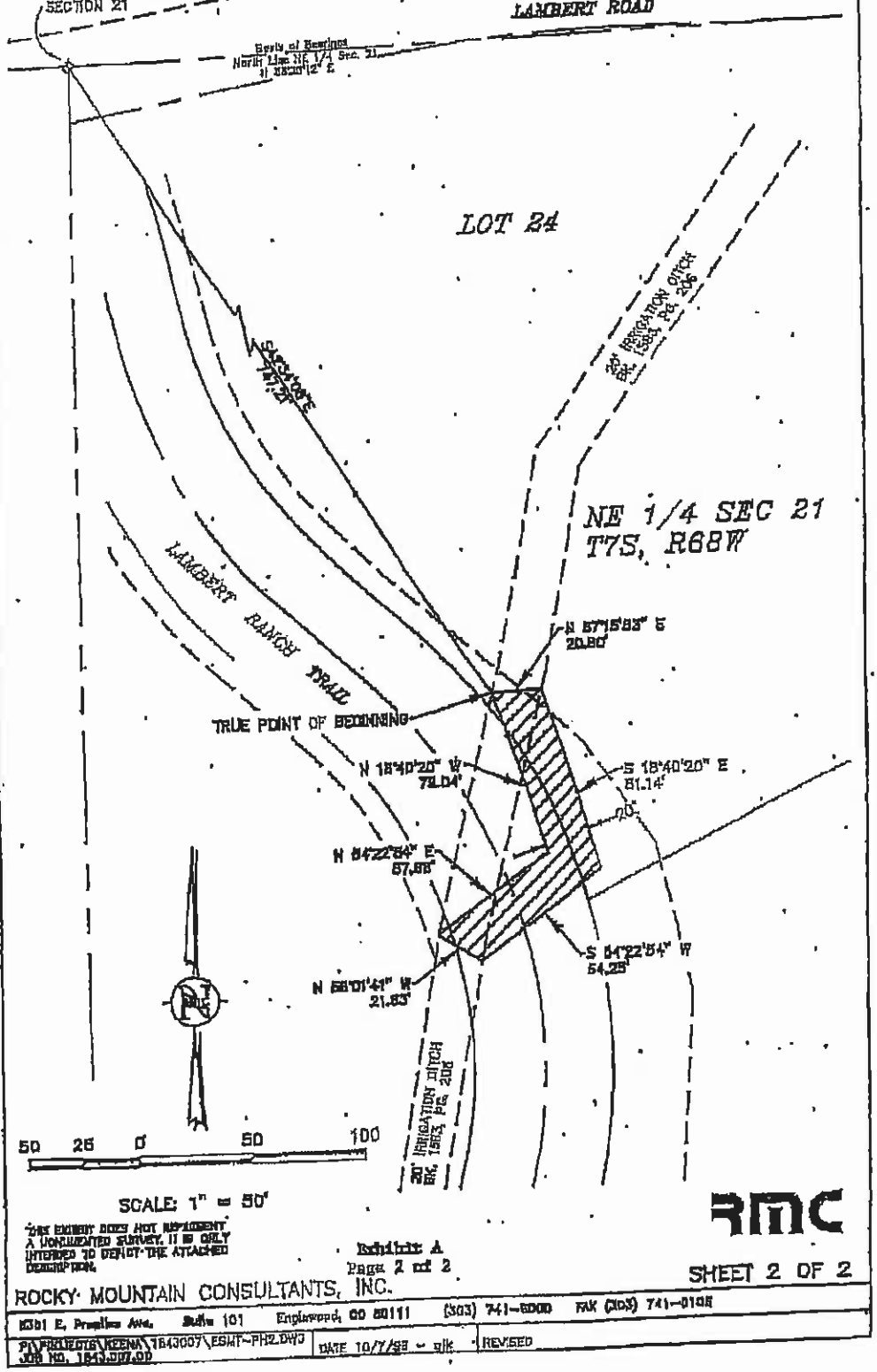


Exhibit A
Page 2 of 2

SHEET 2 OF 2

ROCKY MOUNTAIN CONSULTANTS, INC.

6301 E. Prentice Ave. Suite 101 Englewood, CO 80111 (303) 741-6000 FAX (303) 741-0135

P:\PROJECTS\KEENA\1843007\ESMT-PH2.DWG
JOB NO. 1843.007.00

DATE 10/7/98 - djk

REVISED

ATTACHMENT B

(1 of 1)

LEGAL DESCRIPTION OF THE PROPERTY

The Lambert Ranch Rural Site Plan, including all of Section 16, NE ¼ of Section 21, N ½ of the SE ¼ of Section 21 and the E ½ of the S ½ of the SE ¼ of Section 21, Township 7 South, Range 68 West, of the 6th Principal Meridian, County of Douglas, State of Colorado, containing 923.440 acres more or less.

EXHIBIT 3

EASEMENT AND OPERATING AGREEMENT

THIS EASEMENT AND OPERATING AGREEMENT (this "Agreement") is entered into this _____ day of January, 2005, between VALLEY DEVELOPMENT GROUP, LLC, a Colorado limited liability company ("Valley"), whose legal address is 10579 W. Bradford Road, Suite 107, Littleton, Colorado 80127, and ROXBOROUGH PARK METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado ("District"), whose legal address is 6222 North Roxborough Park Road, Littleton, CO 80125.

RECITALS

WHEREAS, Valley has granted, bargained, sold, conveyed and assigned certain easements (the "Warranty Easements") to the District by special warranty deed recorded on January ___, 2005, in the office of the Clerk and Recorder for Douglas County, Colorado at Reception No. _____ (the "Special Warranty Deed"), which easements encumber the real property described in ATTACHMENTS A, B and C, attached thereto;

WHEREAS, Valley has remised, released, sold and quitclaimed certain easements (the "Quitclaim Easements") to the District by quitclaim deed recorded on January ___, 2005, in the office of the Clerk and Recorder for Douglas County, Colorado at Reception No. _____ (the "Quitclaim Deed"), which easements encumber the real property described in ATTACHMENTS A and B, attached thereto;

WHEREAS, as a result of the Special Warranty Deed, Valley owns an undivided 25% interest and the District owns an undivided 75% interest in the water right decreed to the Meadow Ditch ("Ditch") by the District Court of Douglas County on December 10, 1883, with appropriation date of May 31, 1866, as the same has been changed by decree of the District Court for Water Division No. 1, in Case No. 2000CW231, dated July 1, 2003, and the water right decreed to the Lambert Reservoir No. 3 ("Reservoir") by the District Court for Water Division No. 1, in Civil Action No. 3635, dated May 18, 1972, with appropriation date of July 17, 1896, as the same has been changed by decree of the District Court for Water Division No. 1, in Case No. 2000CW231, dated July 1, 2003 (the "Subject Water Rights"); and

WHEREAS, Valley and the District are executing this Agreement, which places certain requirements and limitations on the use of the Warranty Easements and Quitclaim Easements, and defines the parties' rights related to future operation and maintenance of the Ditch and Reservoir in accordance with the provisions of Section 2.4 of that certain Amended Water Rights Purchase and Sale Agreement dated January ___, 2005 (the "Purchase Agreement");

NOW THEREFORE, in consideration of the sum of TEN DOLLARS ($10.00) and other good and valuable consideration, Valley and the District agree as follows:

1. Prior to the construction or installation of any facilities or improvements authorized by the Special Warranty Deed or Quitclaim Deed by one party ("the "Working Party"), the Working Party shall provide to the other party and all other individuals or entities owning an interest of record in the Ditch and Reservoir (the "Other Owners"), notice of the proposed plans, showing the location and extent of the proposed facilities and/or improvements, and such Other Owners shall have thirty (30) days in which to provide any comments to the Working Party regarding such improvements. The parties shall cooperate to make sure that construction or installation of their respective facilities will not damage any other facilities or improvements currently located on the property encumbered by the Warranty Easements and the Quitclaim Easements (the "Easement Premises"), nor interfere with the delivery of water to any other party.

2. Prior to the construction or installation of any facilities or improvements authorized by the Special Warranty Deed or Quitclaim Deed, the Working Party shall locate and stake those portions of the Easement Premises encumbered by the Warranty Easements or Quitclaim Easements that are intended to be used by the Working Party in connection with such construction or installation.

3. Except as otherwise provided in this Easement Agreement, Valley has the right to continue to use the Warranty Easements and the Quitclaim Easements, now and hereafter, so long as such uses do not materially interfere with the use of the Warranty Easements and/or the Quitclaim Easements by the District as permitted under the Special Warranty Deed and Quitclaim Deed.

4. For so long as Valley owns an interest in the property described on The Lambert Ranch Rural Site Plan, which was recorded on August 12, 1999, in the office of the Clerk and Recorder for Douglas County, Colorado, at Reception No. 99070470, the Ditch, the Reservoir or any Denver basin groundwater underlying the Lambert Ranch property, the District shall require each of the District's contractors and subcontractors to obtain and maintain commercial general liability insurance coverage in an amount of not less than $1,000,000 per person and $3,000,000 per occurrence, insuring the District against claims of any and all persons, firms and corporations for personal injury, death or property damage occurring upon, in, under or about the Easement Premises. Certificates evidencing that the above-required insurance is in full force and effect shall be delivered to Valley prior to the commencement of any work on the Easement Premises by any of the District's contractors or subcontractors. All such certificates shall name Valley as an additional insured and shall evidence that the insurance represented thereby may not be terminated, canceled or materially modified absent thirty (30) days written notice to Valley. Valley shall require that all of its contractors and subcontractors maintain the same type and amount of insurance for all work performed on the Easement Premises by Valley's contractors and subcontractors, and shall follow the same procedure for naming the District as additional insured on those insurance policies prior to the commencement of such work. Valley shall

provide written notice to the District within 10 days after Valley disposes of the interests in the property or groundwater described above.

5. Upon completion of any activities by the Working Party that disturb the surface of the Easement Premises, the Working Party shall restore or cause to be restored, at its sole cost and expense, the disturbed area to the condition it was in immediately prior to the commencement of such activities. Notwithstanding the provisions of the foregoing or any other provisions of this Easement Agreement to the contrary, none of the provisions of this Easement Agreement shall preclude either party from ceasing use of the Ditch or Reservoir, filling in portions of the Ditch or drying-up the historic irrigated acreage in order to obtain a historic consumptive use credit, as part of complying with the terms and conditions of the Change of Water Rights Decree (defined in Section 11.1 of the Purchase Agreement) or any future change decrees. Either party may change its interest in the water rights entirely away from the Ditch and Reservoir and stop using those facilities. Either party may relinquish and quit claim its interest in the Ditch and/or Reservoir to the other party, including all rights under this agreement, if that party no longer requires the use of the Ditch and/or Reservoir. Such relinquishment or conveyance shall not have the effect of relieving that party from any previously existing liability associated with that party's use of the Ditch or Reservoir, nor as an assignment to or acceptance by the other party of any such liability.

6. Either party shall have the right and authority to assign, with prior written notice to the other party, any and all rights to use, and all obligations associated with, the Warranty Easements and the Quitclaim Easements, subject to the terms of this Agreement to any transferee of the Subject Water Rights, which rights and obligations shall be appurtenant to fee simple title to, and may not be conveyed or transferred separate from conveyance or transfer of fee simple title in and to, the Subject Water Rights.

7. Each party shall be entitled to divert water through the Ditch up to the maximum rate to which that party is entitled, and to store water in Reservoir up to the maximum volume to which that party is entitled, in accordance with their ownership interest in the Subject Water Rights, the terms and conditions of this agreement, and the decree in Case No. 2000CW231. The parties agree to cooperate and coordinate their diversions and use of the Ditch, and their storage in and release of water from the Reservoir so as not to interfere with the other party's water rights or use of those facilities.

8. Each party shall be responsible for its pro rata share of the costs of the operation and maintenance of the Ditch and Reservoir and all currently existing facilities, based on their respective ownership interest in the Subject Water Rights. Each party shall annually designate, by written notice to the other, a person who shall be responsible for the inspection, maintenance and operation of the Ditch and Reservoir, including (without limitation) the setting of the ditch headgate and reservoir outlet structures, reading and recording of the diversions at the current measuring flume and reporting of diversions and storage to the parties. Either party may propose improvements, maintenance or repair to the Ditch and Reservoir in writing and shall include a

reasonably accurate estimate of costs. Improvements, maintenance or repairs in excess of $500.00 per year shall be performed only with the prior written consent of both parties, which consent will not be unreasonably withheld. In the event that consent of both parties is not obtained, any such work may be performed at the sole expense of the party desiring to undertake such work. Non-essential maintenance, repair or improvement of the Ditch and Reservoir shall not be performed if it will adversely affect the delivery of water to either party. In the event of an emergency, the minimum work necessary to safely operate the Ditch and Reservoir or to prevent damage to other property may be performed without prior consent of the other party, and the costs thereof shall be divided pro rata among the parties as stated above.

9. The Ditch has an existing measuring device to measure diversions of water from Indian Creek. The parties shall cooperate in the repair or replacement of that device, if needed, and shall share the costs pro rata. Either party may at its own expense, install and maintain other measuring devices at its discretion or if required by the Division Engineer for the proper measurement and recording of that party's interest in the water rights or for administration of that party's interest pursuant to future water court decrees. The parties shall cooperate in reporting their diversions to the State Engineer and Division Engineer as required by the current Decree. If either party obtains any other decree approving additional changes of that party's interest in the water rights, which decree requires any additional measuring or reporting, that party shall be solely responsible for the additional devices, measuring or reporting costs under such decree. Copies of such reports shall be provided on an annual basis to the other party if requested.

10. The parties agree that they are the only parties with a decreed or other right to use water diverted into and carried through the Ditch or stored in the Reservoir. The parties shall cooperate with one another to monitor and prevent the use of the Ditch and Reservoir by any other persons or entities, but neither party shall have an affirmative obligation to undertake such monitoring or prevention. The parties shall remain responsible for the future use and protection of their own interest in the Ditch and Reservoir and the Subject Water Rights from abandonment. The parties may, but are not required to, cooperate in leasing their interesting the Subject Water Rights to other parties for continued irrigation use under the Ditch or elsewhere in order to prevent such abandonment.

11. All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed effective: (a) upon receipt, if personally delivered; (b) five (5) days after date of posting, if mailed, certified mail, return receipt requested; or (c) one day after deposit with a reputable overnight carrier, to the following addresses:

To Purchaser:

Larry Moore
Roxborough Park Metropolitan District
6222 North Roxborough Park Road
Littleton, CO 80125

With a copy to:
Gary R. White, Esq.
White, Bear and Ankele, P.C.
1805 Shea Center Drive, Suite 100
Highlands Ranch, CO 80129

and

Steven P. Jeffers, Esq.
Bernard, Lyons, Gaddis & Kahn, P.C.
P.O. Box 978
Longmont CO 80502-0978

To Seller:

P. David Crane, Co-Manager
Valley Development Group, LLC
10579 W. Bradford Road, Suite 107
Littleton, CO 80127

With a copy to:
Robert E. Schween, Esq.
Robert E. Schween, P.C.
P. O. Box 262104
Littleton, CO 80163-2104

and

Ernest F. Fazekas II, Esq.
Folkestad & Fazekas, P.C.
316 Wilcox Street
Castle Rock, CO 80104

Such addresses may be changed by any party by notice to the others in the manner provided above.

IN WITNESS WHEREOF, the parties have executed this Easement Agreement as of the date set forth above.

VALLEY DEVELOPMENT GROUP, LLC

By: _____
P. David Crane, Manager

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of January, 2005, by P. David Crane, as Manager of Valley Development Group, LLC.

Witness my hand and official seal.
My commission expires: _____

_____
Notary Public

ROXBOROUGH PARK METROPOLITAN DISTRICT

By: _____
Its: _____

ATTEST:

By: _____
Its: Secretary

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of January, 2005, by _____ as _____, and _____ as _____, of Roxborough Park Metropolitan District.

Witness my hand and official seal.
My commission expires: _____

_____
Notary Public

EXHIBIT 4

ESCROW AGREEMENT

Escrow Number: _____

The undersigned deposit with First American Heritage Title Company, as Escrow Agent, the funds set forth in Schedule A, to be held by said Escrow Agent subject to the terms hereof and the Special Instructions set forth in Schedule B. The provisions of Attachment A ("General Provisions"), attached hereto, are by this reference incorporated herein.

IN WITNESS WHEREOF, the undersigned have hereunto affixed their signatures and hereby adopt as a part of this instrument Schedules A and B hereto attached.

VALLEY DEVELOPMENT GROUP, LLC

By: _____
P. David Crane, Manager
Address:
10579 W. Bradford Road, Suite 107
Littleton, CO 80127

ROXBOROUGH PARK
METROPOLITAN DISTRICT

By: _____
Its: _____
Address:
6222 North Roxborough Park Road
Littleton, CO 80125

Number of copies signed: _____

Escrow fees to be as follows:

(a) Setting up fee $_____
(b) Annual fee $_____
(c) Miscellaneous $_____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of January, 2005, by P. David Crane, as Manager of Valley Development Group, LLC.

Witness my hand and official seal.
My commission expires: _____

_____
Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of January, 2005, by _____ as _____, of Roxborough Park Metropolitan District.

Witness my hand and official seal.
My commission expires: _____

_____
Notary Public

Date: _____

Accepted:

_____
Escrow Officer

ATTACHMENT A

GENERAL PROVISIONS

1. The instructions may be supplements, altered, amended, modified or revoked by writing only signed by all of the parties hereto, and approved by the Escrow Agent, upon payment of all fees, costs and expenses incident thereto.

2. No assignment, transfer, conveyance or hypothecation of any right, title or interest to and to the subject matter of this Escrow shall be binding upon the Escrow Agent unless written notice thereof shall be served upon the Escrow Agent and all fees, costs and expenses incident thereto shall have been paid and then only upon the Escrow Agent's assent thereto in writing.

3. All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed effective: (a) upon receipt if personally delivered, (b) five days after date of posting, if mailed, certified mail, return receipt requested, or (c) one day after deposit with a reputable overnight carrier, to the following addresses:

To Purchaser:

Larry Moore
Roxborough Park Metropolitan District
6222 North Roxborough Park Road
Littleton, CO 80125

With a copy to:

Gary R. White, Esq.
White, Bear and Ankele, P.C.
1805 Shea Center Drive
Suite 100
Highlands Ranch, CO 80129

To Seller:

P. David Crane, Co-Manager
Valley Development Group, LLC
10579 W. Bradford Road, Suite 107
Littleton, CO 80127

With a copy to:

Ernest F. Fenzlaw II, Esq.
Polhemus & Fenzlaw, P.C.
316 Wilcox Street
Castle Rock, CO 80104

4. The Escrow Agent may receive any payment called for hereunder after the due date thereof unless subsequent to the due date of such payment and prior to the receipt thereof the Escrow Agent shall have been instructed in writing to refuse any such payment.

5. The Escrow Agent shall not be personally liable for any act it may do or omit to do hereunder as such agent, while acting in good faith and in the exercise of its own best judgment, and any act done or omitted by it pursuant to the advise of its own attorneys shall be conclusive evidence of such good faith.

6. The Escrow Agent is hereby expressly authorized to disregard any and all notices or warnings given by any of the parties hereto, or by another person, firm or corporation, excepting only orders or process of court, and is hereby expressly authorized to comply with and obey any and all process, orders, judgments or decrees of any court, and in case the Escrow Agent obeys or complies with any such process, order, judgment or decree it shall not be liable to any of the parties hereto or to any other person, firm or corporation by reason of such compliance, notwithstanding any such process, order, judgment or decree be subsequently reversed, modified annulled, set aside or vacated, or found to have issued or entered without jurisdiction.

7. In consideration of the acceptance of this escrow by Escrow Agent, the undersigned agree, jointly and severally, for themselves, their heirs, legal representatives, successors and assigns, to pay the Escrow Agent its charges hereunder and to indemnify and hold it harmless as to any liability by it incurred to any other person, firm or corporation by reason of its having accepted the same, or its carrying out any of the terms thereof, and to reimburse it for all its expenses, including, among other things, counsel fees and court costs incurred in connection herewith; and that the Escrow Agent shall have a first and prior lien upon all deposits made hereunder to secure the performance of said agreement of indemnity and payment of its charges and expenses, hereby expressly authorizing the Escrow Agent, in the event payment is not received promptly from the undersigned, to deduct such charges and expenses, without previous notice, from any funds deposited hereunder. Escrow fees or charges, as distinguished from other expenses hereunder, shall as written above the Escrow Agent's signature at the time of the acceptance hereof.

8. The Escrow Agent shall be under no duty or obligation to ascertain the identity, authority or rights of the parties executing or delivering or purporting to execute or deliver these instructions or any documents or papers or payments deposited or called for hereunder, and assumed no responsibility or liability for the validity or sufficiency of these instructions or any documents or papers or payments deposited or called for hereunder.

9. The Escrow Agent shall not be liable for the outlawing of any rights under any Statute of Limitations or by reason of laches in respect to these instructions or any documents or papers deposited.

10. In the event of any dispute between the parties hereto as to the facts of default, the validity or meaning of these instructions or any other fact or matter relating to the transaction between the parties, the Escrow Agent is instructed as follows:

    a. That it shall be under no obligation to act, except under process or order of court, or until it has been adequately indemnified to its full satisfaction, and shall sustain no liability for its failure to act pending such process or court order or indemnification;

    b. That it may in its sole and absolute discretion, deposit the escrow funds described in Schedule A or so much thereof as remains in its hands with the then Clerk, or acting Clerk, of the District Court, State of Colorado in whose jurisdiction such escrow funds lies, and interplead the parties hereto, and upon so depositing such escrow funds and filing its complaint in interpleader it shall be relieved of all liability under the terms hereof as to the escrow funds so deposited, and furthermore, the parties hereto for themselves, their heirs, legal representatives, successors and assigns do hereby submit themselves to the jurisdiction of said court and do hereby appoint the then Clerk, or acting Clerk, of said court as their Agent for the service of all process in connection with such proceedings. The institution of any such interpleader action shall not impair the rights of the Escrow Agent under paragraph number 7 above.

11. The escrow funds described in Schedule A shall be placed in an interest bearing account as jointly directed by Seller and Purchaser. All interest earned on the escrow funds shall be paid to the party to whom the escrow funds are released at the time of such release.

SCHEDULE A:
SUBJECT PROPERTY

$176,550.00

SCHEDULE B
(Special Instructions)

The Escrow Funds described in Schedule A shall be held in accordance with the provisions of Section 3.3 and Section 11.2 of the Water Rights Purchase and Sale Agreement ("Agreement"), a copy of which is attached hereto and incorporated herein by reference, and shall be released from escrow in accordance with these Special Instructions.

RELEASE TO SELLER:

Escrow Agent shall release the Escrow Funds to Seller upon delivery to Escrow Agent by Purchaser of written instructions authorizing release of the Escrow Funds to Seller.

RELEASE TO PURCHASER:

Escrow Agent shall release the Escrow Funds to Purchaser as follows:

(a) Upon delivery to Escrow Agent by Seller of written instructions authorizing release of the Escrow Funds to Purchaser; or

(b) Upon delivery to Escrow Agent by Purchaser of a written request stating that the agreement has terminated and requesting release of the escrow funds to Purchaser ("Purchaser Request"). Within five (5) days after its receipt of such notice, Escrow Agent shall provide written notice (the "Escrow Agent Notice") of its receipt of the Purchaser Request to Seller in accordance with Paragraph 3 of the General Provisions, and request written instructions from Seller with respect to the release of the Escrow Funds. If Sellers delivers written instructions to Escrow Agent authorizing the release of the Escrow Funds to Purchaser, or fails to respond to Escrow Agent within fifteen (15) days after the effective date of the Escrow Agent Notice, Escrow Agent shall release the Escrow Funds to Purchaser on the next business day; or

(c) If Escrow Agent has not received any instruction or request with respect to the release of the Escrow Funds from either Seller or Purchaser prior to _____, 2009.

DISPUTE BETWEEN SELLER AND PURCHASER

If, after giving the Escrow Agent Notice to Seller as described hereinabove described, Escrow Agent receives a response within fifteen (15) days after the effective date of Escrow Agent Notice objecting to a release of the Escrow Funds to Purchaser, Escrow Agent shall proceed in accordance with Paragraph 10 of the General Provisions.

EXHIBIT 5

EASEMENT DEED AND AGREEMENT

THIS EASEMENT DEED AND AGREEMENT, is entered into this _____ day of January, 2005, between VALLEY DEVELOPMENT GROUP, LLC, a Colorado limited liability company ("Valley"), whose legal address is 10579 W. Bradford Road, Suite 107, Littleton, Colorado 80127, and ROXBOROUGH PARK METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado ("District"), whose legal address is 6222 North Roxborough Park Road, Littleton, CO 80125.

RECITALS

WHEREAS, Valley is the current owner of the non-exclusive blanket easement and rights-of-way described in Section 5.2, and of the rights reserved by Valley in Section 8.17, of the Declaration of Protective Covenants for the Lambert Ranch dated August 5, 1999, recorded in the real property records of Douglas County, Colorado at Reception No. 99070471 (the "Declaration"), which Sections of the Declaration are excerpted and reprinted in ATTACHMENT A, attached hereto and incorporated herein by reference, and the non-exclusive blanket easement, rights-of-way and rights reserved by Valley in Section 4.j. of the Deed of Conservation Easement in Gross dated August 5, 1999, recorded in the real property records of Douglas County, Colorado at Reception No. 99070472 ("Conservation Easement"), which Section of the Conservation Easement is excerpted and reprinted in ATTACHMENT B, attached hereto and incorporated herein by reference. The easement reserved in the Declaration, which is limited for purposes of this Easement Deed and Agreement to such easement as it applies only to the Easement Premises (defined below), and the rights and easement reserved in the Conservation Easement, are referred to collectively as the "General Water Rights Easements". For purposes of this Easement Deed and Agreement, the "Easement Premises" shall mean and refer to Tracts A, B and C, as described and depicted on The Lambert Ranch Rural Site Plan, which was recorded on August 12, 1999, in the office of the Clerk and Recorder for Douglas County, Colorado, at Reception No. 99070470.

WHEREAS, contemporaneously with the execution of this Easement Deed and Agreement, Valley has conveyed to the District by Special Warranty Deed certain water, ditch and reservoir rights and easements associated with or appurtenant to the Meadow Ditch and Lambert Reservoir No. 3 across the Lambert Ranch property ("Subject Water Rights and Easements"). This Easement Deed and Agreement is intended to grant to the District the right to use the General Water Rights Easements, and to ensure that subsequent grantees of the right to use the General Water Right Easements will not interfere with the District's use of the Subject Water Rights and Easements.

WHEREAS, pursuant to Section 10 of that certain Amended Water Rights Purchase and Sale Agreement dated January ___, 2005 ("Purchase Agreement"), Valley is executing and delivering this Easement Deed and Agreement to the District, subject to and conditioned upon the terms set forth below.

NOW THEREFORE, in consideration of the sum of TEN DOLLARS ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Valley hereby conveys to the District the following:

1. Grant of Right to Use Easement. Valley hereby grants and quitclaims to the District, its successors and assigns, a perpetual non-exclusive right to use the General Water Rights Easements for installing, developing, operating, maintaining, repairing, replacing and constructing any and all facilities including utilities, necessary or desirable to extract, transfer or export water from the Easement Premises. Such rights include a perpetual non-exclusive blanket easement and right-of-way in, over, across, under and through the Easement Premises for all uses necessary or convenient for construction or installation of pipelines, pumps, motors, and electrical equipment and the pumping, piping, production, and delivery of water from the Meadow Ditch and Lambert Reservoir No. 3. The District shall exercise all rights granted to it in this Easement Deed and Agreement in compliance with all applicable terms and conditions of this Easement Deed and Agreement, the Declaration and the Conservation Easement, including but not limited to the notice requirements contained in Section 4.j of the Conservation Easement.

2. Construction and Installation of Facilities and Improvements. Prior to the construction or installation of any facilities or improvements authorized by this Easement Deed and Agreement, the District shall provide to Valley and all other owners of the right to use the General Water Rights Easements of which the District has actual knowledge (the "Other Owners"), notice of the proposed plans, showing the location and extent of the proposed facilities and/or improvements, and such Other Owners shall have thirty (30) days in which to provide any comments to the District regarding such improvements. Valley shall provide the District with the same notice and opportunity to comment prior to construction or installation of any of Valley's facilities or improvements. The parties shall cooperate to make sure that construction or installation of their respective facilities will not damage any other facilities or improvements currently located on the Easement Premises.

3. Reservation of Rights. Except as otherwise provided in this Easement Deed and Agreement, Valley reserves the right to continue to use the General Water Rights Easements, now and hereafter, and to grant to others the right to use the General Water Rights Easements, for purposes of utilizing and exporting Valley's Denver basin rights and those water, ditch and reservoir rights retained by Valley that are associated with or appurtenant to the Meadow Ditch and Lambert Reservoir No. 3, and for all other purposes not inconsistent with the District's use of the General Water Rights Easements.

4. Subsequent Conveyance and Relinquishment. Within thirty (30) days after the parties reach an agreement as to the location and extent of the District's facilities within the Easement Premises (the "Specific Easement Location"), Valley shall convey to the District, by quitclaim deed, a perpetual non-exclusive right to use the General Water Rights Easements within the Specific Easement Location, and the District shall reconvey to Valley all rights granted to the District to use the General Water Rights Easements on any portion of the Easement Premises other than the Specific Easement Location. Such conveyance and relinquishment shall have no affect on the District's title to and right to continued use of the Subject Water Rights and Easements. If the parties have not recorded the deeds necessary to effect such conveyance and relinquishment in the

office of the Clerk and Recorder of Douglas County, Colorado, on or before _____, _____ (the "Easement Location Deadline"), this Easement Deed and Agreement shall terminate effective on the Easement Location Deadline.

5. Limitation on Use. Until the Escrow Funds (defined in Section 3.3 of the Purchase Agreement) have been released to Valley in accordance with the provisions of Section 11.2 of the Purchase Agreement, and until the parties have executed a written agreement as to the location and extent of the District's facilities on the Easement Premises in accordance with the provisions of Section 4 hereof, the District shall not use the General Water Rights Easements for any purpose or reason other than as necessary to continue the historical use of the Subject Water Rights (as defined in Section 2.3 of the Purchase Agreement) in accordance with: (1) that certain decree of the District Court of Douglas County dated December 10, 1883, with appropriation date of May 31, 1866, as the same has been modified by decree of the District Court for Water Division No. 1, in Case No. 2000CW231, dated July 1, 2003; and (2) that certain decree of the District Court for Water Division No. 1, in Civil Action No. 3635, dated May 18, 1972, with appropriation date of July 17, 1896, as the same has been modified by decree of the District Court for Water Division No. 1, in Case No. 2000CW231, dated July 1, 2003. Notwithstanding the provisions of the foregoing, the District shall, upon recording of this Easement Deed and Agreement, be permitted to use that portion of the Easement Premises described in ATTACHMENT C, attached hereto and incorporated herein by reference, for access to and from Lambert Reservoir No. 3 and the Meadow Ditch.

6. Restoration and Maintenance. Upon completion of any of its activities that disturb the surface of the Property by either party pursuant to this Easement Deed and Agreement, that party shall restore or cause to be restored, at its sole cost and expense, all disturbed areas in accordance with all applicable terms and conditions of the Declaration and the Conservation Easement. Each party shall maintain all improvements installed or constructed by or at the direction of that party at its sole cost and expense.

7. Liability Insurance. For so long as Valley owns an interest in any portion of the property described on The Lambert Ranch Rural Site Plan, the Meadow Ditch, Lambert Reservoir No. 3 or any Denver basin groundwater underlying the Lambert Ranch property, the District shall require that each of the District's contractors and subcontractors to obtain and maintain commercial general liability insurance coverage in an amount of not less than $1,000,000 per person and $3,000,000 per occurrence, insuring the District against claims of any and all persons, firms and corporations for personal injury, death or property damage occurring upon, in, under or about the Easement Premises. Certificates evidencing that the above-required insurance is in full force and effect shall be delivered to Valley prior to the commencement of any work on the Easement Premises by any of the District's contractors or subcontractors. All such certificates shall name Valley as an additional insured and shall evidence that the insurance represented thereby may not be terminated, canceled or materially modified absent 30 days written notice to Valley. Valley shall require that all of its contractors and subcontractors maintain the same type and amount of insurance for all work perform on the Easement Premises by Valley's contractors and subcontractors, and shall follow the same procedure for naming the District as additional insured on Valley's insurance policies prior to the commencement of such work.

8. Assignment. The District shall have the right and authority to assign, with prior written notification to Valley, any and all rights of use, and all obligations associated with, the General Water Rights Easements that are granted to and accepted by the District herein to any transferee of the Subject Water Rights, which rights and obligations shall be appurtenant to fee simple title to, and may not be conveyed or transferred separate from conveyance or transfer of fee simple title in and to, the Subject Water Rights and Easements.

9. Additional Documents or Actions. The parties agree to execute any additional documents and to take any additional action that is necessary to carry out this Easement Deed and Agreement.

10. Non-merger. Any provision of this Easement Deed and Agreement that has not been fully performed at the time that Valley conveys to the District the Subject Water Rights and Easements shall survive the conveyance and its recording. This Easement Deed and Agreement shall be recorded by the District with the Douglas County Clerk and Recorder.

11. Notices. All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed effective: (a) upon receipt, if personally delivered; (b) five (5) days after date of posting, if mailed, certified mail, return receipt requested; or (c) one day after deposit with a reputable overnight carrier, to the following addresses:

To Purchaser:

Larry Moore
Roxborough Park Metropolitan District
6222 North Roxborough Park Road
Littleton, CO 80125

With a copy to:
Gary R. White, Esq.
White, Bear and Ankele, P.C.
1805 Shea Center Drive, Suite 100
Highlands Ranch, CO 80129

and

Steven P. Jeffers, Esq.
Bernard, Lyons, Gaddis & Kahn, P.C.
P.O. Box 978
Longmont CO 80502-0978

To Seller:

P. David Crane, Co-Manager
Valley Development Group, LLC
10579 W. Bradford Road, Suite 107
Littleton, CO 80127

With a copy to:
Robert E. Schween, Esq.
Robert E. Schween, P.C.
P. O. Box 262104
Littleton, CO 80163-2104

and

Ernest F. Fazekas II, Esq.
Folkestad & Fazekas, P.C.
316 Wilcox Street
Castle Rock, CO 80104

Such addresses may be changed by any party by notice to the others in the manner provided above.

IN WITNESS WHEREOF, the parties have executed this Easement Deed and Agreement as of the date set forth above.

VALLEY DEVELOPMENT GROUP, LLC

By:_____
P. David Crane, Manager

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of January, 2005, by P. David Crane, as Manager of Valley Development Group, LLC.

Witness my hand and official seal.
My commission expires: _____

_____
Notary Public

ROXBOROUGH PARK METROPOLITAN DISTRICT

By:_____
Its: _____

ATTEST:

By:_____
Its: Secretary

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of January, 2005, by _____ as _____, and _____ as _____, of Roxborough Park Metropolitan District.

Witness my hand and official seal.
My commission expires: _____

_____
Notary Public

Assessments. All financial and other records of the Association shall be made reasonably available for examination by any Owner and such Owner's authorized agents.

The Association, and individual Owners, shall comply with the Findings of Fact, Conclusions of Law, Ruling of the Referee, and Decree of the Water Court issued in Case No. 98-CW-262 ("Decree"), a true and correct copy of which is attached hereto as Exhibit C. Specifically, the Association shall keep accurate records of all withdrawals from each well with the Project and shall submit such records or a summary thereof to the Water Division No. 1 Engineer annually or as otherwise required. A totalizing flow meter must be installed on each well prior to withdrawing water therefrom. Further, the Association shall be obligated to make up any deficit, if it is determined that the return flows described in paragraph 11B(1) of the Decree are inadequate to fully replace modeled stream depletions. Such deficits shall be made up by direct discharge of non-tributary ground water to the stream to the extent necessary. The Association may have the obligation to construct the Lamunde Foothill well in the future to replace stream depletions which occur after pumping from the Denver aquifer ceases. Withdrawal for combined domestic, lawn and garden irrigation, and stock watering uses shall not exceed the average annual amount of 2.5 acre feet per Parcel. The Association shall be responsible to comply with all of Applicant's obligations under the Decree.

The Association shall maintain records showing the metered withdrawals from all wells within the Project, including any replacement or additional wells therein, and calculated return flows on an accounting form acceptable to the Division 1 Engineer. A summary report shall be submitted to both the Water Division 1 Engineer and the State Engineer annually. A proposed accounting form to satisfy these requirements is attached to Exhibit D of the Decree. The failure of any Owner or the Association to comply with the terms of the Decree may result in an order of the Division Engineer to curtail pumping of the Owners' wells.

Section 5.2. Grants and Reservations of Easements. Declarant, hereby grants, sells, conveys and dedicates to the Association for the common use of the Association, and the Owners, Occupants, their tenants, guests, servants, invitees, successors and assigns the following easements: The non-exclusive 40 foot emergency access and utility easements shown on the Survey. All of the easements granted hereby, if any, and all improvements constructed thereon are Common Elements owned by the Association.

Declarant hereby creates and reserves for the benefit of the Association, it successors and assigns, perpetual and non-exclusive easements over the Parcels as may be necessary and appropriate for the Association to perform its duties and functions as necessary under this Declaration. Declarant has created and hereby creates and reserves for the benefit of the Board of County Commissioners of the County of Douglas, State of Colorado such maintenance, slope, drainage and utility easements as may be necessary or desirable in connection with the construction of roads within the Property whether or not such easements are shown on the Survey.

Declarant hereby reserves to itself, its successors and assigns a perpetual, non-exclusive

99070471 - 08/12/99 08:09 - CAROLE R. MURRAY DOUGLAS CO. COLO. CLERK & RECORDER
B1743 - P1295 - $290.00 - 15/ 58

ATTACHMENT A
(1 of 3)

blanket easement and rights-of-way in, over, across, under and through the Project for all uses necessary or convenient for drilling, completion, construction or installation of water wells, pipelines, pumps, motors and electrical equipment and the pumping, piping, production and delivery of water from water wells, irrigation ditches, water storage ponds and for construction, operation, maintenance, repair, replacement and removal of underground utility lines by Declarant, its successors and assigns, and by utility providers as permitted by Declarant. All wells, pipelines, pumps, motors and electrical equipment shall be located underground or flush with the surface of the ground and will not generate noise at levels which will be a nuisance to Owners. Declarant hereby agrees to restore and repair any damaged area as nearly as reasonably possible to its original condition, to replace any soil removed so as to prevent erosion, to remove any excess earth or rocks and to remove any drilling mud resulting from said construction, operation, maintenance, repair, replacement or removal, at Declarant's sole cost and expense. Declarant agrees that it will maintain continuous vehicular and pedestrian access to any Parcel or Tract while constructing, operating, maintaining, repairing, replacing, or removing any water wells, pipelines, underground utility lines, pumps, motors or electrical equipment.

Section 5.3. Exceptions to Title. The Property is subject to the matters set forth in Exhibit B attached, and such easements as are shown on the Survey including, without limitation, that certain Conservation Easement affecting Tracts A, B and C described in Section 2.13, and recorded prior to the Declaration.

The Property is also subject to all roads, maintenance, slope, drainage and utility easements which will be conveyed to Douglas County by deed recorded after this Declaration.

Section 5.4. Association Powers. The Association has been formed to further the common interests of its members. The Association, acting through its Board of Directors or persons to whom said Board of Directors has delegated such powers, shall have the duties and powers hereinafter set forth, as well as the power to do anything which may be necessary or desirable to further the common interests of the Owners to maintain, improve and enhance the Common Elements and to improve and enhance the attractiveness and desirability of The Lambert Ranch.

Section 5.5. Actions by Board of Directors. Except as specifically otherwise provided in this Declaration, the Bylaws or the Act, the Board of Directors may act in all instances on behalf of the Association; provided however, the Board may not act on behalf of the Association to amend this Declaration, to terminate the Project, or to elect members of the Board of Directors, or to determine the qualifications, powers and duties, or terms of office of members of the Board of Directors. The Board of Directors may, however, fill vacancies in its membership for the unexpired portion of any term.

Section 5.6. Board of Directors Meetings. All meetings of the Board of Directors at which action is taken by vote will be open to Owners, except meetings of the Board of Directors may be held in executive session, without giving notice and without the requirement that they be open to Owners in the following situations: (a) no action is taken at the executive session requiring the

99070471 - 08/12/99 08:09 - CAROLE R. MURRAY DOUGLAS CO. COLO. CLERK & RECORDER
B1743 - P1296 - $290.00 - 16/ 58

ATTACHMENT A
(2 of 3)

Committee from granting or denying a variance in any other instance or circumstance.

Section 8.17. Water/Water Rights. Declarant is expressly allowed, and has reserved to itself, its successors and assigns, the right to install, develop, operate, maintain, repair, replace and construct any and all facilities including utilities, necessary or desirable to extract, transfer or export water from the Project for all beneficial uses in accordance with and subject to the provisions of Section 5.2. All such facilities may be constructed without the approval of the Committee.

ARTICLE 9. SPECIAL DECLARANT RIGHTS

Section 9.1. Special Declarant Rights. Declarant hereby reserves the right, from time to time, to perform the acts and exercise the rights hereinafter specified (the "Special Declarant Rights"). Declarant's Special Declarant Rights include the following:

A. Completion of Improvements. The right to complete improvements indicated on the Survey, and roads, utility service lines, culverts and other improvements on the Common Elements, whether or not indicated on the Survey.

B. Exercise of Development Rights. The right to exercise any Development Right reserved in Article 10 of this Declaration.

C. Sales Management and Marketing. The right to maintain signs advertising the Project on any Parcel owned by Declarant, and in the Common Elements; the right to maintain sales offices, management offices, and models, on any Parcel owned by Declarant, and in the Common Elements.

D. Construction Easements. The right to use easements through the Common Elements for the purpose of making improvements within the Project, including real estate which may be added to the Project.

E. Control of Association and Board of Directors. The right to appoint or remove any member of the Board of Directors appointed by Declarant during the Period of Declarant Control.

F. Dedications. The right to establish, by dedication or otherwise, on or over the Common Elements, utility and other easements for purposes including but not limited to streets, paths, walkways, drainage, recreation, parking, and conduit installation to serve the Project.

G. Merger. The right to merge or consolidate the Project with another common interest community of the same form of ownership.

H. Master Association. The right to make the Project subject to a master association.

99070471 - 08/12/99 08:09 - CAROLE R. MURRAY DOUGLAS CO. COLO. CLERK & RECORDER
B1743 - P1307 - $290.00 - 27/ 58

ATTACHMENT A
(3 of 3)

roadways referenced herein shall require drainageways and cut and fill slopes, and that the construction of these drainage structures, and cut and fill slopes, shall be within drainage and slope easements to be conveyed to Douglas County in accordance with the terms of the Rural Site Plan Improvements Agreement contemporaneously executed by Grantor and Grantee..

h. Public Access. Nothing contained herein shall be construed as affording the public access to any portion of the Easement Property subject to this Easement. Nothing in this Easement shall be construed to preclude the Grantor's right to grant limited public access to third parties across the Easement Property. All access, whether by third parties or Grantor, shall be achieved in a reasonable manner that does not result in the disturbance or degradation of the Easement Property or in a material adverse change to or impairment of the Conservation Values.

i. Water Rights. Grantor shall retain and reserve the right to use water rights sufficient to maintain and improve the Conservation Values of the Easement Property, and shall not transfer, encumber, lease, sell or otherwise separate water rights sufficient to maintain and improve the Conservation Values of the Easement Property from the title to the Easement Property itself.

j. Water Facilities. Grantor shall reserve the right to install, develop, operate, maintain, repair, replace and construct any and all facilities including utilities, necessary or desirable to extract, store, transfer, or export water from the Easement Property; provided, however, that the rights reserved to Grantor in this section shall not be undertaken in a manner which would result in a material adverse change to or impairment of the Conservation Values.

Grantor's reservation of rights includes a perpetual, non-exclusive blanket easement and rights-of-way in, over, across, under and through the Easement Property for all uses necessary or convenient for drilling, completion, construction, or installation of water wells, pipelines, pumps, motors, and electrical equipment, and the pumping, piping, production, and delivery of water from water wells, irrigation ditches, water storage ponds, and for construction, operation, maintenance, repair, replacement, and removal of underground utilities by Grantor. All wells, pipelines, pumps, motors, and electrical equipment shall be located underground or flush with the surface of the ground and shall not generate noise at levels which will constitute a nuisance, or will result in a material adverse change to or impairment of wildlife movement or habitat. Grantor shall restore and repair any damaged area as nearly as reasonably possible to its original condition, shall replace any soil removed so as to prevent erosion, shall remove any excess earth or rocks and drilling mud resulting from said construction, operation, maintenance, repair, replacement, or removal, at Grantor's sole cost and expense. Grantor shall take reasonable measures to minimize disturbance to the surface of the Easement Property. Grantor does not require Grantor's approval to

99070472 - 08/12/99 08:12 - CAROLE R. MURRAY DOUGLAS CO. COLO. CLERK & RECORDER - 4/ 15
B1743 - P1342 - $75.00 - D.F. EXEMPT

ATTACHMENT B
(1 of 2)

exercise any of the rights reserved in this section. However, Grantor shall give prior notice to Grantee of its intent to exercise any of the rights reserved in this section.

k. Threatened or Endangered Species. The Preble's meadow jumping mouse has been found upon the Easement Property. Grantor shall not undertake any action on the Easement Property which causes a violation of the Endangered Species Act.

l. Livestock Grazing. Livestock and horse grazing is permitted to the extent that it does not result in a material adverse change to or impairment of the Conservation Values of the Easement Property.

m. Fencing. Pasture fencing located outside Tract C is permitted pursuant to the following requirements: height may not exceed a maximum of 40 inches and shall not interfere with the movement of wildlife, shall not be painted, and may but need not be stained a natural color. Grantor shall maintain all fencing in good repair, ordinary wear and tear excepted. The existing fencing is exempt from these requirements. However, replacement of the existing fencing shall meet the requirements contained within this section.

n. Weed Control. Grantor will make reasonable attempts to control noxious weeds. The use of agri-chemicals for control of weeds or pests is permitted.

o. Equipment storage. Farm implements, machinery, and all other materials and equipment may only be stored within Tract C.

p. Passive Recreational Uses. Trails, picnic tables and related passive pedestrian shelters or wildlife shelters are permitted, provided that they do not result in a material adverse change to or impairment of the natural character of the site or the movement of wildlife through the Easement Property. Grantor does not require Grantee's approval to exercise any of the rights reserved in this section. However, Grantor shall give prior notice to Grantee of its intent to exercise any of the rights reserved in this section.

q. Tract C. Routine maintenance of existing buildings and fences within Tract C is permitted. Construction within Tract C of new buildings, fences, arenas, or other facilities for use as a Recreational Facility Community, as that term is defined in the Douglas County Zoning Resolution or for use as a horse facility is permitted but must comply with Douglas County Zoning regulations under the Agricultural One (A-1) Zone District. Construction of new buildings, arenas, fences or other facilities outside of Tract C is prohibited unless otherwise expressly permitted by the terms of this Deed. Any new fencing within the 100 year floodplain shall require the prior approval of Grantee.

E:\DATA\WPT\Landowners\Conv. Deed Draft.wpd
July 21, 1999 (11:08AM)

99070472 - 08/12/99 08:12 - CAROLE R. MURRAY DOUGLAS CO. COLO. CLERK & RECORDER
B1743 - P1343 - $75.00 - D.F. EXEMPT - 5/ 15

ATTACHMENT B
(2 of 2)

A 30 foot wide access easement across Tract B of The Lambert Ranch Rural Site Plan - Phase II as recorded in Reception No. 99070470 of the records of Douglas County, situate in the Northeast Quarter of Section 21, Township 7 South, Range 68 West of the 6th P.M., County of Douglas, State of Colorado. Being more particularly described as follows:

Commencing at the Center Quarter corner of said Section 21, thence N02°51'44"E a distance of 595.00 feet to the Point of Beginning; thence N07°24'59"W a distance of 30.00 feet; thence N82°35'01"E a distance of 42.83 feet; thence S84°56'6"E a distance of 49.61 feet; thence N83°38'58"E a distance of 75.19 feet; thence N77°20'11"E a distance of 98.86 feet; thence N44°19'36"E a distance of 37.65 feet; thence N23°18'54"E a distance of 46.63 feet; thence N09°23'05"E a distance of 75.79 feet; thence N24°32'57"E a distance of 43.25 feet; thence N54°08'11"E a distance of 126.01 feet to a point on the Westerly Right-of-Way line of Lambert Ranch Trail as recorded on said The Lambert Ranch Rural Site Plan - Phase II; thence along said Right-of-Way line 33.42 feet along the arc of a 680.00 foot radius non-tangent curve to the left having a central angle of 02°48'56" and subtending a chord bearing S9°44'42"E a distance of 33.41 feet; thence S54°08'11"W departing said Right-of-Way line a distance of 103.38 feet; thence S24°32'57"W a distance of 31.33 feet; thence S09°23'05"W a distance of 75.46 feet; thence S23°18'54"W a distance of 55.86 feet; thence S44°19'36"W a distance of 52.10 feet to a point on the North line of Lambert Ranch Pond as recorded in Book 1583 at Page 215 of the records of said county; thence along said north line the following two (2) courses: (1) thence S77°20'11"W a distance of 109.40 feet; (2) thence S83°38'58"W a distance of 79.85 feet; thence N84°56'06"W departing said north line a distance of 49.33 feet; thence S82°35'1"W a distance of 39.55 feet to the Point of Beginning.

Said parcel contains 17877 square feet (0.4104 acres) more or less.

Basis of Bearing:
Bearings are based upon the West line of the Southwest Quarter of the Northeast Quarter of Section 21, Township 7 South, Range 68 West of the 6th P.M. as shown on The Lambert Ranch Rural Site Plan - Phase II recorded in Reception No. 99070470 of the records of Douglas County. Said line being monumented at both ends by a 2 1/2" aluminum cap stamped ARCHER & ASSOC.-LS 6935-1988. Said line bears N00°42'10"W.

COLORADO REGISTERED LAND SURVEYOR

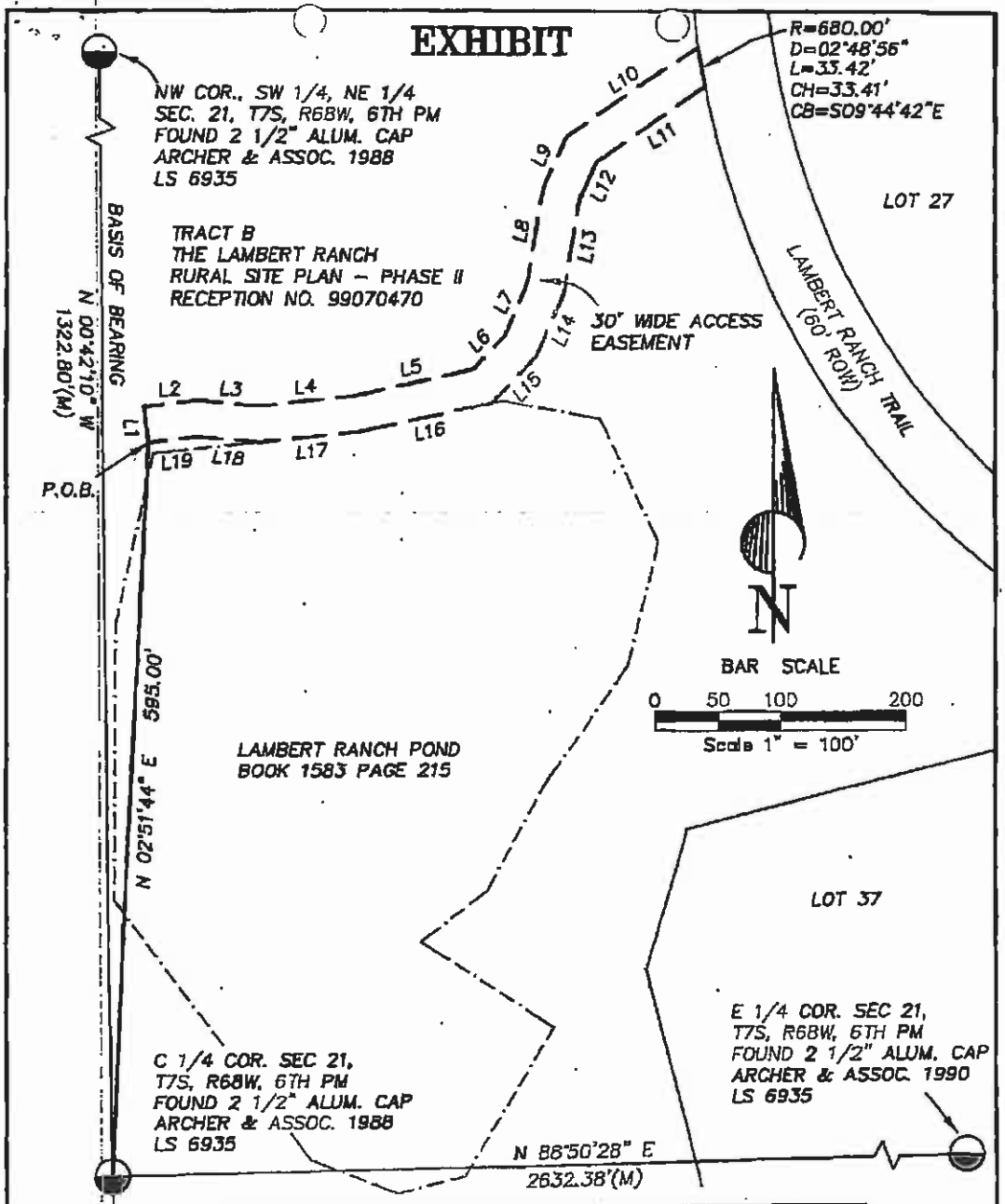
Michael D. Shemanek, PLS 17488
For and on behalf of
Mountain Surveying & Mapping, Inc.
8751 E. Hampden Ave., Suite B-1
Denver, CO 80231

12-A-04

Sheet 1 of 2

ATTACHMENT C
PAGE 1 OF 2

EXHIBIT



LINE	DISTANCE	BEARING
L1	30.00'	N 07°24'59" W
L2	42.83'	N 82°35'01" E
L3	49.61'	S 84°56'06" E
L4	75.19'	N 83°38'58" E
L5	98.86'	N 77°20'11" E
L6	37.65'	N 44°19'36" E
L7	46.63'	N 23°18'54" E
L8	75.79'	N 09°23'05" E
L9	43.25'	N 24°32'57" E
L10	126.01'	N 54°08'11" E

LINE	DISTANCE	BEARING
L11	103.38'	S 54°08'11" W
L12	31.33'	S 24°32'57" W
L13	75.46'	S 09°23'05" W
L14	55.86'	S 23°18'54" W
L15	52.10'	S 44°19'36" W
L16	109.40'	S 77°20'11" W
L17	79.85'	S 83°38'58" W
L18	49.33'	N 84°56'06" W
L19	39.55'	S 82°35'01" W

COUNTY OF DOUGLAS, COLORADO

NOTE: THIS DOES NOT REPRESENT A MONUMENTED SURVEY. IT IS INTENDED ONLY TO DEPICT THE ATTACHED DESCRIPTION.

A 30' WIDE ACCESS EASEMENT SITUATE IN THE NE 1/4 OF SECTION 21, TOWNSHIP 7 SOUTH, RANGE 68 WEST OF THE 6th P.M., COUNTY OF DOUGLAS, STATE OF COLORADO.

AREA OF PARCEL: 17877 SQ. FT.

CALC:	DAW	DATE: 12/13/04	
DRWN:	DAW	COMMIT. NO.	
JOB NO.	04077		
DWG. NAME:	04077EASE	SHEET 2 OF 2	

EXHIBIT 6

VALLEY DEVELOPMENT GROUP LLC
10579 BRADFORD ROAD, #107 – LITTLETON, CO 80123
303-948-0060 – FAX 303-979-8825

January 5, 2004

Mr. Mitch Chambers
Mulhern MRE, Inc.
2 Inverness Drive East, Suite 200
Englewood, CO 80112

RE: Water Rights Purchase and Sale Agreement, Lambert Ranch

Dear Mitch:

Per the terms of the agreement, we are enclosing copies of the following documents:

MEADOW DITCH

a. *Water Rights Evaluation for the Lambert Ranch,* Simons, Li & Associates, Inc., December 15, 1983;
b. *Lambert Ranch Water Rights,* Timothy R. Buchanan, P.C., April 2, 1996;
c. *Lambert Ranch Surface Water Rights,* McLaughlin Water Engineers, Ltd., July 16, 1996;
d. *Evaluation of Water Rights/Lambert Ranch,* Holly I. Holder, P.C., July 18, 1996;
e. *Historical Use of the Meadow Ditch,* Helton & Williamsen, P.C., August 21, 2000;
f. *Meadow Ditch-Case No.00CW231,* Helton & Williamsen, P.C., July 30, 2001.

GROUNDWATER

a. *Water Availability, Lambert Property,* W.C.Wells & Co., Inc., January 5, 1984;
b. *Bedrock Aquifer Water Rights Analysis,* HRS Water Consultants, Inc., March 6, 1987;
c. *Application for Water Rights of Sir Francis Dashwood,* Carlson, Hammond & Paddock, June 11, 1992;
d. *Decree of the Water Court – 87CW300,* District Court, Water Division No, 1, State of Colorado, June 18, 1992.

LAMBERT RESERVOIR # 3

a. *Request for design data for acceptance of construction,* Jack G. Byers, Assistant State Engineer, Colorado Department of Natural Resources, February 25, 1999;
b. *Geotechnical Investigation, Lambert #3 Dam,* CTC-GEOTEK, Inc., May 20, 1999;
c. *Overall Drainage Report for Indian Creek,* Rocky Mountain Consultants, Inc., July 30, 1999;
d. *Lambert #3 Dam,* Gregory G. Hammer, P.E., Senior Professional Engineer, Colorado Department of Natural Resources, August 27, 1999;
e. *Clay Lining, Lambert #3 Dam,* CTC-GEOTEK, INC., September 28, 1999;
f. *Lambert #3 Dam,* Gregory G. Hammer, P.E., Senior Professional Engineer, Colorado Department of Natural Resources, October 23, 2001;
g. *Response to Mr. Hammer's letter,* Stan Brown, Valley Development Group, LLC, January 2, 2004.

MICELLANEOUS

a. Recorded Rural Site Plan for Lambert Ranch, August 12, 1999;
b. Recorded Covenants for Lambert Ranch, August 12, 1999;
c. Recorded Conservation Easement for Lambert Ranch, August 12, 1999;
d. Special Warranty Deed conveying Lambert Ranch surface water rights and easements from the Estate of Sir Francis Dashwood to Valley Development Group, LLC, October 16, 2000.
e. Marketing Brochure and materials, including contract form used for selling Lambert lots and the form of special warranty deed used to convey groundwater rights to lot purchasers.

In addition, we are enclosing for your review the files on Water Court Cases 98CW262, 00CW231, and 02CW058, all pertinent to the Lambert Ranch water rights. Due to their voluminous nature we felt it best to do it this way. Please feel free to copy any of the materials that are of interest.

We have initiated the title work on the groundwater and expect to have the title opinion to you in a few days. Undoubtedly many questions will arise and we are available at your convenience to discuss them with you. We are excited to be off and running on this transaction at last.

Sincerely,

P. David Crane, Co-Manager
Valley Development Group, LLC

EXHIBIT 7

THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

SELLER'S PROPERTY DISCLOSURE
(VACANT LAND)

THIS DISCLOSURE SHOULD BE COMPLETED BY SELLER, NOT BY BROKER.
If the Property Includes A Residence, attach Seller's Property Disclosure (Residential) (LC-18-1-03).

Seller states that the information contained in this Disclosure is current to the best of Seller's CURRENT ACTUAL KNOWLEDGE as of this Date. Broker may deliver a copy of this Disclosure to prospective buyers.

The Property for which this disclosure is made includes the "Subject Water Rights" as described in Section 2.1 of the Water Rights Purchase and Sale Agreement between Valley Development Group, LLC and Roxborough Park Metropolitan District ("Purchase Agreement"), the "Physical Facilities" described in Section 6.3 of the Purchase Agreement, and the land upon which the Easements described in Section 10 of the Purchase Agreement are located or will be located.

Date: January 14, 2004

Property Address: N/A

Seller: Valley Development Group, LLC

A.	USE AND ACCESS:	Yes	No	Do Not Know	COMMENTS/EXPLANATION
1	Current use of the Property				
2	Describe any access problems				
3	Roads, driveways, trails or paths through the Property used by others	X			Private open space trails
4	Public highway or county road border the Property	X			Public roads per plat
5	Encroachments, boundary disputes, unrecorded easements		X		
6	Notice of zoning action related to the Property		X		
7	Zoning violations, variances, conditional use or non-conforming use		X		
8	Crops being grown on the Property	X			Hay and alfalfa
9	Seller owns all crops		X		Owned by Homeowner's Association
10	Livestock on the Property		X		Has been in the past
11	Any land leased from others ☐ State ☐ BLM ☐ Federal ☐ Private ☐ Other		X		
12	Any part of the Property leased to others (written or oral)		X		
13	Conservation Easement	X			
14	Other easements	X			See title opinions/policies
15					

B.	WATER AND SEWER	Yes	No	Do Not Know	COMMENTS/EXPLANATION
1	Type of water supply: ☐ Public ☐ Community ☐ Well ☐ Shared Well ☐ Cistern ☐ None ☐ Other If the Property is served by a well, supply to Buyer a copy of the well permit. Well Permit # _____ Water Company Name: _____			N/A N/A	
2	Water tap fees paid				
3	Water rights	Yes.	o		If yes, Identify: Described in Section 2.1 of the Water Rights Purchase and Sale Agreement.
4	Type of sanitary sewer service: ☐ Public ☐ Community ☐ Septic System ☐ None ☐ Other ☐ Tank ☐ Leach ☐ Lagoon			N/A	
5	Sewer tap fees paid			N/A	
6					

C.	ENVIRONMENTAL CONDITIONS To Seller's current actual knowledge, do any of the following conditions now exist or have they ever existed:	Yes	No	Do Not Know	COMMENTS/EXPLANATION
1	Hazardous materials on the Property, such as radioactive materials, toxic materials, asbestos, pesticides, wastewater and other sludge, radon, methane, or oil	X			Weed killers and pesticides used in agricultural operation
2	Underground or above ground storage tanks	X			Propane and water storage
3	Underground irrigation lines	X			Gas, electric and telephone
4	Governmentally designated geological hazard or sensitive area		X		
5	Environmental assessments, studies or reports done involving the physical condition of the Property	X			Phase I environmental study
6	Sliding, settling, upheaval, movement or instability of earth, or expansive soil of the Property		X		
7	Property used as, situated on, or adjacent to, a dump, land fill, or municipal solid waste land fill		X		
8	Within governmentally designated Flood Plain area	X			
9	Received any notice that a portion of the Property is a governmentally designated wetland area		X		
10	Property used for any mining, gravelling, or other natural resource extraction operations such as oil and gas wells		X		
11	Diseased or infested trees or shrubs			X	
12	Endangered species on the Property		X		Preble Mouse is threatened species
13	Archeological features, fossils or artifacts on the Property			X	
14	Mine shafts, tunnels or abandoned wells on the Property			X	
15					
16					

D.	NOXIOUS WEEDS The Colorado Weed Management Act became law on January 1, 1992. The law requires that every county or municipality in Colorado adopt a weed management plan, outlining the rules governing identification and method of eradication. The State of Colorado has identified PURPLE LOOSESTRIFE, SPOTTED KNAPWEED, MUSK THISTLE, LEAFY SPURGE, CANADIAN THISTLE, DIFFUSE KNAPWEED, RUSSIAN KNAPWEED, DALMATION TOADFLAX and YELLOW TOADFLAX, among others, as noxious weeds.				
	To Seller's current actual knowledge, have any of the following occurred to the Property within the last 3 years:	Yes	No	Do Not Know	COMMENTS/EXPLANATION
1	Identification of noxious weeds	X			Primarily nap weed
2	Subject to a written weed control plan		X		
3	Herbicides applied	X			
4	Biological agents or insects released on any of the noxious weeds		X		
5					
6					

E.	OTHER DISCLOSURES To Seller's current actual knowledge, do any of the following conditions now exist:	Yes	No	Do Not Know	COMMENTS/EXPLANATION
1	Special assessments or increases in regular assessments approved by owners' association but not yet implemented		X		
2	Notice or threat of condemnation or eminent domain proceedings		X		
3	Other legal action pending or threatened against or affecting the ownership, use or value of the Property, including any claims asserted or threats of adverse possession, or other rights in or against the Property		X		
4	Governmental special improvements approved but not yet installed, which may become a lien against the Property		X		
5	Any part of the Property enrolled in any governmental programs such as Conservation Reserve Program (CRP), Wetlands Reserve Program (WRP), etc.		X		

6	Any orders, permitting or administrative mandates or proceedings pending or threatened against or affecting the operation, use, repair or replacement of the Property		X		
7	Any contractual obligations to or claims of contractual obligations by any person affecting the operation or use of the Property		X		
8	Any damage to the Property	X			Head gate & ditch channel needs repair
9	Any claims of abandonment of the Property		X		

Seller and Buyer understand that the real estate brokers do not warrant or guarantee the above information on the Property. Property inspection services may be purchased. This form is not intended as a substitute for an inspection of the Property.

ADVISORY TO SELLER:

- **Failure to disclose a known material defect may result in legal liability.**

The information contained in this Disclosure has been furnished by Seller, who certifies to the truth thereof based on Seller's CURRENT ACTUAL KNOWLEDGE. Any changes will be disclosed by Seller to Buyer promptly after discovery. Seller hereby receipts for a copy of this Disclosure.

Valley Development Group, LLC, P. David Crane, Manager — Seller

Seller

Date of Seller's Signature: January 14, 2004

Seller's Email Address: _____

Seller

Date of Seller's Signature: _____

Seller's Email Address: _____

ADVISORY TO BUYER:

- **Even though Seller has answered the above questions to the best of Seller's current actual knowledge, Buyer should obtain expert assistance to accurately and fully evaluate the Property regarding use and access, water, sewer, other utilities, environmental and geological conditions, noxious weeds and other matters which may affect Buyer's use of the Property. Valuable information may be obtained from various local/state/federal agencies, and other experts may perform more specific evaluations of the Property.**

- **Boundaries, location and ownership of fences, driveways, hedges, and similar items may become matters of dispute. A survey may be used to determine such matters.**

Buyer acknowledges that Seller does not warrant that the Property is fit for Buyer's intended purposes or use of the Property. Buyer hereby receipts for a copy of this Disclosure.

Rockbrough Lake Mutual Ditch Co. — Buyer

Buyer

Date of Buyer's Signature: _____

Buyer's Email Address: _____

Buyer

Date of Buyer's Signature: 1-21-2004

Buyer's Email Address: larng@nath2o.org

EXHIBIT 8

FORM OF QUITCLAIM DEED

THIS QUITCLAIM DEED, dated _____, 2005, given by ROXBOROUGH PARK METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"), whose legal address is 6222 North Roxborough Park Road, Littleton, CO 80125, of the County of Douglas, and State of Colorado, to VALLEY DEVELOPMENT GROUP, LLC, a Colorado limited liability company ("Valley Development"), whose legal address is 10579 W. Bradford Road, Suite 107, Littleton, CO 80127, of the County of Douglas and State of Colorado.

WITNESS, that the District, for and in consideration of the sum of TEN DOLLARS ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has remised, released, sold and QUITCLAIMED, and by these presents does remise, release, sell and QUITCLAIM unto Valley Development, its successors and assigns, forever, all the right, title, interest, claim and demand which the District has in and to the rights and property granted in that certain Easement Deed and Agreement dated January ___, 2005, and recorded on January ___, 2005, in the office of the Clerk and Recorder for Douglas County, Colorado.

TO HAVE AND TO HOLD the same, together with all and singular the appurtenances and privileges thereunto belonging, or in anywise thereunto appertaining, and all the estate, right, title, interest and claim whatsoever of the District, either in law or equity, to the only proper use, benefit and behoof of the District, its successors and assigns forever.

IN WITNESS WHEREOF, the District has executed this Quitclaim Deed as of the date set forth above.

ROXBOROUGH PARK METROPOLITAN DISTRICT

By:_____
Its:_____

ATTEST:

By:_____
Its: Secretary

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of January ___, 2005, by _____ as _____, and _____ as _____, of Roxborough Park Metropolitan District.

Witness my hand and official seal.
My commission expires: _____

_____
Notary Public

ESCROW AGREEMENT

Escrow Number: 200-H0030399-05
JSI

The undersigned deposit with First American Heritage Title Company, as Escrow Agent, the funds set forth in Schedule A, to be held by said Escrow Agent subject to the terms hereof and the Special Instructions set forth in Schedule B. The provisions of Attachment A ("General Provisions"), attached hereto, are by this reference incorporated herein.

IN WITNESS WHEREOF, the undersigned have hereunto affixed their signatures and hereby adopt as a part of this instrument Schedules A and B hereto attached.

VALLEY DEVELOPMENT GROUP, LLC

By: P. D. C.
P. David Crane, Manager
Address:
10579 W. Bradford Road, Suite 107
Littleton, CO 80127

ROXBOROUGH PARK METROPOLITAN DISTRICT

By: David R. Helat
Its: President
Address:
6222 North Roxborough Park Road
Littleton, CO 80125

Number of copies signed: 1

Escrow fees to be as follows:

(a) Setting up fee $_____
(b) Annual fee $_____
(c) Miscellaneous $_____

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 11th day of January, 2005, by P. David Crane, as Manager of Valley Development Group, LLC.

Witness my hand and official seal.
My commission expires: My Commission Expires 1/18/2008

Victoria C. Nolen
Notary Public

VICTORIA C. NOLEN NOTARY PUBLIC STATE OF COLORADO

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 11th day of January, 2005, by David R. Helat as President, of Roxborough Park Metropolitan District.

Witness my hand and official seal.
My commission expires: My Commission Expires 1/18/2008

Victoria C. Nolen
Notary Public

VICTORIA C. NOLEN NOTARY PUBLIC STATE OF COLORADO

Date: _____

Accepted:

Escrow Officer

ATTACHMENT A

GENERAL PROVISIONS

1. The instructions may be supplements, altered, amended, modified or revoked by writing only signed by all of the parties hereto, and approved by the Escrow Agent, upon payment of all fees, costs and expenses incident thereto.

2. No assignment, transfer, conveyance or hypothecation of any right, title or interest in and to the subject matter of this Escrow shall be binding upon the Escrow Agent unless written notice thereof shall be served upon the Escrow Agent and all fees, costs and expenses incident thereto shall have been paid and then only upon the Escrow Agent's assent thereto in writing.

3. All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed effective: (a) upon receipt if personally delivered, (b) five days after date of posting, if mailed, certified mail, return receipt requested, or (c) one day after deposit with a reputable overnight carrier, to the following addresses:

To Purchaser:

Larry Moore
Roxborough Park Metropolitan District
6222 North Roxborough Park Road
Littleton, CO 80125

With a copy to:

Gary R. White, Esq.
White, Bear and Ankele, P.C.
1805 Shea Center Drive
Suite 100
Highlands Ranch, CO 80129

To Seller:

P. David Crane, Co-Manager
Valley Development Group, LLC
10579 W. Bradford Road, Suite 107
Littleton, CO 80127

With a copy to:

Ernest F. Pazakas II, Esq.
Pollestad & Pazakas, P.C.
316 Wilcox Street
Castle Rock, CO 80104

4. The Escrow Agent may receive any payment called for hereunder after the due date thereof unless subsequent to the due date of such payment and prior to the receipt thereof the Escrow Agent shall have been instructed in writing to refuse any such payment.

5. The Escrow Agent shall not be personally liable for any act it may do or omit to do hereunder as such agent, while acting in good faith and in the exercise of its own best judgment, and any act done or omitted by it pursuant to the advise of its own attorneys shall be conclusive evidence of such good faith.

6. The Escrow Agent is hereby expressly authorized to disregard any and all notices or warnings given by any of the parties hereto, or by another persons, firm or corporation, excepting only orders or process of court, and is hereby expressly authorized to comply with and obey any and all process, orders, judgments or decrees of any court, and in case the Escrow Agent obeys or complies with any such process, order, judgment or decree it shall not be liable to any of the parties herein or to any other person, firm or corporation by reason of such compliance, notwithstanding any such process, order, judgment or decree be subsequently reversed, modified annulled, set aside or vacated, or found to have issued or entered without jurisdiction.

7. In consideration of the acceptance of this escrow by Escrow Agent, the undersigned agree, jointly and severally, for themselves, their heirs, legal representatives, successors and assigns, to pay the Escrow Agent its charges hereunder and to indemnify and hold it harmless as to any liability by it incurred to any other person, firm or corporation by reason of its having accepted the same, or its carrying out any of the terms thereof, and to reimburse it for all its expenses, including, among other things, counsel fees and court costs incurred in connection herewith; and that the Escrow Agent shall have a first and prior lien upon all deposits made hereunder to secure the performance of said agreement of indemnity and payment of its charges and expenses, hereby expressly authorizing the Escrow Agent, in the event payment is no received promptly from the undersigned, to deduct such charges and expenses, without previous notice, from any funds deposited hereunder. Escrow fees or charges, as distinguished from other expenses hereunder, shall as written above the Escrow Agent's signature at the time of the acceptance hereof.

8. The Escrow Agent shall be under no duty or obligation to ascertain the identity, authority or rights of the parties executing or delivering or purporting to execute or deliver these instructions or any documents or papers or payments deposited or called for hereunder, and assumed no responsibility or liability for the validity or sufficiency of these instructions or any documents or papers or payments deposited or called for hereunder.

9. The Escrow Agent shall not be liable for the outlawing of any rights under any Statute of Limitations or by reason of laches in respect to these instructions or any documents or papers deposited.

10. In the event of any dispute between the parties herein as to the facts of default, the validity or meaning of these instructions or any other fact or matter relating to the transaction between the parties, the Escrow Agent is instructed as follows:

    a. That it shall be under no obligation to act, except under process or order of court, or until it has been adequately indemnified to its full satisfaction, and shall sustain no liability for its failure to act pending such process or court order or indemnification;

    b. That it may in its sole and absolute discretion, deposit the escrow funds described in Schedule A or so much thereof as remains in its hands with the then Clerk, or acting Clerk, of the District Court, State of Colorado in whose jurisdiction such escrow funds lies, and interplead the parties hereto, and upon so depositing such escrow funds and filing its complaint in interpleader it shall be relieved of all liability under the terms hereof as to the escrow funds so deposited, and furthermore, the parties hereto for themselves, their heirs, legal representatives, successors and assigns do hereby submit themselves to the jurisdiction of said court and do hereby appoint the then Clerk, or acting Clerk, of said court as their Agent for the service of all process in connection with such proceedings. The institution of any such interpleader action shall not impair the rights of the Escrow Agent under paragraph number 7 above.

11. The escrow funds described in Schedule A shall be placed in an interest bearing account as jointly directed by Seller and Purchaser. All interest earned on the escrow funds shall be paid to the party to whom the escrow funds are released at the time of such release.

SCHEDULE A:
SUBJECT PROPERTY

$176,550.00

SCHEDULE B
(Special Instructions)

The Escrow Funds described in Schedule A shall be held in accordance with the provisions of Section 3.3 and Section 11.2 of the Water Rights Purchase and Sale Agreement ("Agreement"), a copy of which is attached hereto and incorporated herein by reference, and shall be released from escrow in accordance with these Special Instructions.

RELEASE TO SELLER:

Escrow Agent shall release the Escrow Funds to Seller upon delivery to Escrow Agent by Purchaser of written instructions authorizing release of the Escrow Funds to Seller.

RELEASE TO PURCHASER:

Escrow Agent shall release the Escrow Funds to Purchaser as follows:

(a) Upon delivery to Escrow Agent by Seller of written instructions authorizing release of the Escrow Funds to Purchaser; or

(b) Upon delivery to Escrow Agent by Purchaser of a written request stating that the agreement has terminated and requesting release of the escrow funds to Purchaser ("Purchaser Request"). Within five (5) days after its receipt of such notice, Escrow Agent shall provide written notice (the "Escrow Agent Notice") of its receipt of the Purchaser Request to Seller in accordance with Paragraph 3 of the General Provisions, and request written instructions from Seller with respect to the release of the Escrow Funds. If Sellers delivers written instructions to Escrow Agent authorizing the release of the Escrow Funds to Purchaser, or fails to respond to Escrow Agent within fifteen (15) days after the effective date of the Escrow Agent Notice, Escrow Agent shall release the Escrow Funds to Purchaser on the next business day; or

(c) If Escrow Agent has not received any instruction or request with respect to the release of the Escrow Funds from either Seller or Purchaser prior to January 11, 2009.10 DRW

DISPUTE BETWEEN SELLER AND PURCHASER

If, after giving the Escrow Agent Notice to Seller as described hereinabove described, Escrow Agent receives a response within fifteen (15) days after the effective date of Escrow Agent Notice objecting to a release of the Escrow Funds to Purchaser, Escrow Agent shall proceed in accordance with Paragraph 10 of the General Provisions.

APPENDIX E

Financial Cost Development and Analysis
Adopted 2013 Budget
RWSD Projected Revenues and Expenditures

Appendix E. Financial Cost Development and Analysis

RWSD Secures it own raw water rights and supply			
Capital Cost			$ 56,880,000
Amortization Period (Years)		30	
Interest Rate		3.25%	
Amortized Capital Cost	$	2,996,536	
Annual O&M and Replacement Cost	$	1,550,712	
Total Annual Amortized and O&M and Replacement Cost			$ 4,547,248
Amount of Water delivered (Acre-feet/year)		1,896	
Annual Cost per Acre-foot Delivered			$ 2,398
RWSD secures treated water supply from regional supplier (WISE)			
Capital Cost			$ 42,000,000
Amortization Period (Years)		30	
Interest Rate		3.25%	
Amortized Capital Cost	$	2,212,632	
Annual O&M and Replacement Cost	$	3,051,999	
Total Annual Amortized and O&M and Replacement Cost			$ 5,264,631
Amount of Water delivered (Acre-feet/year)		1,896	
Annual Cost per Acre-foot Delivered			$ 2,777
RWSD purchases raw water from **Aurora**			
Capital Cost			$ 26,313,150
Amortization Period (Years)		30	
Interest Rate		3.25%	
Amortized Capital Cost	$	1,386,222	
Annual O&M and Replacement Cost	$	2,329,157	
Total Annual Amortized and O&M and Replacement Cost			$ 3,715,379
Amount of Water delivered (Acre-feet/year)		1,896	
Annual Cost per Acre-foot Delivered			$ 1,960
RWSD Continues leasing water agreement with **Aurora**			
Capital Cost			$ -
Amortization Period (Years)		30	
Interest Rate		3.25%	
Amortized Capital Cost	$	-	
Annual O&M and Replacement Cost	$	2,075,853	
Total Annual Amortized and O&M and Replacement Cost			$ 2,075,853
Amount of Water delivered (Acre-feet/year)		1,896	
Annual Cost per Acre-foot Delivered			$ 1,095

Roxborough Water & Sanitation District

Adopted Budget 2013

Accountant's Report

Board of Directors
Roxborough Water and Sanitation District
Douglas and Jefferson Counties, Colorado

We have compiled the accompanying forecasted budget of revenue, expenditures and fund balance/fund available of the Roxborough Water and Sanitation District for the General, Debt Service, Capital Projects, Water, and Sewer Funds for the year ending December 31, 2013, in accordance with attestation standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying budget of revenue, expenditure and fund balance/funds available or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected and those differences may be material. We have no responsibility to update this report for events or circumstances occurring after the date of this report.

The actual historical information for the year 2011 is presented for comparative purposes only. Such information is taken from the 2011 audit report of the District for the year ended December 31, 2010 as prepared by Poysti and Adams LLC, dated April 18, 2012, in which an unqualified opinion was expressed.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the district's results of operations for the forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

We are not independent with respect to Roxborough Water and Sanitation District.

Littleton, Colorado
December 10, 2012

Roxborough Water & Sanitation District Summary
Forecasted 2013 Budget as Adopted
With 2011 Actual and 2012 Estimated
For the Years Ended and Ending December 31

	ACTUAL 2011	ESTIMATED 2012	ADOPTED 2013
BEGINNING FUNDS AVAILABLE	$ 29,595,529	$ 28,397,538	$ 52,912,917
REVENUE			
General Fund	896,307	756,764	845,535
Debt Service Fund	1,237,402	1,057,326	991,617
Capital Projects Fund	-	23,000,000	-
Water Fund	3,464,798	3,615,623	3,541,522
Sewer Fund	2,028,009	2,111,960	2,119,752
Total Revenue	7,626,516	30,541,673	7,498,426
TRANSFERS IN	655,740	17,165,508	658,000
Total Funds Available	37,877,785	76,104,719	61,069,343
EXPENDITUES			
General	276,261	287,700	325,000
Debt Service	700,068	697,394	699,492
Capital Projects	-	-	23,000,000
Water Fund	4,512,279	3,104,400	4,964,000
Sewer Fund	3,335,899	1,946,800	2,038,300
Total Expenditures	8,824,507	6,036,294	31,026,792
TRANSFERS OUT	655,740	665,508	24,708,037
Total Expenditures and Tranfers Out Requiring Appripriation	9,480,247	6,701,802	55,734,829
ENDING FUNDS AVAILABLE	$ 28,397,538	$ 69,402,917	$ 5,334,514

Roxborough Water & Sanitation District
Property Tax Summary Information
For the Years Ended and Ending December 31

	ACTUAL 2011	ESTIMATED 2012	ADOPTED 2013
ASSESSED VALUATION			
Douglas County			
Residential	$ 87,516,270	$ 78,655,590	$ 78,940,010
Commercial	5,651,140	5,663,390	5,299,920
Agricultural	30	30	1,150
Natural Resources	20	70	70
State Assessed	1,798,430	1,702,220	1,689,460
Vacant Land	6,808,760	5,321,740	5,063,710
Personal Property	1,725,040	1,719,140	1,790,130
	103,499,690	93,062,180	92,784,450
Adjustments - New Growth	-	-	-
Certified Assessed Value	$ 103,499,690	$ 93,062,180	$ 92,784,450
ASSESSED VALUATION			
Jefferson County			
Commercial	$ 480,883	$ 422,080	$ 433,419
Industrial	37,192,170	32,644,238	33,521,221
Vacant	1,082,320	949,972	975,493
State Assessed	32,628	28,638	29,408
	38,788,001	34,044,928	34,959,541
Adjustments	-	-	-
Certified Assessed Value	38,788,001	34,044,928	34,959,541
MILL LEVY			
General	6.208	6.208	6.208
Debt Service	8.500	8.500	7.058
Temporary Mill Levy Reduction (pursuant to C.R.S.39-5-121)	-	-	-
Refund and Abatements	-	-	-
Total Mill Levy	14.708	14.708	13.266
PROPERTY TAXES			
General	$ 883,322	$ 789,081	$ 793,035
Debt Services	1,209,445	1,080,410	901,617
Temporary Mill Levy Reduction	-	-	-
Refund and Abatement	-	-	-
Levied Property Taxes	$ 2,092,767	$ 1,869,491	$ 1,694,652
PROPERTY TAXES			
General	$ 884,501	$ 789,081	$ 793,035
General - HB1006	8,154	13,232	-
Debt Service	1,217,292	1,080,410	901,617
	$ 2,109,947	$ 1,882,723	$ 1,694,652

Roxborough Water & Sanitation District
General Fund
Forecasted 2013 Budget as Adopted
With 2011 Actual and 2012 Estimated
For the Years Ended and Ending December 31

	ACTUAL 2011	ESTIMATED 2012	ADOPTED 2013
BEGINNING FUNDS AVAILABLE	$ 464,983	$ 545,029	$ 474,093
REVENUE			
Property Taxes	825,170	789,081	793,035
LM Tax Abatement	-	(84,417)	-
Property Taxes - HB 1006	-	-	-
Specific Ownership Taxes	68,485	50,000	50,000
Investment Income	2,652	2,000	2,000
Miscellaneous Income	-	100	500
Total Revenue	896,307	756,764	845,535
TRANSFERS IN			
Capital Projects Fund	-	-	-
Total Transfers In	-	-	-
Total Funds Available	1,361,290	1,301,793	1,319,628
EXPENDITUES			
Payroll/Taxes/Benefits	108,419	115,000	120,000
Accounting/Audit	18,887	25,000	25,000
Capital Outlay	-	5,000	5,000
Contract Labor	-	1,000	1,000
Director's Fees	7,100	8,000	8,000
Education	16,257	20,000	20,000
Election Expense	27,669	-	-
Engineering	14,878	15,000	15,000
Insurance	10,330	11,000	13,000
Legal Fees	13,253	12,000	20,000
Miscellaneous Expense	2,780	5,000	5,000
Office Expense	16,375	20,000	20,000
Permits/Dues/Subscriptions	2,475	1,500	1,500
Rent	-	10,000	20,000
Repairs & Maintenance	16,864	15,000	25,000
Treasurers' Fees	11,703	13,000	15,000
Utilities	6,892	7,200	7,500
Vehicle Expense	2,379	4,000	4,000
Total Expenditures	276,261	287,700	325,000
TRANSFERS OUT			
Capital Projects Fund	-	-	-
Operating Reserve	-	-	216,250
Water Fund	340,000	340,000	340,000
Sewer Fund	200,000	200,000	200,000
Total Transfers Out	540,000	540,000	756,250
Total Expenditures and Transfers Out Requiring Appropriation	816,261	827,700	1,081,250
ENDING FUND BALANCE	$ 545,029	$ 474,093	$ 238,378
EMERGENCY RESERVE	$ -	$ 8,631	$ 9,750

Roxborough Water & Sanitation District
Debt Service Fund
Forecasted 2013 Budget as Adopted
With 2009 Actual and 2010 Estimated
For the Years Ended and Ending December 31

	ACTUAL 2011	ESTIMATED 2012	ADOPTED 2013
BEGINNING FUNDS AVAILABLE	$ 5,698,348	$ 6,351,422	$ 6,836,862
REVENUE			
Property Taxes	1,129,823	1,080,410	901,617
LM Tax Abatement	-	(115,584)	-
Specific Ownership Taxes	97,502	83,000	80,000
Investment Income	10,077	9,500	10,000
Total Revenue	1,237,402	1,057,326	991,617
TRANSFERS IN			
Water Fund	58,036	60,000	60,000
Sewer Fund	57,704	65,508	58,000
Total Transfers In	115,740	125,508	118,000
Total Funds Available	7,051,490	7,534,256	7,946,479
EXPENDITURES			
General Government	16,024	15,468	15,000
Loan Administrative Fees	76,800	76,800	76,800
Principle Payments	385,000	395,000	410,000
Interest Payments	222,244	210,126	197,692
Total Expenditures	700,068	697,394	699,492
TRANSFERS OUT			
Restricted for Debt Retirement	-	-	166,907
Capital Projects Fund	-	-	6,500,000
Total Transfers Out	-	-	6,666,907
Total Expenditures and Transfers Out Requiring Appropriation	700,068	697,394	7,366,399
ENDING FUNDS AVAILABLE	$ 6,351,422	$ 6,836,862	$ 580,080

Roxborough Water & Sanitation District
Capital Projects Fund
Forecasted 2013 Budget as Adopted
With 2011 Actual and 2012 Estimated
For the Years Ended and Ending December 31

	ACTUAL 2011	ESTIMATED 2012	ADOPTED 2013
BEGINNING FUNDS AVAILABLE	$ -	$ -	$ 23,010,000
REVENUE			
Investment Income	-	10,000	-
Total Revenue	-	10,000	-
TRANSFERS IN			
General Fund	-	-	-
Debt Service Fund	-	6,500,000	-
Sewer Fund	-	-	-
Water Fund	-	16,500,000	-
Total Transfers In	-	23,000,000	-
Total Funds Available	-	23,010,000	23,010,000
EXPENDITUES			
Capital Outlay-Water Fund	-	-	23,000,000
Total Expenditures	-	-	23,000,000
TRANSFERS OUT			
Debt Service Fund	-	-	-
General Fund	-	-	-
Total Transfers Out	-	-	-
Total Expenditures and Transfers Out Requiring Appropriation	-	-	23,000,000
ENDING FUNDS AVAILABLE	$ -	$ 23,010,000	$ 10,000

Roxborough Water & Sanitation District
Water Fund
Forecasted 2013 Budget as Adopted
With 2011 Actual and 2012 Estimated
For the Years Ended and Ending December 31

	ACTUAL 2011	ESTIMATED 2012	ADOPTED 2013
BEGINNING FUNDS AVAILABLE	$ 21,702,008	$ 20,936,491	$ 21,727,714
REVENUE			
Service Charges	2,608,065	2,712,258	2,720,000
Permit Fees	1,800	3,300	3,300
Hydrant Water	7,050	7,865	8,022
Miscellaneous Income	113,200	70,000	70,000
Portable Irrigation Water	63,097	60,000	60,000
Irrigation Raw Water	83,401	125,000	70,000
Availabiltiy Charges	58,036	60,000	60,000
Rental Income	-	19,200	19,200
Investment Income	69,847	37,000	10,000
System Development Charge	41,584	21,000	21,000
Capital - Surcharges	418,718	500,000	500,000
Total Operating Revenue	3,464,798	3,615,623	3,541,522
TRANSFERS IN			
Debt Service Fund	-	-	-
General Fund	340,000	340,000	340,000
Total Transfers In	340,000	340,000	340,000
Total Funds Available	25,506,806	24,892,114	25,609,236
EXPENDITURES			
Payroll/Taxes/Benefits	388,616	390,000	390,000
Accounting	27,595	25,000	25,000
Contract Labor	6,300	8,400	10,000
Dominion	2,211	20,000	35,000
Education	20,599	25,000	25,000
Engineering	167,522	150,000	120,000
GIS	467	10,000	15,000
Conservation Rebates	9,376	5,000	5,000
Insurance	20,420	22,000	25,000
Lab & Test Fees	12,820	15,000	15,000
Legal Fees	30,857	40,000	40,000
Meter Expense	138,606	90,000	150,000
Miscellaneous Expense	5,774	10,000	10,000
Office Expense	32,718	30,000	30,000
Operating Supplies/Chemicals	85,498	90,000	90,000
Permits/Dues/Subscriptions	13,151	17,000	27,000
Repairs & Maintenance	156,276	200,000	250,000
Safety Equipment/Uniform	-	2,000	2,000
Utilities	103,046	105,000	105,000
Vehicle Expense	14,612	15,000	15,000
Water Cost	1,202,191	1,500,000	1,500,000
Water Study/Development	23,283	15,000	-
Water Rights (Capital)	25,187	10,000	10,000
Chatfield Reallocation	24,988	10,000	20,000
Capital Outlay	200,166	300,000	2,050,000
Total Expenditures	2,712,279	3,104,400	4,964,000
TRANSFERS OUT			
Sewer Fund	-	-	-
Capital Projects Fund	-	-	16,500,000
Operating Reserve	-	-	2,500
Capital Reserve	-	-	582,800
Debt Service Fund	58,036	60,000	60,000
Total Transfers Out	58,036	60,000	17,145,300
Total Expenditures and Transfers Out Requiring Appropriation	2,770,315	3,164,400	22,109,300
ENDING FUND BALANCE	$ 22,736,491	$ 21,727,714	$ 3,499,936

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions

Roxborough Water & Sanitation District
Sewer Fund
Forecasted 2013 Budget as Adopted
With 2011 Actual and 2012 Estimated
For the Years Ended and Ending December 31

	ACTUAL 2011	ESTIMATED 2012	ADOPTED 2013
BEGINNING FUNDS AVAILABLE	$ 1,730,190	$ 564,596	$ 864,248
REVENUE			
Service Charges	1,453,543	1,431,317	1,430,000
Service Charges - LMA	384,419	412,860	415,000
Ravenna Service Charge	21,978	22,000	22,000
Permit Fees	1,800	1,000	1,000
Miscellaneous Income	35,872	42,000	42,000
Availabiltiy Charges	12,122	65,508	58,000
Investment Income	1,118	3,000	1,500
System Development Charge	22,690	19,275	30,252
Capital - Surcharges	94,467	115,000	120,000
Total Operating Revenue	2,028,009	2,111,960	2,119,752
TRANSFERS IN			
Water Fund	-	-	-
General Fund	20,000	20,000	200,000
Total Transfers In	20,000	20,000	200,000
Total Funds Available	3,778,199	2,696,556	3,184,000
EXPENDITUES			
Payroll/Taxes/Benefits	390,516	390,000	390,000
Accounting	18,664	25,000	25,000
Contract Labor	-	1,000	1,000
Education	17,103	20,000	20,000
Engineering	81,186	100,000	100,000
GIS	467	10,000	15,000
Insurance	20,420	22,000	25,000
Dominion	-	10,000	10,000
Lab & Test Fees	200	300	300
Legal Fees	16,703	20,000	20,000
Littleton Service Fees	753,142	780,000	810,000
Miscellaneous Expense	3,968	10,000	10,000
Office Expense	31,935	30,000	30,000
Operating Supplies/Chemicals	32,125	40,000	45,000
Permits/Dues/Subscriptions	1,455	1,500	5,000
Repairs & Maintenance	231,571	160,000	200,000
Safety Equipment/Uniform	-	2,000	2,000
Utilities	108,628	110,000	115,000
Vehicle Expense	14,564	15,000	15,000
Capital Outlay	1,613,252	200,000	200,000
Total Expenditures	3,335,899	1,946,800	2,038,300
TRANSFERS OUT			
Water Fund	-	-	-
Operating Reserve	-	-	(102,250)
Reserve	-	-	183,830
Debt Service Fund	57,704	65,508	58,000
Total Transfers Out	57,704	65,508	139,580
Total Expenditures and Transfers Out	3,393,603	2,012,308	2,177,880
ENDING FUND BALANCE	$ 384,596	$ 684,248	$ 1,006,120

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions

Roxborough Water and Sanitation
30 Year Projected Revenues and Expenditures

Projected Revenue

Year	Service Charges	Permit Fees	Availability Charges	Rental Income	Investment Income	SDC	Surcharges	Transfers From General Fund	Total Projected Revenue
1	2,928,022	3,300	60,000	19,200	10,000	21,000	1,050,355	340,000	4,431,877
2	2,957,302	3,300	58,910	19,200	10,000	21,000	1,050,355	343,400	4,463,467
3	2,986,875	3,300	57,820	19,200	10,000	21,000	1,050,355	346,834	4,495,384
4	3,016,744	3,300	56,730	19,200	10,000	21,000	1,050,355	350,302	4,527,631
5	3,046,911	3,300	55,640	19,200	10,000	21,000	1,050,355	353,805	4,560,212
6	3,077,381	3,300	54,550	19,200	10,000	21,000	1,050,355	357,343	4,593,129
7	3,108,154	3,300	53,460	19,200	10,000	21,000	1,050,355	360,917	4,626,386
8	3,139,236	3,300	52,370	19,200	10,000	21,000	1,050,355	364,526	4,659,987
9	3,170,628	3,300	51,280	19,200	10,000	21,000	1,050,355	368,171	4,693,935
10	3,202,335	3,300	50,190	19,200	10,000	21,000	1,050,355	371,853	4,728,233
11	3,234,358	3,300	49,100	19,200	10,000	21,000	1,050,355	375,572	4,762,884
12	3,266,701	3,300	48,010	19,200	10,000	21,000	1,050,355	379,327	4,797,894
13	3,299,368	3,300	46,920	19,200	10,000	21,000	1,050,355	383,121	4,833,264
14	3,332,362	3,300	45,830	19,200	10,000	21,000	1,050,355	386,952	4,868,999
15	3,365,686	3,300	44,740	19,200	10,000	21,000	1,050,355	390,821	4,905,102
16	3,399,343	3,300	43,650	19,200	10,000	21,000	1,050,355	394,729	4,941,577
17	3,433,336	3,300	42,560	19,200	10,000	21,000	1,050,355	398,677	4,978,428
18	3,467,669	3,300	41,470	19,200	10,000	21,000	1,050,355	402,664	5,015,658
19	3,502,346	3,300	40,380	19,200	10,000	21,000	1,050,355	406,690	5,053,271
20	3,537,370	3,300	39,290	19,200	10,000	21,000	1,050,355	410,757	5,091,272
21	3,572,743	3,300	38,200	19,200	10,000	21,000	1,050,355	414,865	5,129,663
22	3,608,471	3,300	37,110	19,200	10,000	21,000	1,050,355	419,013	5,168,449
23	3,644,555	3,300	36,020	19,200	10,000	21,000	1,050,355	423,203	5,207,634
24	3,681,001	3,300	34,930	19,200	10,000	21,000	1,050,355	427,435	5,247,221
25	3,717,811	3,300	33,840	19,200	10,000	21,000	1,050,355	431,710	5,287,216
26	3,754,989	3,300	32,750	19,200	10,000	21,000	1,050,355	436,027	5,327,621
27	3,792,539	3,300	31,660	19,200	10,000	21,000	1,050,355	440,387	5,368,441
28	3,830,464	3,300	30,570	19,200	10,000	21,000	1,050,355	444,791	5,409,680
29	3,868,769	3,300	29,480	19,200	10,000	21,000	1,050,355	449,239	5,451,343
30	3,907,457	3,300	28,390	19,200	10,000	21,000	1,050,355	453,731	5,493,433
Totals	101,850,928	99,000	1,325,850	576,000	300,000	630,000	31,510,650	11,826,863	148,119,291

Projected Expenditures

Year	Operations	Reserves	CWCB Payments	CWCB Reserve	Interest on Reserve	Total Expenditures
1	2,914,000	463,913	958,585	95,859	479	4,431,877
2	2,943,140	466,842	958,585	95,859	959	4,463,467
3	2,972,571	469,807	958,585	95,859	1,438	4,495,384
4	3,002,297	472,808	958,585	95,859	1,917	4,527,631
5	3,032,320	475,844	958,585	95,859	2,396	4,560,212
6	3,062,643	478,917	958,585	95,859	2,875	4,593,129
7	3,093,270	482,027	958,585	95,859	3,354	4,626,386
8	3,124,202	485,174	958,585	95,859	3,833	4,659,987
9	3,155,444	488,359	958,585	95,859	4,312	4,693,935
10	3,186,999	491,581	958,585	95,859	4,791	4,728,233
11	3,218,869	590,222	958,585		4,791	4,762,884
12	3,251,058	593,042	958,585		4,791	4,797,894
13	3,283,568	595,902	958,585		4,791	4,833,264
14	3,316,404	598,801	958,585		4,791	4,868,999
15	3,349,568	601,740	958,585		4,791	4,905,102
16	3,383,064	604,720	958,585		4,791	4,941,577
17	3,416,894	607,740	958,585		4,791	4,978,428
18	3,451,063	610,801	958,585		4,791	5,015,658
19	3,485,574	613,904	958,585		4,791	5,053,271
20	3,520,429	617,048	958,585		4,791	5,091,272
21	3,555,634	620,235	958,585		4,791	5,129,663
22	3,591,190	623,465	958,585		4,791	5,168,449
23	3,627,102	626,738	958,585		4,791	5,207,634
24	3,663,373	630,055	958,585		4,791	5,247,221
25	3,700,007	633,415	958,585		4,791	5,287,216
26	3,737,007	636,820	958,585		4,791	5,327,621
27	3,774,377	640,270	958,585		4,791	5,368,441
28	3,812,121	643,766	958,585		4,791	5,409,680
29	3,850,242	647,307	958,585		4,791	5,451,343
30	3,888,744	650,895	958,585		4,791	5,493,433
Totals	101,363,174	17,162,160	28,757,550	958,585	122,178	148,119,291

APPENDIX F

Certification of November 2001 TABOR Election

WHITE AND ASSOCIATES

GARY R. WHITE
KRISTEN D. BEAR
GEORGE M. ROWLEY
TODD W. WALLACE
K. SEAN ALLEN
ALYSSE A. EMERY
DANA K. NOTTINGHAM

PROFESSIONAL CORPORATION
ATTORNEYS AT LAW

8005 S. CHESTER STREET, SUITE 125
ENGLEWOOD, COLORADO 80112-3524
TELEPHONE (303) 858-1800
FACSIMILE (303) 858-1801
FIRM@GWHITEANDASSOCIATES.COM

EMPHASIZING SPECIAL DISTRICT REPRESENTATION, MUNICIPAL, LAND USE AND ANNEXATION LAW, AND DEVELOPMENT FINANCING

February 19, 2002

VIA FACSIMILE AND US MAIL

Mr. Larry D. Moore
Roxborough Park Metropolitan District
6222 North Roxborough Park Road
Littleton, CO 80125

Re: Roxborough Park Metropolitan District
Certification of November 2001 TABOR Election

Dear Larry:

Enclosed is the Certification of Election for the November 2001 TABOR election. It did not have the ballot question attached, so I pulled it off our system and attached it.

Let me know if you need a copy of the actual question in the form the County presented it in and we can get a copy from John Green in the Elections Department.

Thanks. I will see you tomorrow.

Very truly yours,

WHITE AND ASSOCIATES
Professional Corporation

Alysse A. Emery

AAE:mam
Enclosures

RPMD\LTRS\AAE1450021902
0011.0009

CERTIFICATE OF ELECTION

State of Colorado)
County of Douglas)

Election Participant: ROXBOROUGH PARK METRO DISTRICT
We, the undersigned members of the Board of Canvass for Douglas County, have canvassed the returns of the Coordinated Election held on November 6, 2001, and do certify the following number of votes were cast for each of the candidates and/or ballot issues (questions, referendums, and amendments inclusive) for the said election participating noted above.

CANDIDATE / ISSUE DESCRIPTION	VOTES FOR
Referendum 5C	790

CANDIDATE / ISSUE DESCRIPTION	VOTES AGAINST
Referendum 5C	271

WITNESS our hands and seal this 13th day of November, 2001.

Member, Board of Canvass Nancy K. Worthington

Member, Board of Canvass

Election Manager

Attest:
Douglas County Clerk & Recorder

DOUGLAS COUNTY COLORADO SEAL EST 1874

01

OFFICIAL BALLOT FOR ROXBOROUGH PARK METROPOLITAN DISTRICT, COUNTY OF DOUGLAS, STATE OF COLORADO

November 6, 2001
Date of Election

/s/ K. Sean Allen
Facsimile of Signature of the Designated Election Official of the District

To vote, place crossmark (X) at the right of the name of the ballot issue and ballot question.
1-5-307(2), C.R.S.

WARNING: **Any person who, by use of force or other means, unduly influences an eligible elector to vote in any particular manner or to refrain from voting, or who falsely makes, alters, forges, or counterfeits any mail ballot before or after it has been cast, or who destroys, defaces, mutilates, or tampers with a ballot is subject, upon conviction, to imprisonment, or to a fine, or both.**

BALLOT QUESTION A:

SHALL ROXBOROUGH PARK METROPOLITAN DISTRICT, WITHOUT CREATING ANY NEW TAX OR INCREASING ANY CURRENT TAX, BE PERMITTED TO RETAIN AND SPEND THE FULL PROCEEDS OF ROXBOROUGH PARK METROPOLITAN DISTRICT TAXES, FEES, CHARGES, GRANTS, RATES, TOLLS OR ANY OTHER REVENUES COLLECTED, OR AUTHORIZED BY LAW TO BE IMPOSED OR COLLECTED BY THE DISTRICT IN FISCAL YEAR 2000 AND IN ALL SUBSEQUENT FISCAL YEARS, UTILIZING SUCH REVENUES FOR THE LAWFUL PURPOSES OF ROXBOROUGH PARK METROPOLITAN DISTRICT, AND SHALL SUCH REVENUES AND INVESTMENT INCOME THEREON BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE APPLICABLE TO THE YEAR 2000 AND EACH YEAR THEREAFTER, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, OR SECTION 29-1-301, COLORADO REVISED STATUTES?

YES

COPY

NO

01

OFFICIAL BALLOT FOR ROXBOROUGH PARK METROPOLITAN DISTRICT, COUNTY OF DOUGLAS, STATE OF COLORADO

November 6, 2001
Date of Election

/s/ K. Sean Allen
Facsimile of Signature of the Designated Election Official of the District

To vote, place crossmark (X) at the right of the name of the ballot issue and ballot question.
1-5-307(2), C.R.S.

WARNING: **Any person who, by use of force or other means, unduly influences an eligible elector to vote in any particular manner or to refrain from voting, or who falsely makes, alters, forges, or counterfeits any mail ballot before or after it has been cast, or who destroys, defaces, mutilates, or tampers with a ballot is subject, upon conviction, to imprisonment, or to a fine, or both.**

BALLOT QUESTION A:

SHALL ROXBOROUGH PARK METROPOLITAN DISTRICT, WITHOUT CREATING ANY NEW TAX OR INCREASING ANY CURRENT TAX, BE PERMITTED TO RETAIN AND SPEND THE FULL PROCEEDS OF ROXBOROUGH PARK METROPOLITAN DISTRICT TAXES, FEES, CHARGES, GRANTS, RATES, TOLLS OR ANY OTHER REVENUES COLLECTED, OR AUTHORIZED BY LAW TO BE IMPOSED OR COLLECTED BY THE DISTRICT IN FISCAL YEAR 2000 AND IN ALL SUBSEQUENT FISCAL YEARS, UTILIZING SUCH REVENUES FOR THE LAWFUL PURPOSES OF ROXBOROUGH PARK METROPOLITAN DISTRICT, AND SHALL SUCH REVENUES AND INVESTMENT INCOME THEREON BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE APPLICABLE TO THE YEAR 2000 AND EACH YEAR THEREAFTER, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, OR SECTION 29-1-301, COLORADO REVISED STATUTES?

_____YES

_____NO

TO: ALL REGISTERED VOTERS

NOTICE OF ELECTION ON A REFERRED MEASURE

ROXBOROUGH METROPOLITAN DISTRICT

Election Date: November 6, 2001

Election Hours: 7:00 a.m. to 7:00 p.m.

Local Election Office Address and Telephone Number:

White and Associates Professional Corporation
8005 S. Chester Street, Suite 125
Englewood, CO 80112
(303) 858-1800

Ballot Title and Text:

BALLOT QUESTION A:

SHALL ROXBOROUGH PARK METROPOLITAN DISTRICT, WITHOUT CREATING ANY NEW TAX OR INCREASING ANY CURRENT TAX, BE PERMITTED TO RETAIN AND SPEND THE FULL PROCEEDS OF ROXBOROUGH PARK METROPOLITAN DISTRICT TAXES, FEES, CHARGES, GRANTS, RATES, TOLLS OR ANY OTHER REVENUES COLLECTED, OR AUTHORIZED BY LAW TO BE IMPOSED OR COLLECTED BY THE DISTRICT IN FISCAL YEAR 2000 AND IN ALL SUBSEQUENT FISCAL YEARS, UTILIZING SUCH REVENUES FOR THE LAWFUL PURPOSES OF ROXBOROUGH PARK METROPOLITAN DISTRICT, AND SHALL SUCH REVENUES AND INVESTMENT INCOME THEREON BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE APPLICABLE TO THE YEAR 2000 AND EACH YEAR THEREAFTER, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, OR SECTION 29-1-301, COLORADO REVISED STATUTES?

The following is a summary of written comments IN FAVOR OF THE BALLOT ISSUES filed with the Designated Election Official:

Roxborough Park Metropolitan District provides water and sanitation service to more than 6800 residents in the Roxborough area. At this time the District needs to obtain a permanent water supply as the current water contract will end in the year 2022. The water treatment plant was built in the mid 1950s and needs to be upgraded. Additional water storage is also required. Some of the water transmission and wastewater collection lines are over thirty years old and are in need of repair and/ or replacement. The Board of Directors of Roxborough Park Metropolitan District is asking its citizens to allow the District to keep surplus tax revenues in order to help carry out the capital improvement and water supply needs set forth in the updated Master Plan of 2000.

By retaining surplus revenues, the District can continue applying funds towards projected needs of the community which include the following:

- Repair and/or replace the thirty plus year old water/wastewater transmission lines.
- Upgrade the forty-year old water treatment plant.
- Improve the reliability of the District's water and fire services by constructing additional water storage facilities (planned in the original Service Plan of 1972 but never built due to lack of funds).

- ξ Acquire a permanent water supply. The District's current water supply contract, with Aurora, will end in the year 2022.

A YES vote will keep the District financially strong. It will allow the District to continue the necessary capital improvements and water acquisition required to maintain home values and the quality of District services.

Please be aware that this is NOT a tax increase and is NOT a new tax. A YES vote is a vote for the financial future of the District and the value of our homes.

The following is a summary of written comments IN OPPOSITION TO THE BALLOT ISSUES filed with the Designated Election Official:

No comments were filed by the Constitutional deadline.

APPENDIX G

Financial Audits 2009,2010,2011

ROXBOROUGH WATER AND SANITATION DISTRICT

FINANCIAL STATEMENTS

December 31, 2009

TABLE OF CONTENTS

Independent Auditors' Report	
Management's Discussion and Analysis	i – vii
BASIC FINANCIAL STATEMENTS	
Statements of Net Assets	1
Statements of Activities	2
Balance Sheets-Governmental Funds	3
Statements of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	4
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5
Statements of Net Assets - Proprietary Fund	6
Statements of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Fund	7
Statements of Cash Flow - Proprietary Fund	8-9
Notes to Financial Statements	10-19
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule – General Fund	20
Notes to Required Supplementary Information	21
INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Budgetary Comparison Schedule – Debt Service Fund	22
Budgetary Comparison Schedule – Water Fund	23-24
Budgetary Comparison Schedule – Sewer Fund	25-26

POYSTI & ADAMS L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Roxborough Water and Sanitation District
Littleton, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund, of the Roxborough Water and Sanitation District as of and for the year ended December 31, 2009, which collectively comprise the basic financial statements of the Roxborough Water and Sanitation District, as listed in the table of contents. These financial statements are the responsibility of the Roxborough Water and Sanitation District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Roxborough Water and Sanitation District as of December 31, 2009, and the respective changes in financial position and where applicable, cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages i through vii and 21 through 22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

400 South Colorado Boulevard, Suite 690 • Denver, Colorado 80246
303 733-3796 • FAX 303 733-6230 • www.pnacpa.com

MEMBER: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS, DIVISION FOR CPA FIRMS OF THE AICPA,
AICPA GOVERNMENT AUDIT QUALITY CENTER, COLORADO SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Roxborough Water and Sanitation District's basic financial statements. The individual fund financial statements and schedules listed in the table of contents are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

June 27, 2010

Porpti & Adams, LCC

Management's Discussion and Analysis

As management of the Roxborough Water & Sanitation District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2009.

Financial Highlights

- Assets exceeded liabilities by $ 57,041,901 at the close of the fiscal year. Of this amount, $ 58,832,413 is unrestricted and available to meet ongoing and future obligations of the District.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of $ 5,500,199.
- Total net assets increased by $ 1,970,840.
- Total cash and investments decreased by $ 2,241,883 as compared to the prior year.
- Property tax revenue increased by $ 64,044 as compared to the prior year.
- General fund expenditures decreased by $ 500,701 as compared to the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was
- $ 266,830 or 121.8% of total general fund expenditures.
- Total debt decreased by $ 1,982,589 or 19.62% during the current fiscal year. The reason for this decrease was the scheduled payment of principal on long-term debt, and the retirement of the 1997 Small Water Resources Revenue Bonds.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions of the District that are principally to be supported by ad valorem taxes (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and

charges (business-type activities). The governmental activities of the District include the financing, construction of, and maintenance of public infrastructure improvements constructed or acquired by the District. The business-type activities of the District include water and sewer facilities construction, maintenance and operations.

The government-wide financial statements can be found on pages 1-2 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories – Governmental Funds and Proprietary Funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The governmental funds use the modified accrual basis of accounting.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each of the funds – general fund and debt service fund – all of which are considered to be major funds.

The basic governmental fund financial statements can be found on pages 3-5 of this report.

Proprietary Funds. The District maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for its water and sewer operations. These services are reported as business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations, which are considered to be major funds of the District.

The proprietary fund financial statements can be found on pages 6-9 of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 10-19 of this report.

Required Supplementary Information. The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement for this fund has been provided as required supplementary information to demonstrate compliance with this budget. The general fund budget statements and notes are found on pages 20-21 of this report.

Other information. The report includes individual fund schedules. A budgetary comparison statement has been provided in this section for the debt service fund, the water fund and the sewer fund to demonstrate compliance with these budgets. The budget statements are found on pages 22-26 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The District's assets exceeded liabilities by $ 57,041,091 at the close of the most recent fiscal year. Of this amount $ 58,832,413 is unrestricted and is available to meet the District's ongoing financial obligations.

Statement of Net Assets

	2009			2008		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current Assets	$ 7,540,799	$ 24,752,863	$ 32,293,662	$ 8,628,927	$ 26,090,941	$ 34,719,868
Other Assets	71,417	-	71,417	75,880	-	75,880
Capital Assets, net	1,507	36,207,432	36,208,939	4,424	34,239,341	34,243,765
Total Assets	7,613,723	60,960,295	68,574,018	8,709,231	60,330,282	69,039,513
Current Liabilities	2,441,504	787,158	3,228,662	2,866,360	957,892	3,824,252
Long-Term Obligations	8,219,811	83,644	8,303,455	10,063,044	81,156	10,144,200
Total Liabilities	10,661,315	870,802	11,532,117	12,929,404	1,039,048	13,968,452
Net Assets Invested in Capital Assets, Net of Debt	(8,208,493)	36,207,432	27,998,939	(10,569,381)	34,239,341	23,669,960
Restricted Net Assets	6,417,981	-	6,417,981	6,186,306	-	6,186,306
Unrestricted Net Assets	(1,257,080)	23,882,061	22,624,981	162,902	25,051,893	25,214,795
Total Net Assets	$ (3,047,592)	$ 60,089,493	$ 57,041,901	$ (4,220,173)	$ 59,291,234	$ 55,071,061

Statements of Activities

	2009			2008		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenue						
Program Revenue						
Charges for Services	$ -	$ 4,586,884	$ 4,586,884	$ -	$ 5,186,587	$ 5,186,587
Operating Grants and Contributions	-	110,161	110,161	-	111,929	111,929
Capital Grants and Contributions	-	758,040	758,040	-	856,406	856,406
General Revenue						
Property Taxes	1,986,246	-	1,986,246	1,922,202	-	1,922,202
Specific Ownership Taxes	157,097	-	157,097	187,749	-	187,749
Investment Income	41,954	193,801	235,755	210,083	815,359	1,025,442
Capital Contributions	-	-	-	-	-	-
Other	180	-	180	503	-	503
Total Revenue	2,185,477	5,648,886	7,834,363	2,320,537	6,970,281	9,290,818
Expenses						
General Government	240,607	-	240,607	720,463	-	720,463
Interest on Long-Term Debt	292,449	-	292,449	422,757	-	422,757
Water/Sewer Facilities	-	5,330,467	5,330,467	-	5,445,819	5,445,819
Total Expenses	533,056	5,330,467	5,863,523	1,143,220	5,445,819	6,589,039
Excess	1,652,421	318,419	1,970,840	1,177,317	1,524,462	2,701,779
Transfers	(479,840)	479,840	-	(79,071)	79,071	-
Change in Net Assets	1,172,581	798,259	1,970,840	1,098,246	1,603,533	2,701,779
Net Assets - Beginning	(4,220,173)	59,291,234	55,071,061	(5,318,419)	57,687,701	52,369,282
Net Assets - Ending	(3,047,592)	60,089,493	57,041,901	(4,220,173)	59,291,234	55,071,061

Governmental activities. Governmental activities increased the District's net assets by $ 1,172,581, mainly due to changes as follows:

- Property taxes increased $ 64,044 (3.33%) over the prior year.
- Specific ownership taxes decreased $ 30,652.
- General Government expenses decreased by $ 479,856 this year.

Business-type activities. Business-type activities increased the District's net assets by $ 798,259, mainly due to the contribution of water and sewer facilities. Other key elements of the change in net assets are as follows:

- Service charges decreased $ 599,703 (88.44%) over prior year due to decrease in customers, customer usage and user rates.
- Investment income decreased $ 621,558 due to decreasing interest rates.
- Total operating expenses are decreased $ 115,352 as a result of an increase in depreciation $ 95,459, and a decrease in operations ($ 252,317), and an increase in personal cost of $41,506.

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of $ 5,500,199, of which $ 5,500,199 constitutes unreserved fund balance, which is available for spending at the government's discretion within the parameters established for each fund.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unreserved fund balance of the general fund was $ 346,830 out of a total fund balance of $ 266,830. In compliance with an amendment to the State Constitution, Article X, Section 20, the district has established an emergency reserve representing 3% of qualifying expenditures. At December 31, 2009, the emergency reserve was $ 80,000.

The debt service fund has a total fund balance of $ 5,153,369, all of which is unrestricted for the repayment of long-term indebtedness. The long term loans payable as of December 31, 2009 is $ 8,210,000.

Proprietary funds. The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the proprietary fund at the end of the year amounted to $ 23,882,061. In addition, the proprietary fund includes $ 36,207,432 of Capital Assets, net of Related Debt. The total net assets of the District's proprietary funds as of December 31, 2009 are $ 60,089,493.

Other factors concerning the finances of this fund have already been addressed in the discussion of the District's business-type activities.

General Fund Budgetary Highlights

The District's total expenditures for 2009 did not exceed the final budgeted appropriation. The difference between the original and final budgeted revenue of $ 934,202 and the actual revenue of $ 908,791 was $ (25,411). This was primarily attributable to a decrease in specific ownership taxes. The difference between the original budgeted expenditures of $ 315,000 and the actual expenditures of $ 219,051 was $ 95,949.

Capital Assets

The District invested $ 36,208,929 in capital assets (net of accumulated depreciation) for its governmental and business-type activities for the year ended December 31, 2009. This investment in capital assets includes water and sewer facilities, water rights and vehicles and equipment. Most notably were the additional Water Storage Tanks.

Additional information on the District's capital assets can be found in note 4 beginning on page 16 of this report.

Long-Term Debt

At the end of the current fiscal year, the District had total outstanding long-term debt $ 8,594,811. Accrued compensated absences accounts for $ 14,239 of this amount. The remaining $ 8,580,572 is related to the District's 2005 Clean Water Revenue Bonds through the Colorado Water Resources and Power Development Authority (2005 CWRPDA) which are due annually through 2026 and pay interest rates of 3.35% semi-annually on February 1 and August 1. The district also reduced its long term debt by $ 1,970,000 as a result of the retirement of the Colorado Water Resources (1997 CWRPDA) bonds and the normal course of the loan repayment.

Additional information on the District's long-term debt can be found in note 5 beginning on page 17 of this report.

Next Year's Budgets and Rates

Government funds. The 2010 budget reflects a slight increase in property tax revenue of $ 14,773. The total assessed value for 2010 is $ 135,919,200. The total mill levy is 14.708 mills. General fund expenditures are expected to increase due to natural growth of the District. The district did include a Capital Projects fund budget for 2010 of $20,000.

Proprietary funds. Water and sewer sales are expected to increase slightly over 2009 as a result of some growth and potential rate increase. Expenditures are expected to increase slightly also. The District is anticipating an additional increase in rates cost from the City of Aurora, which is the District's water source, and also from the City of Littleton, which is the District's wastewater treatment provider.

Capital Projects. The District will enhance its odor treatment by construction of a Chemical handling Facility at the Roxborough Lift Station and additional biological improvements of its odor beds at the District's transition vault. The District will also provide upgrades to its water

pump situation and add back power through natural gas generators. There is also a project that will replace 600 linear feet of water and sewer lines in the District.

Requests for Information

This financial report is designed to provide a general overview of the Roxborough Water & Sanitation District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Roxborough Water & Sanitation District, 6222 N. Roxborough Park Road, Littleton, CO 80125.

BASIC FINANCIAL STATEMENTS

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENTS OF NET ASSETS
DECEMBER 31, 2009

	Govern-mental Activities	Business-Type Activities	Totals 2009	Totals 2008
Assets				
Cash and investments	$ 6,040,648	$ 23,656,053	$ 29,696,701	$ 31,938,584
Accounts receivable	11,332	550,558	561,890	511,392
Due from other funds	(546,252)	546,252	0	0
Property taxes receivable	2,035,071	0	2,035,071	1,999,099
Prepaid expenses	0	0	0	54,166
Debt issuance costs, net of accumulated amortization	71,417	0	71,417	75,880
Capital assets, net of accumulated depreciation	1,507	36,207,432	36,208,939	34,243,765
Total Assets	7,613,723	60,960,295	68,574,018	68,822,886
Liabilities				
Accounts payable	5,529	267,977	273,506	553,597
Deposits	0	25,996	25,996	25,996
Deferred property taxes	2,035,071	0	2,035,071	1,999,099
Unearned revenue	0	200,000	200,000	200,000
Accrued interest payable	25,904	0	25,904	124,229
Retainage payable	0	293,185	293,185	179,704
Non current liabilities				
Due within one year	375,000	0	375,000	525,000
Due in more than one year	8,219,811	83,644	8,303,455	10,144,200
Total Liabilities	10,661,315	870,802	11,532,117	13,751,825
Net Assets				
Invested in capital assets net of related debt	(8,208,493)	36,207,432	27,998,939	23,669,960
Restricted for debt service	6,337,981	0	6,337,981	6,164,706
Restricted for emergencies	80,000	0	80,000	21,600
Unrestricted	(1,257,080)	23,882,061	22,624,981	25,214,795
Total Net Assets	$ (3,047,592)	$ 60,089,493	$ 57,041,901	$ 55,071,061

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Function/Programs				
Primary Government				
Governmental Activities				
General Government	$ 240,607	$ 0	$ 0	$ 0
Interest on long-term debt	292,449	0	0	0
Total Governmental Activities	533,056	0	0	0
Business-Type Activities				
Water	2,878,944	2,769,522	55,124	561,516
Sewer	2,451,523	1,817,362	55,037	196,524
Total Business-Type activities	5,330,467	4,586,884	110,161	758,040
Total Primary Government	$ 5,863,523	$ 4,586,884	$ 110,161	$ 758,040
General Revenues				
Property taxes				
Specific ownership taxes				
Investment income				
Miscellaneous				
Transfers				
Total General Revenues and Transfers				
Change in net assets				
Net Assets, Beginning				
Net Assets, Ending				

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenues and Changes in Net Assets				
Primary Government				
Govern-mental Activities	Business-Type Activities	Totals		
		2009	2008	
$ (240,607)	$ 0	$ (240,607)	$ (720,463)	
(292,449)	0	(292,449)	(422,757)	
(533,056)	0	(533,056)	(1,143,220)	
0	507,218	507,218	881,351	
0	(382,600)	(382,600)	(172,248)	
0	124,618	124,618	709,103	
(533,056)	124,618	(408,438)	(434,117)	
1,986,246	0	1,986,246	1,922,202	
157,097	0	157,097	187,749	
41,954	193,801	235,755	1,025,442	
180	0	180	503	
(479,840)	479,840	0	0	
1,705,637	673,641	2,379,278	3,135,896	
1,172,581	798,259	1,970,840	2,701,779	
(4,220,173)	59,291,234	55,071,061	52,369,282	
$ (3,047,592)	$ 60,089,493	$ 57,041,901	$ 55,071,061	

ROXBOROUGH WATER AND SANITATION DISTRICT
BALANCE SHEETS
GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	General	Debt Service	Total Governmental Funds 2009	Total Governmental Funds 2008
Assets				
Cash and investments	$ 885,318	$ 5,155,330	$ 6,040,648	$ 6,601,062
Accounts receivable	4,783	6,549	11,332	14,932
Property taxes receivable	858,969	1,176,102	2,035,071	1,999,099
Prepaid items	0	0	0	13,834
Total Assets	$ 1,749,070	$ 6,337,981	$ 8,087,051	$ 8,628,927
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ 5,529	$ 0	5,529	1,405
Due to other funds	537,742	8,510	546,252	216,627
Deferred property taxes	858,969	1,176,102	2,035,071	1,999,099
Total Liabilities	1,402,240	1,184,612	2,586,852	2,217,131
Fund Balances				
Reserved for prepaid items	0	0	0	13,834
Reserved for emergencies	80,000	0	80,000	21,600
Unreserved, reported in				
General fund	266,830	0	266,830	211,656
Debt service fund	0	5,153,369	5,153,369	6,164,706
Total Fund Balances	346,830	5,153,369	5,500,199	6,411,796
Total Liabilities and Fund Balances	$ 1,749,070	$ 6,337,981	$ 8,087,051	$ 8,628,927

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balances of governmental funds	5,500,199	6,411,796
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. This amount is net of accumulated depreciation of $92,634.	1,507	4,424
Long-term liabilities, including related items, including loans payable ($8,210,000), loan premium ($370,672), accrued compensated absences ($14,139) bond issuance costs $71,417, and accrued interest payable ($25,904) are not due and payable in the current year and, therefore, are not reported in the funds.	(8,549,298)	(10,636,393)
Total Net Assets of Governmental Activities	$ (3,047,592)	$ (4,220,173)

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	General	Debt Service	Total Governmental Funds 2009	Total Governmental Funds 2008
Revenues				
Property taxes	$ 838,061	$ 1,148,185	$ 1,986,246	$ 1,922,202
Specific ownership taxes	66,308	90,789	157,097	187,749
Investment income	4,242	37,712	41,954	210,083
Miscellaneous revenues	180	0	180	503
Total Revenues	908,791	1,276,686	2,185,477	2,320,537
Expenditures				
General government	219,051	18,739	237,790	727,695
Capital outlay	0	0	0	200
Debt service				
Principal	0	1,970,000	1,970,000	505,000
Interest and fiscal charges	0	409,444	409,444	429,414
Total Expenditures	219,051	2,398,183	2,617,234	1,662,309
Revenues Over (Under) Expenditures	689,740	(1,121,497)	(431,757)	658,228
Other Financing Sources (Uses)				
Transfers in	0	110,160	110,160	111,929
Transfers out	(590,000)	0	(590,000)	(191,000)
Total Other Financing Sources (Uses)	(590,000)	110,160	(479,840)	(79,071)
Net change in fund balances	99,740	(1,011,337)	(911,597)	579,157
Fund balances, beginning	247,090	6,164,706	6,411,796	5,832,639
Fund balances, ending	$ 346,830	$ 5,153,369	$ 5,500,199	$ 6,411,796

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT
RECONCILIATION OF THE STATEMENTS OF REVENUE EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

Amounts reported for governmental activities in the statements of activities are different because:

	2009	2008
Net change in fund balances, total governmental funds	$ (911,597)	$ 579,157
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This amount represents depreciation expense in the current year.	(2,917)	(8,318)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items: amortization of loan premium $23,133, amortization of debt issuance costs ($4,463) and change in accrued interest payable $98,325.	116,995	24,787
Loan payments $1,970,000 and changes in compensated absences $100 are expenditures in the governmental funds, but they change long-term liabilities in the statement of net assets and do not affect the statement of activities.	1,970,100	502,620
Change in Net Assets of Governmental Activities	$ 1,172,581	$ 1,098,246

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENTS OF NET ASSETS
PROPRIETARY FUND
DECEMBER 31, 2009

	Water	Sewer	Total 2009	Total 2008
Assets				
Current Assets				
Cash and cash equivalents	$ 14,282,424	$ 622,055	$ 14,904,479	$ 19,169,628
Investments	8,751,574	0	8,751,574	6,167,894
Accounts receivable	306,246	241,429	547,675	484,803
Due from other funds	280,666	265,586	546,252	216,627
Prepaid expenses	0	0	0	40,332
Interfund advance	0	0	0	350,000
Total Current Assets	23,620,910	1,129,070	24,749,980	26,429,284
Noncurrent Assets				
Accounts receivable	2,883	0	2,883	11,657
Interfund advance	0	0	0	4,150,000
Capital assets, net of accumulated depreciation	11,832,064	24,375,368	36,207,432	34,239,341
Total Noncurrent Assets	11,834,947	24,375,368	36,210,315	38,400,998
Total Assets	35,455,857	25,504,438	60,960,295	64,830,282
Liabilities				
Current liabilities				
Accounts payable	267,977	0	267,977	552,192
Deposits	18,600	7,396	25,996	25,996
Deferred revenues	0	200,000	200,000	200,000
Interfund advance	0	0	0	350,000
Retainage payable	0	293,185	293,185	179,704
Total Current Liabilities	286,577	500,581	787,158	1,307,892
Noncurrent Liabilities				
Accrued compensated absences	41,822	41,822	83,644	81,156
Interfund advance	0	0	0	4,150,000
Total Noncurrent Assets	41,822	41,822	83,644	4,231,156
Total Liabilities	328,399	542,403	870,802	5,539,048
Net Assets				
Invested in capital assets, Net of related debt	11,832,064	24,375,368	36,207,432	34,239,341
Unrestricted	23,295,394	586,667	23,882,061	25,051,893
Total Net Assets	$ 35,127,458	$ 24,962,035	$ 60,089,493	$ 59,291,234

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND
CHANGE IN FUND NET ASSETS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	Water	Sewer	Total 2009	Total 2008
Operating Revenues				
Charges for services	$ 2,692,476	$ 1,412,335	$ 4,104,811	$ 4,605,379
Charges for services Lockheed Martin Agreement	0	384,908	384,908	0
Permit fees	11,550	14,850	26,400	13,329
Meter fees	0	0	0	4,947
Reimbursed expenses	0	0	0	495,798
Outside treatment	39,382	1,356	40,738	0
Miscellaneous	26,114	3,913	30,027	67,134
Total Operating Revenues	2,769,522	1,817,362	4,586,884	5,186,587
Operating Expenses				
Personnel services	410,662	410,642	821,304	779,798
Operations	2,013,783	1,232,454	3,246,237	3,498,554
Depreciation	454,499	808,427	1,262,926	1,167,467
Total Operating Expenses	2,878,944	2,451,523	5,330,467	5,445,819
Operating Income (Loss)	(109,422)	(634,161)	(743,583)	(259,232)
Nonoperating Revenues (Expenses)				
Investment income	194,161	(359)	193,802	815,359
Availability charges	55,124	55,036	110,160	111,929
Total Nonoperating Revenue (Expenses)	249,285	54,677	303,962	927,288
Net Income (Loss) Before Transfers and Capital contributions	139,863	(579,484)	(439,621)	668,056
Transfer in	400,000	4,690,000	5,090,000	191,000
Transfer out	(4,555,124)	(55,036)	(4,610,160)	(111,929)
Capital contributions	561,516	196,524	758,040	856,406
Change in net assets	(3,453,745)	4,252,004	798,259	1,603,533
Net assets, beginning	38,581,203	20,710,031	59,291,234	57,687,701
Net assets, ending	$ 35,127,458	$ 24,962,035	$ 60,089,493	$ 59,291,234

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	Water	Sewer	Total 2009	Total 2008
Cash Flows from Operating Activities				
Cash received from customers	$ 2,806,373	$ 1,806,547	$ 4,612,920	$ 5,980,025
Cash payments to suppliers	(2,118,430)	(1,301,315)	(3,419,745)	(4,249,440)
Cash payments to employees	(409,418)	(409,398)	(818,816)	(771,842)
Other cash received	26,114	3,913	30,027	67,134
Net Cash Provided by Operating Activities	304,639	99,747	404,386	1,025,877
Cash Flows from Noncapital Financing Activities				
Transfers from (to) other funds	344,876	134,964	479,840	79,071
Cash Flows from Capital and Related Financing Activities				
Acquisition and construction of capital assets	(2,573,433)	(944,103)	(3,517,536)	(2,455,610)
Capital charges received	396,612	195,502	592,114	348,866
System development charges received	164,904	1,022	165,926	507,540
Net Cash Used In Capital and Related Financing Activities	(2,011,917)	(747,579)	(2,759,496)	(1,599,204)
Cash Flows from Investing Activities				
Purchases of investment	(7,583,680)	0	(7,583,680)	(10,504,886)
Sales of investments	5,000,000	0	5,000,000	15,713,172
Investment income (loss)	194,161	(360)	193,801	815,359
Net Cash Provided by (Used in) Investing Activities	(2,389,519)	(360)	(2,389,879)	6,023,645
Net increase (decrease)	(3,751,921)	(513,228)	(4,265,149)	5,529,389
Cash and cash equivalents, beginning	18,034,345	1,135,283	19,169,628	13,640,239
Cash and cash equivalents, ending	$ 14,282,424	$ 622,055	$ 14,904,479	$ 19,169,628

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
PROPRIETARY FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

	Water	Sewer	Total 2009	Total 2008
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating loss	$ (109,422)	$ (634,161)	$ (743,583)	$ (259,232)
Adjustments to reconcile operating activities				
Cash provided by operating activities				
Depreciation	454,499	808,427	1,262,926	1,167,467
Receipt of system availability charges	55,124	55,037	110,161	111,929
Changes in assets and liabilities				
Accounts receivable	7,841	(61,939)	(54,098)	557,486
Prepaid Expenses	20,166	20,166	40,332	(1,266)
Due from other funds	(266,028)	(63,597)	(329,625)	(216,627)
Accounts payable	141,215	(25,430)	115,785	(531,993)
Deposits	0	0	0	(1,000)
Deferred revenues	0	0	0	191,157
Accrued compensated absences	1,244	1,244	2,488	7,956
Net Cash Provided by Operating Activities	$ 304,639	$ 99,747	$ 404,386	$ 1,025,877
Noncash Transactions				
Forgiveness of interfund loan	$ (4,500,000)	$ 4,500,000	$ 0	$ 0

The accompanying notes are an integral part of these financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Roxborough Water and Sanitation District ("the District"), previously the Roxborough Park Metropolitan District, was formed on January 12, 1972, to provide water, sewer and fire protection services within its boundaries. Effective July 1, 1999, the District's fire protection services were merged into the West Metro Fire Protection District (the "WMFP"). By intergovernmental agreement, the District conveyed ownership of the fire station and all fire equipment to the WMFP, along with property tax revenues related to these services. The District is governed by a five-member Board of Directors elected by the residents.

The accounting policies of the District conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

Reporting Entity

The financial reporting entity consists of the District and organizations for which the District is financially accountable. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are reported as part of the District. In addition, any legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the District.

Based upon the application of this criteria, the District does not report additional organizations within its reporting entity.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for Interfund services that are reasonably equivalent to the services provided. *Governmental activities,* which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities,* which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. Internally dedicated resources are reported as general revenues rather than as program revenues.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Separate financial statements are provided for governmental and proprietary funds. Major individual funds are reported as separate columns in the fund financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Property taxes, specific ownership taxes, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, the District reports the following major governmental funds.

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The *Debt Service Fund* accounts for resources accumulated for, and payments made on, long-term obligations of the District.

Additionally, the District reports the following major proprietary funds.

The *Water Fund* accounts for the activities associated with the provision of water services.

The *Sewer Fund* accounts for the activities associated with the provision of sewer services.

Assets, Liabilities and Net Assets/Fund Balances
Cash and Cash Equivalents – For purposes of the statement of cash flows, cash and cash equivalents are defined as investments with original maturities of three months or less. Pooled cash and investments are categorized as cash equivalents.

Investments – Investments are stated at fair value.

Receivables – All receivables are reported at their gross values and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Capital Assets – Capital assets, which include property, plant, equipment, and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives.

Collection and Distribution Systems	30-50 years
Vehicles and Equipment	3-10 years

Deferred Revenues – Deferred revenues include property taxes earned but levied for a subsequent year.

Compensated Absences – Employees of the District are allowed to accumulate unused vacation and sick time. Upon termination of employment from the District, an employee will be compensated for all accrued vacation time, and for all accrued sick time at a rate of one day for every two days accumulated. A liability for these compensated absences is accrued when incurred in the government-wide and proprietary fund financial statements. A liability is reported in the governmental funds only when due.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Fund Balances (Continued)

Long-Term Debt – In the government-wide financial statements, and for the proprietary fund in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method.

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current year. The face amount of debt issued is reported as other financing sources.

Net Assets/Fund Balances – In the government-wide financial statements, and the proprietary funds financial statements, net assets are restricted when constraints placed on the net assets are externally imposed. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Property Taxes

Property taxes are levied in December and attach as an enforceable lien on property on January 1 of the following year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the District on a monthly basis.

Comparative Information

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read. Certain prior year amounts have been reclassified to conform to the current year presentation.

NOTE 2 - CASH AND INVESTMENTS

At December 31, 2009, cash and investments consisted of the following:

Deposits	$ 3,771,786
Investments	25,924,915
Total	$ 29,696,701

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amount on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2009, the District had bank deposits of $655,617 collateralized with securities held by the financial institution's agent but not in the District's name.

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Investments

The District is required to comply with State statutes which specify instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest. State statutes do not address custodial risk. The District's investment policy follows State statutes, and allows the following investments.

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The District had the following investments at December 31, 2009:

		Investment Maturities (in Years)		
Investment Type	S&P Rating	Less Than 1	1-5	Fair Value
Local Government Investment Pool	AAAm	$ 14,179,921	$ 0	$ 14,179,921
Money Market Funds	AAAm	7,561,743	0	7,561,743
U.S. Agency Securities	AAA	3,667,018	516,233	4,183,251

Interest Rate Risk – State statutes limit investments in U.S. Agency securities to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

Credit risk – State statutes limit investments in U.S. Agency securities to the highest rating issued by two or more nationally recognized statistical rating organizations (NRSROs). State statutes also limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by a NRSRO.

Concentration of Credit Risk - State statues do not limit the amount the District may invest in one issuer. At December 31, 2009, the District's investments in the Federal National Mortgage Association and Federal Home Loan Mortgage Corporation were 05%, and 08%, respectively, of the District's total investments. In addition one money market fund accounted for 29% of the Districts total investments.

Local Government Investment Pools – At December 31, 2009, the District had $9,611,597 and $4,568,323 invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), and the Colorado Surplus Asset Fund Trust (CSAFE) investment vehicles established by State statute for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating COLOTRUST and CSAFE. COLOTRUST and CSAFE operate similarly to a money market fund and each share is equal in value to $1.00. COLOTRUST and CSAFE are rated AAAm by Standard

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)
Local Government Investment Pools (Continued)

and Poor's. Investments of COLOTRUST and CSAFE are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

NOTE 3 - INTERFUND BALANCES AND TRANSACTIONS

Due to	Due From		
	General	Debt Service	Total
Water	$ 272,156	$ 8,510	$ 280,666
Sewer	265,586	0	265,586
Total	$ 537,742	$ 8,510	$ 546,252

The interfund balances result from a time lag between the dates that the transactions are recorded in the accounting system and payments between funds are made.

Transfers In	Transfers Out	Amount
Sewer Fund	General Fund	$ 190,000
Water Fund	General Fund	400,000
Debt Service Fund	Water Fund	55,124
Debt Service Fund	Sewer Fund	55,036
Sewer Fund	Water Fund	4,500,000

Availability charges collected by the Water and Sewer Funds are required by State statue to be used for debt service and are transferred to the Debt Service Fund. The transfer from the General Fund to the Sewer Fund was determined during the budget process. The transfer from the Water to the Sewer Fund was to eliminate interfund loan balances.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009, is summarized below:

	Balances 12/31/08	Additions	Deletions	Balances 12/31/09
Governmental Activities				
Capital assets, being depreciated				
furniture and equipment	$ 94,141	$ 0	$ 0	$ 94,141
Total Capital Assets, Being Depreciated	94,141	0	0	94,141
Less accumulated depreciation				
furniture and equipment	89,717	2,917	0	(92,634)
Total Accumulated Depreciation	89,717	2,917	0	(92,634)
Total Capital Assets, Being Depreciated, Net	4,424	(2,917)	0	1,507
Governmental Activities Capital Assets	$ 4,424	$ (2,917)	$ 0	$ 1,507
Business-Type Activities				
Capital assets, not being depreciated				
Land	$ 204,511	$ 0	$ 0	$ 204,511
Tap fees	5,152,150	0	0	5,152,150
Water rights	1,139,239	0	0	1,139,239
Total Capital Assets, Not Being Depreciated	6,495,900	0	0	6,495,900
Capital assets, being depreciated				
Land improvements	5,514	0	0	5,514
Collection and distributions systems	39,508,335	3,231,018	0	42,739,353
Vehicles and equipment	340,436	0	0	340,436
Total Capital Assets, Being Depreciated	39,854,285	3,231,018	0	43,085,303
Less Accumulated Depreciation				
Land improvements	(5,514)	0	0	(5,514)
Collection and distribution systems	(11,784,726)	(1,251,957)	0	(13,036,683)
Vehicles and equipment	(320,604)	(10,969)	0	(331,573)
Total Accumulated Depreciation	(12,110,844)	(1,262,926)	0	(13,373,770)
Total Capital Assets, Being Depreciated, Net	27,743,441	1,968,092	0	29,711,533
Business-Type Activities Capital Assets, Net	$ 34,239,341	$ 1,968,092	$ 0	$ 36,207,433

Depreciated expense was charged to programs of the District as follows:

Governmental activities	
General Government	$ 2,917
Business-type activities	
Water	$ 454,499
Sewer	808,427
Total	$ 1,262,926

NOTE 5 - LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions of the governmental activities for the year ended December 31, 2009:

	Balance 12/31/08	Additions	Payments	Balance 12/31/09	Due Within One Year
Governmental Activities					
Accrued Compensated Absences	$ 14,239	$ 0	$ 100	$ 14,139	$ 0
1997 CWRPDA Loan	1,610,000	0	1,610,000	0	0
2005 CWRPDA Loan	8,570,000	0	360,000	8,210,000	375,000
Loan premium	393,805	0	23,133	370,672	0
Total	$ 10,588,044	$ 0	$ 1,993,233	$ 8,594,811	$ 375,000

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

2005 Clean Water Revenue Bonds were issued by the Colorado Water Resources and Power Development Authority and proceeds were loaned to the District to finance a sewer pipeline and two pump stations. Principal and interest payments are due semi-annually on February 1 and August 1, through 2026. Interest accrues at the rate of 3.35% per annum.

Future payments for the outstanding debt are as follows:

Year Ended December 31,	Principal	Interest and Admin. Fees	Total
2010	$ 375,000	$ 310,848	$ 685,848
2011	385,000	299,044	684,044
2012	395,000	286,926	681,926
2013	410,000	274,492	684,492
2014	425,000	261,587	686,587
2015-2019	2,320,000	1,100,602	3,420,602
2020-2024	2,665,000	762,796	3,427,796
2025-2026	1,235,000	203,244	1,438,244
Total	$ 8,210,000	$ 3,499,539	$ 11,709,539

Business-Type Activities

Following are the long-term debt transactions of the business-type activities for the year ended December 31, 2009:

	Balance 12/31/08	Additions	Payments	Balance 12/31/09	Due Within One Year
Business-Type Activities					
Accrued compensated absences	$ 81,856	$ 1,788	$ 0	$ 83,644	$ 0

NOTE 6 - PUBLIC ENTITY RISK POOL

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, with the exception of workers' compensation, the District carries commercial insurance. For workers' compensation, the District participates in the Colorado Special Districts Property and Liability Pool, a separate and independent governmental and legal entity formed by intergovernmental agreement.

The purposes of the Pool are to provide members defined liability, property, and workers compensation coverages and to assist members in preventing and reducing losses and injuries to property and to persons or property which might result in claims being made against members of the Pool, their employees and officers.

It is the intent of the members of the Pool to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of the Pool against stated liability of loss, to the limit of the financial resources of the Pool. It is also the intent of the members to have the Pool provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of the Pool shall be at all times dedicated to the exclusive benefit of its members. The Pool is a separate legal entity and the District does not approve budgets nor does it have the ability to significantly affect the operations of the Pool.

NOTE 7 - RETIREMENT COMMITMENTS

Profit Sharing Plan

The District has established a profit sharing pension plan on behalf of all District employees. The contribution requirements of plan participants and the District are established and may be amended by the Board of Directors. All employees are eligible to participate in the plan upon employment, and become fully vested after five years of service.

The District may contribute up to 15% of each participating employee's compensation. During the year ended December 31, 2009, the District contributed $88,372 to the Plan, representing 13.6% of employee compensation. All contributions are deposited to the individual employee's self-directed accounts and the District has no further fiduciary responsibility for the plan assets.

Deferred Compensation Plan

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all District employees and permits them to defer a portion of their salary until future years. All plan investments are held in trust for the exclusive benefit of the employees. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

NOTE 8 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

At December 31, 2009, the governmental activities had negative net assets of $3,047,592, which resulted because debt proceeds were used to construct capital assets that were contributed to the Water and Sewer Funds. Property tax revenues will be used to service the debt, which will reduce the negative net assets in the future.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the "Amendment") which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment.

In November, 2001, the District electors allowed the District to spend the full proceeds of any taxes, fees, charges, grants, rates, tolls or any other revenues collected in fiscal year 2000 and in all subsequent fiscal years without regard to any limitation contained in the Amendment.

The District has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2009, the emergency reserve of $80,000 was reported as a reservation of fund balance in the General Fund.

The District has entered into a contract to purchase sewer treatment services from the City of Littleton, Colorado. This City is treating all wastewater of the District. The contract is irrevocable by the District as long as bonds to finance the City's treatment plant are still outstanding.

The District has entered into an agreement to purchase is water from the City of Aurora, Colorado. This agreement expires in 2022.

The District has agreed to sell its waste water treatment plant to another water and sanitation district. This total sale price is $4,000,000 plus $300 for every tap sold by the buyer. The District anticipates a total minimum price of $7,000,000. The District has received, and included in deferred income the amount of $200,000 at December 31, 2009.

The District has entered into construction contracts for various projects. At December 31, 2009, the remaining contractual amounts are $199,033.

During the 1970's the District presold approximately 2,500 taps. For the year ended December 31, 2009 each prepaid tap had a credit value of $14,757 against the total tap cost of approximately $37,125. At December 31, 2009, 87 presold taps remained.

REQUIRED SUPPLEMENTARY INFORMATION

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2009

	Original And Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	$ 843,786	$ 838,061	$ (5,725)
Property taxes HB 1006	0	0	0
Specific ownership taxes	82,416	66,308	(16,108)
Investment income	7,000	4,242	(2,758)
Miscellaneous revenues	1,000	180	(820)
Total Revenues	934,202	908,791	(25,411)
Expenditures			
Salaries and benefits	121,000	100,953	20,047
Accounting and audit	24,500	18,449	6,051
Contract labor	1,000	0	1,000
Director fees	8,000	5,500	2,500
Education	30,000	4,523	25,477
Engineering	1,000	0	1,000
Insurance	15,000	13,557	1,443
Legal fees	17,000	19,131	(2,131)
Miscellaneous	11,500	2,149	9,351
Office expense	20,000	18,718	1,282
Permits, dues and subscriptions	2,500	1,238	1,262
Rent	12,000	3,750	8,250
Repairs and maintenance	10,000	10,394	(394)
Treasurer fees	11,000	12,645	(1,645)
Treasurer fees HB 1006	1,500	0	1,500
Utilities	7,000	6,318	682
Vehicle expense	2,000	1,567	433
Investment expense	0	159	(159)
Capital outlay	20,000	0	20,000
Total Expenditures	315,000	219,051	95,949
Excess of Revenues Over Expenditures	619,202	689,740	70,538
Other Financing Uses			
Transfers out	(590,000)	(590,000)	0
Net Change in Fund Balances	$ 29,202	99,740	$ 70,538
Fund Balances, Beginning		247,090	
Fund Balances, Ending		$ 346,830	

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009

NOTE 1 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets

Budgets are legally adopted for all funds of the District. Budgets for the General, and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary funds are presented on a non-GAAP budgetary basis. Capital outlay and debt principal are budgeted as expenditures, and depreciation is not budgeted.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

- In September, District management submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- District management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Directors.
- All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2009

	Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	$ 1,177,313	$ 1,148,185	$ (29,128)
Specific ownership taxes	112,844	90,789	(22,055)
Investment income	35,000	37,712	2,712
Total Revenues	1,325,157	1,276,686	(48,471)
Expenditures			
General government	22,427	18,739	3,688
Debt Service			
Principal	2,052,500	1,970,000	82,500
Interest	327,402	409,444	(82,042)
Total Expenditures	2,402,329	2,398,183	4,146
Deficiency of Revenues Under Expenditures	(1,077,172)	(1,121,497)	(44,325)
Other Financing Sources			
Transfers in	105,000	110,160	5,160
Net Change in Fund Balances	$ (972,172)	(1,011,337)	$ (39,165)
Fund Balances, Beginning		6,164,706	
Fund Balances, Ending		$ 5,153,369	

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
WATER FUND
YEAR ENDED DECEMBER 31, 2009

	Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for services	$ 2,725,000	$ 2,692,476	$ (32,524)
Permit fees	22,250	11,550	(10,700)
Outside treatment	0	39,382	39,382
Miscellaneous	30,600	26,114	(4,486)
Investment income	225,000	194,161	(30,839)
Availability charges	34,000	55,124	21,124
Capital charges	290,000	396,612	106,612
System development charges	200,000	164,904	(35,096)
Transfers in	1,439,250	400,000	(1,039,250)
Total Revenues	4,966,100	3,980,323	(985,777)
Expenditures			
Accounting and audit	15,000	16,458	(1,458)
Permits, dues and subscriptions	25,000	11,024	13,976
Contract labor	10,000	9,530	470
Education	30,000	7,575	22,425
Engineering	110,000	98,262	11,738
GPS/GIS	500	410	90
Insurance	27,000	24,455	2,545
Lab and test fees	28,000	27,694	306
Investment fees	13,000	2,854	10,146
Legal fees	40,000	28,356	11,644
Meter expense	85,000	65,859	19,141
Miscellaneous	7,000	2,495	4,505
Office expense	40,000	36,979	3,021
Operating supplies	75,000	67,035	7,965
Payroll, taxes and benefits	400,000	410,662	(10,662)
Repairs and maintenance	250,000	257,163	(7,163)
Utilities	125,000	100,469	24,531
Vehicle expense	20,000	11,266	8,734
Water study	30,000	24,074	5,926
Water cost	1,900,000	1,112,963	787,037
Capital outlay	9,400,000	2,573,435	6,826,565
Conservation Rebates	10,000	15,500	(5,500)
Chatfield reallocation	100,000	79,152	20,848
Water rights capital	20,000	14,210	5,790
Transfers out	0	4,555,124	(4,555,124)
Total Expenditures	12,760,500	9,553,004	3,207,496
Change in Net Assets, Budgetary Basis	$ (7,774,400)	$ (5,572,681)	$ 2,201,719

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
WATER FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2009

	Budget	Actual	Variance Positive (Negative)
Reconciliation to GAAP Basis			
Capital outlay		$ 2,573,435	
Depreciation		(454,499)	
Change in Net Assets, GAAP Basis		(3,453,745)	
Fund Balances, Beginning		38,581,203	
Fund Balances, Ending		$ 35,127,458	

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
SEWER FUND
YEAR ENDED DECEMBER 31, 2009

	Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for services	$ 1,590,000	$ 1,404,895	$ (185,105)
Charges for services -- Lockheed Martin Agreement	325,000	384,908	59,908
Permit fees	13,500	14,850	1,350
Outside treatment	0	1,356	1,356
Miscellaneous	5,000	3,913	(1,087)
Investment income (loss)	1,000	(360)	(1,360)
Dominion revenue	0	7,440	7,440
Availability charges	30,000	55,037	25,037
Capital charges	50,000	195,502	145,502
System development charges	212,000	1,022	(210,978)
Transfer in	220,000	4,690,000	4,470,000
Total Revenues	2,446,500	6,758,563	4,312,063
Expenditures			
Accounting and audit	15,000	15,445	(445)
Contract labor	4,000	0	4,000
Dominion expense	10,000	3,478	6,522
Education	30,000	6,048	23,952
Engineering	36,000	37,729	(1,729)
GPS/GIS	20,000	410	19,590
Insurance	40,000	24,454	15,546
Lab and test fees	1,000	0	1,000
Legal fees	50,000	64,209	(14,209)
Miscellaneous	7,000	2,120	4,880
Office expense	40,000	35,122	4,878
Operating supplies	120,000	54,718	65,282
Permits, dues and subscriptions	10,000	4,035	5,965
Payroll, taxes and benefits	400,000	410,642	(10,642)
Repairs and maintenance	200,000	170,759	29,241
Service fees	750,000	734,171	15,829
Utilities	115,000	68,716	46,284
Investment expenses	0	194	(194)
Vehicle expense	20,000	10,846	9,154
Capital outlay	650,000	460,822	189,178
Wastewater pipeline	350,000	196,761	153,239
Transfer out	1,142,250	55,036	1,087,214
Total Expenditures	4,010,250	2,355,715	1,654,535
Change in Net Assets, Budgetary Basis	$ (1,563,750)	4,402,848	$ 5,966,598

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
SEWER FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2009

	Budget	Actual	Variance Positive (Negative)
Reconciliation to GAAP Basis			
Capital outlay		$ 657,583	
Depreciation		(808,427)	
Change in Net Assets, GAAP Basis		4,252,004	
Fund Balances, Beginning		20,710,031	
Fund Balances, Ending		$ 24,962,035	

ROXBOROUGH WATER AND SANITATION DISTRICT

FINANCIAL STATEMENTS

December 31, 2010

TABLE OF C O N T E N T S

Independent Auditors' Report	
Management's Discussion and Analysis	i-v
BASIC FINANCIAL STATEMENTS	
Statements of Net Assets	1
Statements of Activities	2
Balance Sheets-Governmental Funds	3
Statements of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	4
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5
Statements of Net Assets - Proprietary Fund	6
Statements of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Fund	7
Statements of Cash Flow - Proprietary Fund	8-9
Notes to Financial Statements	10-19
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule - General Fund	20
Notes to Required Supplementary Information	21
INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Budgetary Comparison Schedule - Debt Service Fund	22
Budgetary Comparison Schedule - Water Fund	23-24
Budgetary Comparison Schedule - Sewer Fund	25-26

POYSTI & ADAMS LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Roxborough Water and Sanitation District
Littleton, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund, of the Roxborough Water and Sanitation District as of and for the year ended December 31, 2010, which collectively comprise the basic financial statements of the Roxborough Water and Sanitation District, as listed in the table of contents. These financial statements are the responsibility of the Roxborough Water and Sanitation District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Roxborough Water and Sanitation District as of December 31, 2010, and the respective changes in financial position and where applicable, cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages i through vii and 20 through 21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

400 South Colorado Boulevard, Suite 690 • Denver, Colorado 80246
303 733-3796 • FAX 303 733-6230 • www.pnacpa.com

MEMBER, AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS, DIVISION FOR CPA FIRMS OF THE AICPA,
AICPA GOVERNMENT AUDIT QUALITY CENTER, COLORADO SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Roxborough Water and Sanitation District's financial statements as a whole. The individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Paynter & Adams, LLC

April 20, 2011

As management of the Roxborough Water & Sanitation District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2010.

Financial Highlights

- Assets exceeded liabilities by $58,245,601 at the close of the fiscal year. Of this amount, $22,630,760 is unrestricted and available to meet ongoing and future obligations of the District.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of $6,163,331.
- Total net assets increased by $1,203,700.
- Total cash and investments decreased by $190,801 as compared to the prior year.
- General fund expenditures increased by $85,397 as compared to the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was
- $378,335 or 124.3% of total general fund expenditures.
- Total debt decreased by $375,000 or 4.57% during the current fiscal year. The reason for this decrease was the scheduled payment of principal on long-term debt.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions of the District that are principally to be supported by ad valorem taxes (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include the financing, construction of, and maintenance of public infrastructure improvements constructed or acquired by the District. The business-type activities of the District include water and sewer facilities construction, maintenance and operations.

The government-wide financial statements can be found on pages 1-2 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories – Governmental Funds and Proprietary Funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The governmental funds use the modified accrual basis of accounting.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each of the funds - general fund and debt service fund - all of which are considered to be major funds.

The basic governmental fund financial statements can be found on pages 3-5 of this report.

Proprietary Funds. The District maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for its water and sewer operations. These services are reported as business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations, which are considered to be major funds of the District.

The proprietary fund financial statements can be found on pages 6-9 of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 10-19 of this report.

Required Supplementary Information. The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement for this fund has been provided as required supplementary information to demonstrate compliance with this budget. The general fund budget statements and notes are found on pages 20-21 of this report.

Other information. The report includes individual fund schedules. A budgetary comparison statement has been provided in this section for the debt service fund, the water fund and the sewer fund to demonstrate compliance with these budgets. The budget statements are found on pages 22-26 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The District's assets exceeded liabilities by $58,245,601 at the close of the most recent fiscal year. Of this amount $22,630,760 is unrestricted and is available to meet the District's ongoing financial obligations.

Statement of Net Assets

	2010			2009		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current Assets	$ 8,260,002	$ 23,300,853	$ 31,560,855	$ 7,540,799	$ 24,752,863	$ 32,293,662
Other Assets	66,954	-	66,954	71,417	-	71,417
Capital Assets, net	3,090	36,902,638	36,905,728	1,507	36,207,432	36,208,939
Total Assets	8,330,046	60,203,491	68,533,537	7,613,723	60,960,295	68,574,018
Current Liabilities	2,606,273	375,085	2,981,358	2,441,504	787,158	3,228,662
Long-Term Obligations	7,813,008	85,960	7,898,968	8,219,811	83,644	8,303,455
Total Liabilities	10,419,281	461,045	10,880,326	10,661,315	870,802	11,532,117
Net Assets Invested in Capital Assets, Net of Debt	(8,208,493)	36,902,638	28,694,145	(8,208,493)	36,207,432	27,998,939
Restricted Net Assets	6,920,696	-	6,920,696	6,417,981	-	6,417,981
Unrestricted Net Assets	(801,438)	23,432,198	22,630,760	(1,257,080)	23,882,061	22,624,981
Total Net Assets	$ (2,089,235)	$ 60,334,836	$ 58,245,601	$ (3,047,592)	$ 60,089,493	$ 57,041,901

Statements of Activities

	2010			2009		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenue						
Program Revenue						
Charges for Services	$ -	$ 4,742,198	$ 4,742,198	$ -	$ 4,586,884	$ 4,586,884
Operating Grants and Contributions	-	123,071	123,071	-	110,161	110,161
Capital Grants and Contributions	-	864,589	864,589	-	758,040	758,040
General Revenue						
Property Taxes	1,979,343	-	1,979,343	1,986,246	-	1,986,246
Specific Ownership Taxes	126,278	-	126,278	157,097	-	157,097
Investment Income	15,476	78,324	93,800	41,954	193,801	235,755
Other	46	-	46	180	-	180
Total Revenue	2,121,143	5,808,182	7,929,325	2,185,477	5,648,886	7,834,363
Expenses						
General Government	429,444	-	429,444	240,607	-	240,607
Interest on Long-Term Debt	386,413	-	386,413	292,449	-	292,449
Water/Sewer Facilities	-	5,909,768	5,909,768	-	5,330,467	5,330,467
Total Expenses	815,857	5,909,768	6,725,625	533,056	5,330,467	5,863,523
Excess	1,305,286	(101,586)	1,203,700	1,652,421	318,419	1,970,840
Transfers	(346,929)	346,929	-	(479,840)	479,840	-
Change in Net Assets	958,357	245,343	1,203,700	1,172,581	798,259	1,970,840
Net Assets - Beginning	(3,047,592)	60,089,493	57,041,901	(4,220,173)	59,291,234	55,071,061
Net Assets - Ending	$ (2,089,235)	$ 60,334,836	$ 58,245,601	$ (3,047,592)	$ 60,089,493	$ 57,041,901

Governmental activities. Governmental activities increased the District's net assets by $958,357, mainly due to changes as follows:

- Property taxes decreased $6,903 (0.35%) over the prior year.
- Specific ownership taxes decreased $30,819 (19.62%).
- General Government expenses increased by $183,600 this year.

Business-type activities. Business-type activities increased the District's net assets by $245,343, mainly due to the contribution of water and sewer facilities. Other key elements of the change in net assets are as follows:

- Service charges increased $155,314 (3.39%) over prior year due to increase in customers, customer usage and user rates.
- Investment income decreased $102,567 due to decreasing interest rates.
- Total operating expenses are increased $579,301 as a result of an increase over prior year in repairs in the amount of $95,007, water cost in the amount of $157,776, depreciation in the amount of $78,656, and engineering in the amount of $209,827.

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of $6,163,331, of which $6,076,683 constitutes unreserved fund balance, which is available for spending at the government's discretion within the parameters established for each fund.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unreserved fund balance of the general fund was $378,335 out of a total fund balance of $464,983. In compliance with an amendment to the State Constitution, Article X, Section 20, the district has established an emergency reserve representing 3% of qualifying expenditures. At December 31, 2010, the emergency reserve was $35,000.

The debt service fund has a total fund balance of $5,698,348, all of which is unrestricted for the repayment of long-term indebtedness. The long term loans payable as of December 31, 2010 is $7,835,000.

Proprietary funds. The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the proprietary fund at the end of the year amounted to $23,432,198. The total net assets of the District's proprietary funds as of December 31, 2010 are $60,334,836. Other factors concerning the finances of this fund have already been addressed in the discussion of the District's business-type activities.

General Fund Budgetary Highlights

The District's total expenditures for 2010 did not exceed the final budgeted appropriation. The difference between the original and final budgeted revenue of $948,385 and the actual revenue of $892,601 was ($55,784). This was primarily attributable to a decrease in specific ownership taxes, and property taxes. The difference between the original budgeted expenditures of $595,385 and the actual expenditures of $388,153 was $7,232.

Capital Assets

The District invested $36,905,728 in capital assets (net of accumulated depreciation) for its governmental and business-type activities for the year ended December 31, 2010. This investment in capital assets includes water and sewer facilities, water rights and vehicles and equipment. Most notably were the additional chemical handling facilities.

Additional information on the District's capital assets can be found in note 4 beginning on page 15 of this report.

Long-Term Debt

At the end of the current fiscal year, the District had total outstanding long-term debt of $8,198,008. Accrued compensated absences accounts for $15,469 of this amount. The remaining $8.182,539 is related to the District's 2005 Clean Water Revenue Bonds through the Colorado Water Resources and Power Development Authority (2005 CWRPDA) which are due annually through 2026 and pay interest rates of 3.35% semi-annually on February 1 and August 1.

Additional information on the District's long-term debt can be found in note 5 beginning on page 17 of this report.

Next Year's Budgets and Rates

Government funds. The 2011 budget reflects a decrease in property tax revenue of $186,493 as a result of a successful property challenge and abatement issued to Lockheed Martin. The total assessed value for 2011 is $142,287,691. The total mill levy is 14.708 mills. General fund expenditures are expected to increase due to natural growth of the District. The district did include a Capital Projects fund budget for 2011 of $5,000.

Proprietary funds. Water and sewer sales are expected to increase slightly over 2010 as a result of some growth and potential rate increase. Expenditures are expected to increase slightly also. The District is anticipating an additional increase in rates cost from the City of Aurora, which is the District's water source, and also from the City of Littleton, which is the District's wastewater treatment provider.

Capital Projects. The district is currently involved in replacing old and damaged water and sewer lines in the Pulte neighborhood as a result of expansive soils.

The Roxborough community has been provided raw (untreated) water for more than 30 years (of its 50-year agreement) from the City of Aurora. The City of Aurora has agreed to amend and extend its current long-standing water supply agreement with Roxborough Water and Sanitation District for a period of another 90 years, with automatic 90-year renewal options.

Requests for Information

This financial report is designed to provide a general overview of the Roxborough Water & Sanitation District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Roxborough Water & Sanitation District, 6222 N. Roxborough Park Road, Littleton, CO 80125.

BASIC FINANCIAL STATEMENTS

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENTS OF NET ASSETS
DECEMBER 31, 2010

	Govern-mental Activities	Business-Type Activities	Totals 2010	Totals 2009
Assets				
Cash and investments	$ 6,205,048	$ 23,300,852	$ 29,505,900	$ 29,696,701
Accounts receivable	8,067	592,391	600,458	561,890
Property taxes receivable	1,995,239	0	1,995,239	2,035,071
Prepaid expenses	51,648	0	51,648	0
Debt issuance costs, net of accumulated amortization	66,954	0	66,954	71,417
Capital assets, net of accumulated depreciation	3,090	36,902,638	36,905,728	36,208,939
Total Assets	8,330,046	60,795,881	69,125,927	68,574,018
Liabilities				
Accounts payable	53,471	71,513	124,984	273,506
Deposits	0	25,996	25,996	25,996
Property tax abatement	47,962	0	47,962	0
Deferred property taxes	1,995,238	0	1,995,238	2,035,071
Unearned revenue	0	268,133	268,133	200,000
Accrued interest payable	124,602	0	124,602	25,904
Retainage payable	0	9,443	9,443	293,185
Non current liabilities				
Due within one year	385,000	0	385,000	375,000
Due in more than one year	7,813,008	85,960	7,898,968	8,303,455
Total Liabilities	10,419,281	461,045	10,880,326	11,532,117
Net Assets				
Invested in capital assets net of related debt	(8,208,493)	36,902,638	28,694,145	27,998,939
Restricted for debt service	6,885,696	0	6,885,696	6,337,981
Restricted for emergencies	35,000	0	35,000	80,000
Unrestricted	(801,438)	23,432,198	22,630,760	22,624,981
Total Net Assets	$ (2,089,235)	$ 60,334,836	$ 58,245,601	$ 57,041,901

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Function/Programs				
Primary Government				
Governmental Activities				
General Government	$ 429,444	$ 0	$ 0	$ 0
Interest on long-term debt	386,413	0	0	0
Total Governmental Activities	815,857	0	0	0
Business-Type Activities				
Water	3,415,177	2,850,717	62,363	643,542
Sewer	2,494,591	1,891,481	60,708	221,047
Total Business-Type activities	5,909,768	4,742,198	123,071	864,589
Total Primary Government	$ 6,725,625	$ 4,742,198	$ 123,071	$ 864,589
General Revenues				
Property taxes				
Specific ownership taxes				
Investment income				
Miscellaneous				
Transfers				
Total General Revenues and Transfers				
Change in net assets				
Net Assets, Beginning				
Net Assets, Ending				

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenues and Changes in Net Assets			
Primary Government			
Govern-mental Activities	Business-Type Activities	Totals 2010	Totals 2009
$ (429,444)	$ 0	$ (429,444)	$ (240,607)
(386,413)	0	(386,413)	(292,449)
(815,857)	0	(815,857)	(533,056)
0	141,445	141,445	507,218
0	(321,355)	(321,355)	(382,600)
0	(179,910)	(179,910)	124,618
(815,857)	(179,910)	(995,767)	(408,438)
1,979,343	0	1,979,343	1,986,246
126,278	0	126,278	157,097
15,476	78,324	93,800	235,755
46	0	46	180
(346,929)	346,929	0	0
1,774,214	425,253	2,199,467	2,379,278
958,357	245,343	1,203,700	1,970,840
(3,047,592)	60,089,493	57,041,901	55,071,061
$ (2,089,235)	$ 60,334,836	$ 58,245,601	$ 57,041,901

ROXBOROUGH WATER AND SANITATION DISTRICT
BALANCE SHEETS
GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	General	Debt Service	Total Governmental Funds 2010	Total Governmental Funds 2009
Assets				
Cash and investments	$ 477,096	$ 5,727,952	$ 6,205,048	$ 6,040,648
Accounts receivable	3,405	4,662	8,067	11,332
Property taxes receivable	842,157	1,153,082	1,995,239	2,035,071
Prepaid items	51,648	0	51,648	0
Total Assets	$ 1,374,306	$ 6,885,696	$ 8,260,002	$ 8,087,051
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ 46,922	$ 6,549	$ 53,471	$ 5,529
Due to other funds	20,244	27,718	47,962	546,252
Deferred property taxes	842,157	1,153,081	1,995,238	2,035,071
Total Liabilities	909,323	1,187,348	2,096,671	2,586,852
Fund Balances				
Reserved for prepaid items	51,648	0	51,648	0
Reserved for emergencies	35,000	0	35,000	80,000
Unreserved, reported in				
General fund	378,335	0	378,335	266,830
Debt service fund	0	5,698,348	5,698,348	5,153,369
Total Fund Balances	464,983	5,698,348	6,163,331	5,500,199
Total Liabilities and Fund Balances	$ 1,374,306	$ 6,885,696	$ 8,260,002	$ 8,087,051

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balances of governmental funds	$ 6,163,331	$ 5,500,199
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. This amount is net of accumulated depreciation of $94,895.	3,090	1,507
Long-term liabilities, including related items, including loans payable ($7,835,000), loan premium ($347,539), accrued compensated absences ($15,469) bond issuance costs $66,954, and accrued interest payable ($124,602) are not due and payable in the current year and, therefore, are not reported in the funds.	(8,255,656)	(8,549,298)
Total Net Assets of Governmental Activities	$ (2,089,235)	$ (3,047,592)

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	General	Debt Service	Total Governmental Funds 2010	Total Governmental Funds 2009
Revenues				
Property taxes	$ 835,446	$ 1,143,897	$ 1,979,343	$ 1,986,246
Specific ownership taxes	53,300	72,978	126,278	157,097
Investment income	3,809	11,667	15,476	41,954
Miscellaneous revenues	46	0	46	180
Total Revenues	892,601	1,228,542	2,121,143	2,185,477
Expenditures				
General government	300,604	120,786	421,390	237,790
Capital outlay	3,844	0	3,844	0
Debt service				
Principal	0	375,000	375,000	1,970,000
Interest and fiscal charges	0	310,848	310,848	409,444
Total Expenditures	304,448	806,634	1,111,082	2,617,234
Revenues Over (Under) Expenditures	588,153	421,908	1,010,061	(431,757)
Other Financing Sources (Uses)				
Transfers in	0	123,071	123,071	110,160
Transfers out	(470,000)	0	(470,000)	(590,000)
Total Other Financing Sources (Uses)	(470,000)	123,071	(346,929)	(479,840)
Net change in fund balances	118,153	544,979	663,132	(911,597)
Fund balances, beginning	346,830	5,153,369	5,500,199	6,411,796
Fund balances, ending	$ 464,983	$ 5,698,348	$ 6,163,331	$ 5,500,199

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT
RECONCILIATION OF THE STATEMENTS OF REVENUE EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

Amounts reported for governmental activities in the statements of activities are different because:

	2010	2009
Net change in fund balances, total governmental funds	$ 663,132	$ (911,597)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlay exceeded depreciation expense in the current year.	1,583	(2,917)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items: amortization of loan premium $23,133, amortization of debt issuance costs ($4,463) and change in accrued interest payable ($98,698).	(80,028)	116,995
Loan payments $375,000 and changes in compensated absences ($1,330) are expenditures in the governmental funds, but they change long-term liabilities in the statement of net assets and do not affect the statement of activities.	373,670	1,970,100
Change in Net Assets of Governmental Activities	$ 958,357	$ 1,172,581

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENTS OF NET ASSETS
PROPRIETARY FUND
DECEMBER 31, 2010

	Water	Sewer	Total 2010	Total 2009
Assets				
Current Assets				
Cash and cash equivalents	$ 12,782,288	$ 1,740,515	$ 14,522,803	$ 14,904,479
Investments	8,778,049	0	8,778,049	8,751,574
Accounts receivable	310,691	278,817	589,508	547,675
Due from other funds	0	0	0	546,252
Total Current Assets	21,871,028	2,019,332	23,890,360	24,749,980
Noncurrent Assets				
Accounts receivable	2,883	0	2,883	2,883
Capital assets, net of accumulated depreciation	11,911,079	24,991,559	36,902,638	36,207,432
Total Noncurrent Assets	11,913,962	24,991,559	36,905,521	36,210,315
Total Assets	33,784,990	27,010,891	60,795,881	60,960,295
Liabilities				
Current liabilities				
Accounts payable	51,347	20,166	71,513	267,977
Deposits	0	25,996	25,996	25,996
Deferred revenues	68,133	200,000	268,133	200,000
Retainage payable	9,443	0	9,443	293,185
Total Current Liabilities	128,923	246,162	375,085	787,158
Noncurrent Liabilities				
Accrued compensated absences	42,980	42,980	85,960	83,644
Total Noncurrent Assets	42,980	42,980	85,960	83,644
Total Liabilities	171,903	289,142	461,045	870,802
Net Assets				
Invested in capital assets, net of related debt	11,911,079	24,991,559	36,902,638	36,207,432
Unrestricted	21,702,008	1,730,190	23,432,198	23,882,061
Total Net Assets	$ 33,613,087	$ 26,721,749	$ 60,334,836	$ 60,089,493

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND
CHANGE IN FUND NET ASSETS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	Water	Sewer	Total 2010	Total 2009
Operating Revenues				
Charges for services	$ 2,585,876	$ 1,428,078	$ 4,013,954	$ 4,104,811
Charges for services Lockheed Martin Agreement	0	409,083	409,083	384,908
Permit fees	12,375	14,275	26,650	26,400
Outside treatment	172,411	11,234	183,645	40,738
Loss on sale of assets	(15,290)	(15,290)	(30,580)	0
Miscellaneous	95,345	44,101	139,446	30,027
Total Operating Revenues	2,850,717	1,891,481	4,742,198	4,586,884
Operating Expenses				
Personnel services	313,183	414,370	727,553	821,304
Operations	2,602,237	1,238,396	3,840,633	3,246,237
Depreciation	499,757	841,825	1,341,582	1,262,926
Total Operating Expenses	3,415,177	2,494,591	5,909,768	5,330,467
Operating Loss	(564,460)	(603,110)	(1,167,570)	(743,583)
Non-operating Revenues (Expenses)				
Investment income	76,547	1,777	78,324	193,802
Availability charges	62,363	60,708	123,071	110,160
Total Nonoperating Revenue (Expenses)	138,910	62,485	201,395	303,962
Net Loss Before Transfers and Capital contributions	(425,550)	(540,625)	(966,175)	(439,621)
Transfer in	280,000	2,140,000	2,420,000	5,090,000
Transfer out	(2,012,363)	(60,708)	(2,073,071)	(4,610,160)
Capital contributions	643,542	221,047	864,589	758,040
Change in net assets	(1,514,371)	1,759,714	245,343	798,259
Net assets, beginning	35,127,458	24,962,035	60,089,493	59,291,234
Net assets, ending	$ 33,613,087	$ 26,721,749	$ 60,334,836	$ 60,089,493

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	Water	Sewer	Total 2010	Total 2009
Cash Flows from Operating Activities				
Cash received from customers	$ 2,896,713	$ 1,885,990	$ 4,782,703	$ 4,612,920
Cash payments to suppliers	(2,556,801)	(937,772)	(3,494,573)	(3,419,745)
Cash payments to employees	(312,025)	(409,484)	(721,509)	(818,816)
Other cash received	95,345	44,101	139,446	30,027
Net Cash Provided by Operating Activities	123,232	582,835	706,067	404,386
Cash Flows from Noncapital Financing Activities				
Transfers from (to) other funds	(1,732,363)	2,079,292	346,929	479,840
Cash Flows from Capital and Related Financing Activities				
Acquisition and construction of capital assets	(584,619)	(1,766,491)	(2,351,110)	(3,517,536)
Capital charges received	643,542	221,047	864,589	592,114
System development charges received	0	0	0	165,926
Net Cash provided by (used in) Capital and Related Financing Activities	58,923	(1,545,444)	(1,486,521)	(2,759,496)
Cash Flows from Investing Activities				
Purchases of investment	(26,475)	0	(26,475)	(7,583,680)
Sales of investments	0	0	0	5,000,000
Investment income	76,547	1,777	78,324	193,801
Net Cash Provided by (Used in) Investing Activities	50,072	1,777	51,849	(2,389,879)
Net increase (decrease)	(1,500,136)	1,118,460	(381,676)	(4,265,149)
Cash and cash equivalents, beginning	14,282,424	622,055	14,904,479	19,169,628
Cash and cash equivalents, ending	$12,782,288	$ 1,740,515	$14,522,803	$14,904,479

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
PROPRIETARY FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2010

	Water	Sewer	Total 2010	Total 2009
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating loss	$ (564,460)	$ (603,110)	$ (1,167,570)	$ (743,583)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	499,757	841,825	1,341,582	1,262,926
Receipt of system availability charges	62,363	60,708	123,071	110,161
Loss on disposal of assets	15,290	15,290	30,580	0
Changes in assets and liabilities				
Accounts receivable	(4,445)	(37,388)	(41,833)	(54,098)
Prepaid Expenses	0	0	0	40,332
Due from other funds	280,666	265,586	546,252	(329,625)
Accounts payable	(216,630)	20,166	(196,464)	115,785
Deposits	(18,600)	18,600	0	0
Deferred revenues	68,133	0	68,133	0
Accrued compensated absences	1,158	1,158	2,316	2,488
Net Cash Provided by Operating Activities	$ 123,232	$ 582,835	$ 706,067	$ 404,386

The accompanying notes are an integral part of these financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Roxborough Water and Sanitation District ("the District"), previously the Roxborough Park Metropolitan District, was formed on January 12, 1972, to provide water, sewer and fire protection services within its boundaries. Effective July 1, 1999, the District's fire protection services were merged into the West Metro Fire Protection District (the "WMFP"). By intergovernmental agreement, the District conveyed ownership of the fire station and all fire equipment to the WMFP, along with property tax revenues related to these services. The District is governed by a five-member Board of Directors elected by the residents.

The accounting policies of the District conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

Reporting Entity

The financial reporting entity consists of the District and organizations for which the District is financially accountable. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are reported as part of the District. In addition, any legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the District.

Based upon the application of this criteria, the District does not report additional organizations within its reporting entity.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for Interfund services that are reasonably equivalent to the services provided. *Governmental activities,* which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities,* which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. Internally dedicated resources are reported as general revenues rather than as program revenues.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Separate financial statements are provided for governmental and proprietary funds. Major individual funds are reported as separate columns in the fund financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Property taxes, specific ownership taxes, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, the District reports the following major governmental funds.

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The *Debt Service Fund* accounts for resources accumulated for, and payments made on, long-term obligations of the District.

Additionally, the District reports the following major proprietary funds.

The *Water Fund* accounts for the activities associated with the provision of water services.

The *Sewer Fund* accounts for the activities associated with the provision of sewer services.

Assets, Liabilities and Net Assets/Fund Balances
Cash and Cash Equivalents – For purposes of the statement of cash flows, cash and cash equivalents are defined as investments with original maturities of three months or less. Pooled cash and investments are categorized as cash equivalents.

Investments – Investments are stated at fair value.

Receivables – All receivables are reported at their gross values and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Capital Assets – Capital assets, which include property, plant, equipment, and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives.

Collection and Distribution Systems	30-50 years
Vehicles and Equipment	3-10 years

Deferred Revenues – Deferred revenues include property taxes earned but levied for a subsequent year.

Compensated Absences – Employees of the District are allowed to accumulate unused vacation and sick time. Upon termination of employment from the District, an employee will be compensated for all accrued vacation time, and for all accrued sick time at a rate of one day for every two days accumulated. A liability for these compensated absences is accrued when incurred in the government-wide and proprietary fund financial statements. A liability is reported in the governmental funds only when due.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Fund Balances (Continued)

Long-Term Debt – In the government-wide financial statements, and for the proprietary fund in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method.

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current year. The face amount of debt issued is reported as other financing sources.

Net Assets/Fund Balances – In the government-wide financial statements, and the proprietary funds financial statements, net assets are restricted when constraints placed on the net assets are externally imposed. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1 and are levied the following January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the District on a monthly basis.

Comparative Information

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read. Certain prior year amounts have been reclassified to conform to the current year presentation.

NOTE 2 - CASH AND INVESTMENTS

At December 31, 2010, cash and investments consisted of the following:

Deposits	$ 10,579,854
Investments	18,926,046
Total	$ 29,505,900

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amount on deposit in excess of Federal Deposit Insurance Corporation (FDIC) levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2010, the District had bank deposits of $1,474,015 and $9,405,623 which were covered by FDIC insurance and collateralized with securities held by the financial institution's agent but not in the District's name.

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Investments

The District is required to comply with State statutes which specify instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest. State statutes do not address custodial risk. The District's investment policy follows State statutes, and allows the following investments.

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The District had the following investments at December 31, 2010:

		Investment Maturities (in Years)		
Investment Type	S&P Rating	Less Than 1	1-5	Fair Value
Local Government Investment Pool	AAAm	$ 11,195,553	$ 0	$ 11,195,553
U.S. Agency Securities	AAA	7,228,774	501,719	7,730,493

Interest Rate Risk – State statutes limit investments in U.S. Agency securities to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

Credit risk – State statutes limit investments in U.S. Agency securities to the highest rating issued by two or more nationally recognized statistical rating organizations (NRSROs). State statutes also limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by a NRSRO.

Concentration of Credit Risk – State statues do not limit the amount the District may invest in one issuer. At December 31, 2010, the District's investments in the Federal Home Loan Bank, Federal National Mortgage Association and Federal Farm Credit Bank were 25%, 8% and 5% respectively, of the District's total investments.

Local Government Investment Pools – At December 31, 2010, the District had $10,147,997 and $1,047,556 invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), and the Colorado Surplus Asset Fund Trust (CSAFE) investment vehicles established by State statute for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating COLOTRUST and CSAFE. COLOTRUST and CSAFE operate similarly to a money market fund and each share is equal in value to $1.00. COLOTRUST and CSAFE are rated AAAm by Standard and Poor's.

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Local Government Investment Pools (Continued)
Investments of COLOTRUST and CSAFE are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

NOTE 3 - INTERFUND BALANCES AND TRANSACTIONS

Transfers In	Transfers Out	Amount
Sewer Fund	General Fund	$ 190,000
Water Fund	General Fund	280,000
Debt Service Fund	Water Fund	62,363
Debt Service Fund	Sewer Fund	60,708
Sewer Fund	Water Fund	1,950,000

Availability charges collected by the Water and Sewer Funds are required by State statue to be used for debt service and are transferred to the Debt Service Fund. The transfer from the General Fund to the Sewer Fund was determined during the budget process. The transfer from the Water to the Sewer Fund was to eliminate interfund loan balances. The cumulative transfers from the Water Fund to the Sewer Fund were $8,400,000 through December 31, 2010. It is the intent of management to have the Sewer Fund transfer excess funds to the Water Fund, as they become available, to eventually eliminate these cumulative transfers.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2010, is summarized below:

	Balances 12/31/09	Additions	Deletions	Balances 12/31/10
Governmental Activities				
Capital assets, being depreciated furniture and equipment	$ 94,141	$ 3,844	$ 0	$ 97,985
Total Capital Assets, Being Depreciated	94,141	3,844	0	97,985
Less accumulated depreciation furniture and equipment	(92,634)	(2,261)	0	(94,895)
Total Accumulated Depreciation	(92,634)	(2,261)	0	(94,895)
Total Capital Assets, Being Depreciated, Net	1,507	1,583	0	3,090
Governmental Activities Capital Assets	$ 1,507	$ 1,583	$ 0	$ 3,090

NOTE 4 - CAPITAL ASSETS CONTINUED)

Capital asset activity for the year ended December 31, 2010, is summarized below (Continued):

	Balances 12/31/09	Additions	Deletions	Balances 12/31/10
Business-Type Activities				
Capital assets, not being depreciated				
Land	$ 204,511	$ 0	$ 0	$ 204,511
Tap fees	5,152,150	0	0	5,152,150
Water rights	1,139,239	0	0	1,139,239
Total Capital Assets, Not Being Depreciated	6,495,900	0	0	6,495,900
Capital assets, being depreciated				
Land improvements	5,514	0	0	5,514
Collection and distributions systems	42,739,353	1,999,145	0	44,738,498
Vehicles and equipment	340,436	68,164	(47,256)	361,344
Total Capital Assets, Being Depreciated	43,085,303	2,067,309	(47,256)	45,105,356
Less Accumulated Depreciation				
Land improvements	(5,514)	0	0	(5,514)
Collection and distribution systems	(13,036,683)	(1,337,351)	0	(14,374,034)
Vehicles and equipment	(331,573)	(4,231)	16,734	(319,070)
Total Accumulated Depreciation	(13,373,770)	(1,341,582)	16,734	(14,698,618)
Total Capital Assets, Being Depreciated, Net	29,711,533	725,727	(30,522)	30,406,738
Business-Type Activities Capital Assets, Net	$ 36,207,433	$ 725,727	$ (30,522)	$ 36,902,638

Depreciated expense was charged to programs of the District as follows:

Governmental activities	
General Government	$ 2,261
Business-type activities	
Water	$ 499,757
Sewer	841,825
Total	$ 1,341,582

NOTE 5 - LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions of the governmental activities for the year ended December 31, 2010:

	Balance 12/31/09	Additions	Payments	Balance 12/31/10	Due Within One Year
Governmental Activities					
Accrued Compensated Absences	$ 14,139	$ 1,330	$ 0	$ 15,469	$ 0
2005 CWRPDA Loan	8,210,000	0	375,000	7,835,000	385,000
Loan premium	370,672	0	23,133	347,539	0
Total	$ 8,594,811	$ 1,330	$ 398,133	$ 8,198,008	$ 385,000

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

2005 Clean Water Revenue Bonds were issued by the Colorado Water Resources and Power Development Authority and proceeds were loaned to the District to finance a sewer pipeline and two pump stations. Principal and interest payments are due semi-annually on February 1 and August 1, through 2026. Interest accrues at the rate of 3.35% per annum.

Future payments for the outstanding debt are as follows:

Year Ended December 31,	Principal	Interest and Admin. Fees	Total
2011	$ 385,000	$ 299,044	$ 684,044
2012	395,000	286,926	681,926
2013	410,000	274,492	684,492
2014	425,000	261,587	686,587
2015	435,000	248,209	683,209
2016-2020	2,390,000	1,033,676	3,423,676
2021-2025	2,755,000	691,010	3,446,010
2026	640,000	93,745	733,745
Total	$ 7,835,000	$ 3,188,689	$ 11,023,689

Business-Type Activities

Following are the long-term debt transactions of the business-type activities for the year ended December 31, 2010:

	Balance 12/31/09	Additions	Balance Payments	Due Within 12/31/10	One Year
Business-Type Activities					
Accrued compensated absences	$ 83,644	$ 2,316	$ 0	$ 85,960	$ 0

NOTE 6 - PUBLIC ENTITY RISK POOL

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, with the exception of workers' compensation, the District carries commercial insurance. For workers' compensation, the District participates in the Colorado Special Districts Property and Liability Pool, a separate and independent governmental and legal entity formed by intergovernmental agreement.

The purposes of the Pool are to provide members defined liability, property, and workers compensation coverages and to assist members in preventing and reducing losses and injuries to property and to persons or property which might result in claims being made against members of the Pool, their employees and officers.

NOTE 6 - PUBLIC ENTITY RISK POOL (CONTINUED)

It is the intent of the members of the Pool to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of the Pool against stated liability of loss, to the limit of the financial resources of the Pool. It is also the intent of the members to have the Pool provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of the Pool shall be at all times dedicated to the exclusive benefit of its members. The Pool is a separate legal entity and the District does not approve budgets nor does it have the ability to significantly affect the operations of the Pool.

NOTE 7 - RETIREMENT COMMITMENTS

Profit Sharing Plan

The District has established a profit sharing pension plan on behalf of all District employees. The contribution requirements of plan participants and the District are established and may be amended by the Board of Directors. All employees are eligible to participate in the plan upon employment, and become fully vested after five years of service.

The District may contribute up to15% of each participating employee's compensation. During the year ended December 31, 2010, the District contributed $83,809 to the Plan, representing 10% of employee compensation. All contributions are deposited to the individual employee's self-directed accounts and the District has no further fiduciary responsibility for the plan assets.

Deferred Compensation Plan

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all District employees and permits them to defer a portion of their salary until future years. All plan investments are held in trust for the exclusive benefit of the employees. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

NOTE 8 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

At December 31, 2010, the governmental activities had negative net assets of $2,089,235, which resulted because debt proceeds were used to construct capital assets that were contributed to the Water and Sewer Funds. Property tax revenues will be used to service the debt, which will reduce the negative net assets in the future.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the "Amendment") which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment.

In November, 2001, the District electors allowed the District to spend the full proceeds of any taxes, fees, charges, grants, rates, tolls or any other revenues collected in fiscal year 2000 and in all subsequent fiscal years without regard to any limitation contained in the Amendment.

The District has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2010, the emergency reserve of $35,000 was reported as a reservation of fund balance in the General Fund.

The District has entered into a contract to purchase sewer treatment services from the City of Littleton, Colorado. This City is treating all wastewater of the District. The contract is irrevocable by the District as long as bonds to finance the City's treatment plant are still outstanding.

The District has entered into an agreement to purchase is water from the City of Aurora, Colorado. This agreement expires in 2105 and then automatically and continuously renews for another ninety years.

The District has agreed to sell its waste water treatment plant to another water and sanitation district. This total sale price is $4,000,000 plus $300 for every tap sold by the buyer. The District anticipates a total minimum price of $7,000,000. The District has received, and included in deferred income the amount of $200,000 at December 31, 2010.

The District has entered into construction contracts for various projects. At December 31, 2010, the remaining contractual amounts are $644,433.

During the 1970's the District presold approximately 2,500 taps. For the year ended December 31, 2010 each prepaid tap had a credit value of $14,757 against the total tap cost of approximately $37,125. At December 31, 2010, 87 presold taps remained.

As part of the agreement with the City of Aurora, the District will pay the City development and connection fee of $6,575 per customer. This fee is due in December 2015. The District estimates that this fee will be $24,985,000.

REQUIRED SUPPLEMENTARY INFORMATION

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2010

	Original And Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	$ 858,969	$ 835,446	$ (23,523)
Specific ownership taxes	82,416	53,300	(29,116)
Investment income	6,000	3,809	(2,191)
Miscellaneous revenues	1,000	46	(954)
Total Revenues	948,385	892,601	(55,784)
Expenditures			
Salaries and benefits	128,000	104,767	23,233
Accounting and audit	20,000	15,863	4,137
Contract labor	1,000	0	1,000
Director fees	8,000	7,000	1,000
Election expense	10,000	15,974	(5,974)
Education	6,300	2,547	3,753
Engineering	15,000	1,241	13,759
Insurance	15,750	10,532	5,218
Legal fees	21,000	15,680	5,320
Miscellaneous	15,000	3,481	11,519
Office expense	15,000	14,336	664
Permits, dues and subscriptions	1,500	1,238	262
Rent	12,000	0	12,000
Repairs and maintenance	10,000	12,066	(2,066)
Treasurer fees	11,000	11,585	(585)
Treasurer fees HB 1006	1,500	0	1,500
Utilities	6,825	5,952	873
Vehicle expense	2,625	1,711	914
Property tax abatement	0	76,631	(76,631)
Capital outlay	20,000	3,844	16,156
Contingency	32,500	0	32,500
Total Expenditures	353,000	304,448	48,552
Excess of Revenues Over Expenditures	595,385	588,153	(7,232)
Other Financing Uses			
Transfers out	(560,000)	(470,000)	90,000
Net Change in Fund Balances	$ 35,385	118,153	$ 82,768
Fund Balances, Beginning		346,830	
Fund Balances, Ending		$ 464,983	

See the accompanying Independent Auditors' Report.

NOTE 1 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets

Budgets are legally adopted for all funds of the District. Budgets for the General and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary funds are presented on a non-GAAP budgetary basis. Capital outlay and debt principal are budgeted as expenditures, and depreciation is not budgeted.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

- In September, District management submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- District management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Directors.
- All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2010

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	$ 1,176,903	$ 1,176,903	$ 1,143,897	$ (33,006)
Specific ownership taxes	112,844	112,844	72,978	(39,866)
Investment income	32,000	32,000	11,667	(20,333)
Total Revenues	1,321,747	1,321,747	1,228,542	(93,205)
Expenditures				
General government	22,427	22,427	15,863	6,564
Property tax abatement	0	115,584	104,923	10,661
Debt Service				
Principal	375,000	375,000	375,000	0
Interest	234,048	310,848	310,848	0
Total Expenditures	631,475	823,859	806,634	17,225
Excess of Revenues Over Expenditures	690,272	497,888	421,908	(75,980)
Other Financing Sources				
Transfers in	64,000	64,000	123,071	59,071
Net Change in Fund Balances	$ 754,272	$ 561,888	544,979	$ (16,909)
Fund Balances, Beginning			5,153,369	
Fund Balances, Ending			$ 5,698,348	

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
WATER FUND
YEAR ENDED DECEMBER 31, 2010

	Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for services	$ 2,730,000	$ 2,585,876	$ (144,124)
Permit fees	22,250	12,375	(9,875)
Other water sales	0	172,411	172,411
Miscellaneous	83,500	95,345	11,845
Investment income	125,000	76,547	(48,453)
Availability charges	34,000	62,363	28,363
Capital charges	290,000	292,611	2,611
System development charges	200,000	350,931	150,931
Loss on sale of fixed assets	0	(15,290)	(15,290)
Transfers in	827,000	280,000	(547,000)
Total Revenues	4,311,750	3,913,169	(398,581)
Expenditures			
Accounting and audit	25,000	21,301	3,699
Permits, dues and subscriptions	16,000	13,348	2,652
Contract labor	12,500	8,400	4,100
Education	10,500	4,932	5,568
Engineering	60,000	255,178	(195,178)
GPS/GIS	20,000	350	19,650
Insurance	26,250	19,574	6,676
Lab and test fees	28,000	16,387	11,613
Investment fees	6,000	0	6,000
Legal fees	50,000	34,095	15,905
Meter expense	135,000	122,008	12,992
Miscellaneous	16,500	6,717	9,783
Office expense	25,000	26,684	(1,684)
Operating supplies	76,650	96,136	(19,486)
Payroll, taxes and benefits	424,000	313,183	110,817
Repairs and maintenance	250,000	378,005	(128,005)
Utilities	110,250	102,140	8,110
Vehicle expense	15,750	12,323	3,427
Water study	50,000	46,165	3,835
Water cost	1,500,000	1,270,739	229,261
Capital outlay	3,020,000	594,062	2,425,938
Conservation rebates	15,000	15,929	(929)
Chatfield reallocation	100,000	142,671	(42,671)
Water rights capital	20,000	9,155	10,845
Contingency	90,000	0	90,000
Transfers out	0	2,012,363	(2,012,363)
Total Expenditures	6,102,400	5,521,845	580,555
Change in Net Assets, Budgetary Basis	$ (1,790,650)	(1,608,676)	$ 181,974

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
WATER FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2010

	Budget	Actual	Variance Positive (Negative)
Reconciliation to GAAP Basis			
Capital outlay		$ 594,062	
Depreciation		(499,757)	
Change in Net Assets, GAAP Basis		(1,514,371)	
Fund Balances, Beginning		35,127,458	
Fund Balances, Ending		$ 33,613,087	

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
SEWER FUND
YEAR ENDED DECEMBER 31, 2010

	Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for services	$ 1,595,000	$ 1,428,078	$ (166,922)
Charges for services – Lockheed Martin Agreement	400,000	409,083	9,083
Permit fees	13,500	14,275	775
Ravenna service charge	0	11,234	11,234
Miscellaneous	3,500	44,101	40,601
Investment income	6,000	1,777	(4,223)
Availability charges	30,000	60,708	30,708
Capital charges	50,000	68,552	18,552
System development charges	120,000	152,495	32,495
Loss on sale of assets	0	(15,290)	(15,290)
Transfer in	0	2,140,000	2,140,000
Total Revenues	2,218,000	4,315,013	2,097,013
Expenditures			
Accounting and audit	16,000	17,145	(1,145)
Contract labor	4,000	0	4,000
Dominion expense	10,000	0	10,000
Education	10,500	3,170	7,330
Engineering	45,000	90,640	(45,640)
GPS/GIS	20,000	350	19,650
Insurance	26,250	19,574	6,676
Lab and test fees	1,000	25	975
Legal fees	45,000	32,973	12,027
Miscellaneous	16,500	6,055	10,445
Office expense	25,000	24,698	302
Operating supplies	57,750	38,743	19,007
Permits, dues and subscriptions	1,500	1,320	180
Payroll, taxes and benefits	424,000	414,370	9,630
Repairs and maintenance	250,000	144,924	105,076
Service fees	817,500	759,226	58,274
Utilities	73,500	87,217	(13,717)
Vehicle expense	15,750	12,336	3,414
Capital outlay	1,350,000	1,473,307	(123,307)
Contingency	60,000	0	60,000
Transfer out	331,000	60,708	270,292
Total Expenditures	3,600,250	3,186,781	413,469
Change in Net Assets, Budgetary Basis	$ (1,382,250)	1,128,232	$ 2,510,485

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
SEWER FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2010

	Budget	Actual	Variance Positive (Negative)
Reconciliation to GAAP Basis			
Capital outlay		$ 1,473,307	
Depreciation		(841,825)	
Change in Net Assets, GAAP Basis		1,759,714	
Fund Balances, Beginning		24,962,035	
Fund Balances, Ending		$ 26,721,749	

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT

FINANCIAL STATEMENTS

December 31, 2011

TABLE OF C O N T E N T S

Independent Auditors' Report	i-ii
Management's Discussion and Analysis	iii-vii
BASIC FINANCIAL STATEMENTS	
Statement of Net Assets	1
Statement of Activities	2
Balance Sheets - Governmental Funds	3
Statements of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	4
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5
Statement of Net Assets - Proprietary Funds	6
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	7
Statement of Cash Flows - Proprietary Funds	8-9
Notes to Financial Statements	10-20
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule - General Fund	21
Notes to Required Supplementary Information	22
INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Budgetary Comparison Schedule - Debt Service Fund	23
Budgetary Comparison Schedule - Water Fund	24-25
Budgetary Comparison Schedule - Sewer Fund	26

POYSTI & ADAMS LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Roxborough Water and Sanitation District
Littleton, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund, of the Roxborough Water and Sanitation District as of and for the year ended December 31, 2011, which collectively comprise the basic financial statements of the Roxborough Water and Sanitation District, as listed in the table of contents. These financial statements are the responsibility of the Roxborough Water and Sanitation District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Roxborough Water and Sanitation District as of December 31, 2011, and the respective changes in financial position and where applicable, cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the financial statements, the District adopted the provisions of GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in 2011.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages i through vii and 21 through 22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for

400 South Colorado Boulevard, Suite 690 • Denver, Colorado 80246
303 733-3796 • FAX 303 733-6230 • www.pnacpa.com

MEMBER: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS, DIVISION FOR CPA FIRMS OF THE AICPA.
AICPA GOVERNMENT AUDIT QUALITY CENTER, COLORADO SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Roxborough Water and Sanitation District's financial statements as a whole. The individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Paynter & Adams, LLC

April 18, 2012

Management's Discussion and Analysis

As management of the Roxborough Water & Sanitation District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2011.

Financial Highlights

- Assets exceeded liabilities by $59,663,025 at the close of the fiscal year. Of this amount, $22,363,395 is unrestricted and available to meet ongoing and future obligations of the District.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of $6,896,451.
- Total net assets increased by $1,417,424.
- Total cash and investments decreased by $1,106,472 as compared to the prior year.
- General fund expenditures decreased by $28,187 as compared to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $ 491,704 or 177.99% of total general fund expenditures.
- Total debt decreased by $385,000 or 4.91% during the current fiscal year. The reason for this decrease was the scheduled payment of principal on long-term debt.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions of the District that are principally to be supported by ad valorem taxes (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include the financing, construction of, and maintenance of public infrastructure improvements constructed or

acquired by the District. The business-type activities of the District include water and sewer facilities construction, maintenance and operations.

The government-wide financial statements can be found on pages 1-2 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories – Governmental Funds and Proprietary Funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The governmental funds use the modified accrual basis of accounting. During the year ended December 31, 2011, the District implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each of the funds - general fund and debt service fund - all of which are considered to be major funds.

The basic governmental fund financial statements can be found on pages 3-5 of this report.

Proprietary Funds. The District maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for its water and sewer operations. These services are reported as business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations, which are considered to be major funds of the District.

The proprietary fund financial statements can be found on pages 6-9 of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 10-20 of this report.

Required Supplementary Information. The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement for this fund has been provided as required supplementary information to demonstrate compliance with this budget. The general fund budget statements and notes are found on pages 21-22 of this report.

Other information. The report includes individual fund schedules. A budgetary comparison statement has been provided in this section for the debt service fund, the water fund and the sewer fund to demonstrate compliance with these budgets. The budget statements are found on pages 23 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The District's assets exceeded liabilities by $59,663,025 at the close of the most recent fiscal year. Of this amount $22,363,395 is unrestricted and is available to meet the District's ongoing financial obligations.

Statement of Net Assets

	2011			2010		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current Assets	$ 8,576,212	$22,173,523	$30,749,735	$ 8,260,002	$23,300,853	$31,560,855
Other Assets	62,491	-	62,491	66,954	-	66,954
Capital Assets, net	1,844	39,111,201	39,113,045	3,090	36,902,638	36,905,728
Total Assets	8,640,547	61,284,724	69,925,271	8,330,046	60,203,491	68,533,537
Current Liabilities	2,194,313	571,024	2,765,337	2,606,273	375,085	2,981,358
Long-Term Obligations	7,395,497	101,412	7,496,909	7,813,008	85,960	7,898,968
Total Liabilities	9,589,810	672,436	10,262,246	10,419,281	461,045	10,880,326
Net Assets Invested in Capital Assets, Net of Debt	(8,208,493)	39,111,201	30,902,708	(8,208,493)	36,902,638	28,694,145
Restricted Net Assets	6,396,922	-	6,396,922	6,920,696	-	6,920,696
Unrestricted Net Assets	862,308	21,501,087	22,363,395	(801,438)	23,432,198	22,630,760
Total Net Assets	$ (949,263)	$60,612,288	$59,663,025	$(2,089,235)	$60,334,836	$58,245,601

	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenue						
Program Revenue						
Charges for Services	$ -	$ 4,774,225	$4,774,225	$ -	$ 4,742,198	$ 4,742,198
Operating Grants and Contributions	-	70,158	70,158	-	123,071	123,071
Capital Grants and Contributions	-	577,459	577,459	-	864,589	864,589
General Revenue						
Property Taxes	1,954,993	-	1,954,993	1,979,343	-	1,979,343
Specific Ownership Taxes	165,987	-	165,987	126,278	-	126,278
Investment Income	12,729	70,965	83,694	15,476	78,324	93,800
Other	-	-	-	46	-	46
Total Revenue	2,133,709	5,492,807	7,626,516	2,121,143	5,808,182	7,929,325
Expenses						
General Government	298,616	-	298,616	424,981	-	424,981
Interest on Long-Term Debt	270,861	-	270,861	390,876	-	390,876
Water/Sewer Facilities	-	5,639,615	5,639,615	-	5,909,768	5,909,768
Total Expenses	569,477	5,639,615	6,209,092	815,857	5,909,768	6,725,625
Excess	1,564,232	(146,808)	1,417,424	1,305,286	(101,586)	1,203,700
Transfers	(424,260)	424,260	-	(346,929)	346,929	-
Change in Net Assets	1,139,972	277,452	1,417,424	958,357	245,343	1,203,700
Net Assets - Beginning	(2,089,235)	60,334,836	58,245,601	(3,047,592)	60,089,493	57,041,901
Net Assets - Ending	$ (949,263)	$60,612,288	59,663,025	$(2,089,235)	$60,334,836	$58,245,601

Governmental activities. Governmental activities increased the District's net assets by $1,139,972, several highlights are as follows:

- Property taxes decreased $24,350 (1.23%) over the prior year.
- Specific ownership taxes increased $39,709.
- General Government expenses decreased by $126,365 this year.

Business-type activities. Business-type activities increased the District's net assets by $277,452, mainly due to the contribution of water and sewer facilities. Some of the key elements of the change in net assets are as follows:

- Service charges increased $32,027 (0.68%) over prior year.
- Investment income decreased $10,106 due to decreasing interest rates.
- Total operating expenses are decreased $270,153 as a result of an increase in depreciation $63,273, and a decrease in operations expenses $(385,005), and an increase in personnel expenses of $51,579.

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of $6,896,451, of which $491,704 constitutes unassigned fund balance, which is available for spending at the government's discretion within the parameters established for each fund.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was $491,704 out of a total fund balance of $545,029. In compliance with an amendment to the State Constitution, Article X, Section 20, the district has established an emergency reserve representing 3% of qualifying expenditures. At December 31, 2011, the emergency reserve was $45,500.

The debt service fund has a total fund balance of $6,351,422, all of which is restricted for the repayment of long-term indebtedness. The long term loans payable as of December 31, 2011 is $ 7,450,000.

On November 1, 2011 the district voted in favor of Ballot Issue 5A. This positive vote authorizes the district debt to be increased by a total of $ 6,500,000 for the purpose of being the repayment of loans advanced from the district's water fund to the district's sewer fund to finance a portion of the costs of improvements to the district's sanitary sewer collection and transmission system. This debt is to be repaid from the district's current property tax fund balance established

by the district pursuant to voter authorization obtained at the November 2002 election and without future increases in the annual taxes authorized by the November 2002 election.

Proprietary funds. The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the proprietary fund at the end of the year amounted to $21,501,087. The total net assets of the District's proprietary funds as of December 31, 2011 are $60,612,288. Other factors concerning the finances of this fund have already been addressed in the discussion of the District's business-type activities.

General Fund Budgetary Highlights

The District's total expenditures for 2011 did not exceed the final budgeted appropriation. The difference between the original and final budgeted revenue of $894,657 and the actual revenue of $896,307 was $1,650. The difference between the original budgeted expenditures of $935,160 and the actual expenditures of $816,261 was $118,899.

Capital Assets

The District has invested $39,111,201 in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of the year ended December 31, 2011. This investment in capital assets includes water and sewer facilities, water rights and vehicles and equipment. Most notably were the upgrade to the water and sewer collection and distributions in the Pulte neighborhood.

Additional information on the District's capital assets can be found in note 4 beginning on page 16 of this report.

Long-Term Debt

At the end of the current fiscal year, the District had total outstanding long-term debt of $7,790,497. Accrued compensated absences accounts for $16,091 of this amount. The remaining $7,774,406 is related to the District's 2005 Clean Water Revenue Bonds through the Colorado Water Resources and Power Development Authority (2005 CWRPDA) which are due annually through 2026 and pay interest rates of 3.35% semi-annually on February 1 and August 1.

Additional information on the District's long-term debt can be found in note 5 beginning on page 17 of this report.

Next Year's Budgets and Rates

Government funds. The 2012 budget reflects a considerable decrease in property tax revenue of $413,031 as a result of decreased assessed valuations and the districts mill levy. This is a 19.74% decrease. The total assessed value for 2012 is $ 126,621,550 down from $142,287,691 in 2011. The total mill levy in 2012 is 13.2658 mills, decreased from 14.708 mills in 2011. General fund expenditures are expected to increase due to natural growth of the District. The district did include a Capital Projects fund budget for 2012 of $23,000,000.

Proprietary funds. Water and sewer sales are expected to increase slightly over 2011 as a result of some growth and potential rate increase. Expenditures are expected to increase slightly also. The District is anticipating an additional rate increase from the City of Aurora, which is the District's water source, and also from the City of Littleton, which is the District's wastewater treatment provider.

Capital Projects. The District completed water and sewer enhancements including pipeline replacements in the Pulte neighborhood due to expansive and corrosive soils. The district also completed pump station refurbishments, the addition of backup power generation for improved reliability of water delivery which started in 2010, and an electrical surge protection project at the district's water treatment plant was also accomplished in 2011.

Requests for Information

This financial report is designed to provide a general overview of the Roxborough Water & Sanitation District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Roxborough Water & Sanitation District, 6222 N. Roxborough Park Road, Littleton, CO 80125.

BASIC FINANCIAL STATEMENTS

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENT OF NET ASSETS
DECEMBER 31, 2011

	Govern-mental Activities	Business-Type Activities	Totals 2011	Totals 2010
Assets				
Cash and investments	$ 6,878,080	$ 21,521,348	$ 28,399,428	$ 29,505,900
Accounts receivable	10,546	620,873	631,419	600,458
Property taxes receivable	1,679,761	0	1,679,761	1,995,239
Prepaid expenses	7,825	31,302	39,127	51,648
Debt issuance costs, net of accumulated amortization	62,491	0	62,491	66,954
Capital assets, net of accumulated depreciation	1,844	39,111,201	39,113,045	36,905,728
Total Assets	8,640,547	61,284,724	69,925,271	69,125,927
Liabilities				
Accounts payable	0	172,855	172,855	124,984
Deposits	0	25,996	25,996	25,996
Property tax abatement	0	0	0	47,962
Deferred property taxes	1,679,761	0	1,679,761	1,995,238
Unearned revenue	0	263,267	263,267	268,133
Accrued interest payable	119,552	0	119,552	124,602
Retainage payable	0	108,906	108,906	9,443
Non current liabilities				
Due within one year	395,000	0	395,000	385,000
Due in more than one year	7,395,497	101,412	7,496,909	7,898,968
Total Liabilities	9,589,810	672,436	10,262,246	10,880,326
Net Assets				
Invested in capital assets net of related debt	(8,208,493)	39,111,201	30,902,708	28,694,145
Restricted for debt service	6,351,422	0	6,351,422	5,698,348
Restricted for emergencies	45,500	0	45,500	35,000
Unrestricted	862,308	21,501,087	22,363,395	23,818,108
Total Net Assets	$ (949,263)	$ 60,612,288	$ 59,663,025	$ 58,245,601

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Function/Programs				
Primary Government				
Governmental Activities				
General Government	$ 298,616	$ 0	$ 0	$ 0
Interest on long-term debt	270,861	0	0	0
Total Governmental Activities	569,477	0	0	0
Business-Type Activities				
Water	3,035,134	2,876,613	58,036	460,302
Sewer	2,604,481	1,897,612	12,122	117,157
Total Business-Type activities	5,639,615	4,774,225	70,158	577,459
Total Primary Government	$ 6,209,092	$ 4,774,225	$ 70,158	$ 577,459
General Revenues				
Property taxes				
Specific ownership taxes				
Investment income				
Miscellaneous				
Transfers				
Total General Revenues and Transfers				
Change in net assets				
Net Assets, Beginning				
Net Assets, Ending				

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenues and Changes in Net Assets				
Primary Government				
Govern-mental Activities	Business-Type Activities	Totals		
		2011	2010	
$ (298,616)	$ 0	$ (298,616)	$ (429,444)	
(270,861)	0	(270,861)	(386,413)	
(569,477)	0	(569,477)	(815,857)	
0	359,817	359,817	141,445	
0	(577,590)	(577,590)	(321,355)	
0	(217,773)	(217,773)	(179,910)	
(569,477)	(217,773)	(787,250)	(995,767)	
1,954,993	0	1,954,993	1,979,343	
165,987	0	165,987	126,278	
12,729	70,965	83,694	93,800	
0	0	0	46	
(424,260)	424,260	0	0	
1,709,449	495,225	2,204,674	2,199,467	
1,139,972	277,452	1,417,424	1,203,700	
(2,089,235)	60,334,836	58,245,601	57,041,901	
$ (949,263)	$ 60,612,288	$ 59,663,025	$ 58,245,601	

ROXBOROUGH WATER AND SANITATION DISTRICT
BALANCE SHEETS
GOVERNMENTAL FUNDS
DECEMBER 31, 2011

	General	Debt Service	Total Governmental Funds 2011	Total Governmental Funds 2010
Assets				
Cash and investments	$ 532,753	$ 6,345,327	$ 6,878,080	$ 6,205,048
Accounts receivable	4,451	6,095	10,546	8,067
Property taxes receivable	786,067	893,694	1,679,761	1,995,239
Prepaid items	7,825	0	7,825	51,648
Total Assets	$ 1,331,096	$ 7,245,116	$ 8,576,212	$ 8,260,002
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ 0	$ 0	$ 0	$ 53,471
Due to other funds	0	0	0	47,962
Deferred property taxes	786,067	893,694	1,679,761	1,995,238
Total Liabilities	786,067	893,694	1,679,761	2,096,671
Fund Balances				
Nonspendable				
Prepaids	7,825	0	7,825	51,648
Restricted for				
Emergencies	45,500	0	45,500	35,000
Debt service	0	6,351,422	6,351,422	5,698,348
Unassigned	491,704	0	491,704	378,335
Total Fund Balances	545,029	6,351,422	6,896,451	6,163,331
Total Liabilities and Fund Balances	$ 1,331,096	$ 7,245,116	$ 8,576,212	$ 8,260,002

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balances of governmental funds	$ 6,896,451	$ 6,163,331
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. This amount is net of accumulated depreciation of $96,141.	1,844	3,090
Long-term liabilities, including related items, including loans payable ($7,450,000), loan premium ($324,406), accrued compensated absences ($16,091) bond issuance costs $62,491, and accrued interest payable ($119,552) are not due and payable in the current year and, therefore, are not reported in the funds.	(7,847,558)	(8,255,656)
Total Net Assets of Governmental Activities	$ (949,263)	$ (2,089,235)

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	General	Debt Service	Total Governmental Funds 2011	Total Governmental Funds 2010
Revenues				
Property taxes	$ 825,170	$ 1,129,823	$ 1,954,993	$ 1,979,343
Specific ownership taxes	68,485	97,502	165,987	126,278
Investment income	2,652	10,077	12,729	15,476
Miscellaneous revenues	0	0	0	46
Total Revenues	896,307	1,237,402	2,133,709	2,121,143
Expenditures				
General government	276,261	16,024	292,285	421,390
Capital outlay	0	0	0	3,844
Debt service				
Principal	0	385,000	385,000	375,000
Interest and fiscal charges	0	299,044	299,044	310,848
Total Expenditures	276,261	700,068	976,329	1,111,082
Excess of Revenues Over Expenditures	620,046	537,334	1,157,380	1,010,061
Other Financing Sources (Uses)				
Transfers in	0	115,740	115,740	123,071
Transfers out	(540,000)	0	(540,000)	(470,000)
Total Other Financing Sources (Uses)	(540,000)	115,740	(424,260)	(346,929)
Net change in fund balances	80,046	653,074	733,120	663,132
Fund balances, beginning	464,983	5,698,348	6,163,331	5,500,199
Fund balances, ending	$ 545,029	$ 6,351,422	$ 6,896,451	$ 6,163,331

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

Amounts reported for governmental activities in the statements of activities are different because:

	2011	2010
Net change in fund balances, total governmental funds	$ 733,120	$ 663,132
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This amount represents capital outlay in excess of depreciation expense in the current year.	(1,246)	1,583
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items: amortization of loan premium $23,133, amortization of debt issuance costs ($4,463) and change in accrued interest payable $5,050.	23,720	(80,028)
Loan payments $385,000 and changes in compensated absences ($622) expenditures in the governmental funds, but they change long-term liabilities in the statement of net assets and do not affect the statement of activities.	384,378	373,670
Change in Net Assets of Governmental Activities	$ 1,139,972	$ 958,357

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2011

	Water	Sewer	Total 2011	Total 2010
Assets				
Current Assets				
Cash and cash equivalents	$ 12,107,076	$ 596,396	$ 12,703,472	$ 14,522,803
Investments	8,817,876	0	8,817,876	8,778,049
Accounts receivable	370,866	247,124	617,990	589,508
Prepaid expenses	15,651	15,651	31,302	0
Total Current Assets	21,311,469	859,171	22,170,640	23,890,360
Noncurrent Assets				
Accounts receivable	2,883	0	2,883	2,883
Capital assets, net of accumulated depreciation	13,388,224	25,722,977	39,111,201	36,902,638
Total Noncurrent Assets	13,391,107	25,722,977	39,114,084	36,905,521
Total Assets	34,702,576	26,582,148	61,284,724	60,795,881
Liabilities				
Current liabilities				
Accounts payable	136,382	36,473	172,855	71,513
Deposits	18,600	7,396	25,996	25,996
Deferred revenues	63,267	200,000	263,267	268,133
Retainage payable	108,906	0	108,906	9,443
Total Current Liabilities	327,155	243,869	571,024	375,085
Noncurrent Liabilities				
Accrued compensated absences	50,706	50,706	101,412	85,960
Total Noncurrent Assets	50,706	50,706	101,412	85,960
Total Liabilities	377,861	294,575	672,436	461,045
Net Assets				
Invested in capital assets, net of related debt	13,388,224	25,722,977	39,111,201	36,902,638
Unrestricted	20,936,491	564,596	21,501,087	23,432,198
Total Net Assets	$ 34,324,715	$ 26,287,573	$ 60,612,288	$ 60,334,836

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENT OF REVENUES, EXPENSES AND
CHANGE IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Water	Sewer	Total 2011	Total 2010
Operating Revenues				
Charges for services	$ 2,608,065	$ 1,453,543	$ 4,061,608	$ 4,013,954
Charges for services Lockheed Martin Agreement	0	384,419	384,419	409,083
Permit fees	1,800	1,800	3,600	26,650
Outside treatment	153,548	21,978	175,526	183,645
Loss on sale of assets	0	0	0	(30,580)
Miscellaneous	113,200	35,872	149,072	139,446
Total Operating Revenues	2,876,613	1,897,612	4,774,225	4,742,198
Operating Expenses				
Personnel services	388,616	390,516	779,132	727,553
Operations	2,123,497	1,332,131	3,455,628	3,840,633
Depreciation	523,021	881,834	1,404,855	1,341,582
Total Operating Expenses	3,035,134	2,604,481	5,639,615	5,909,768
Operating Loss	(158,521)	(706,869)	(865,390)	(1,167,570)
Non-Operating Revenues (Expenses)				
Investment income	69,847	1,118	70,965	78,324
Availability charges	58,036	12,122	70,158	123,071
Total Non-Operating Revenue (Expenses)	127,883	13,240	141,123	201,395
Net Loss Before Transfers and Capital contributions	(30,638)	(693,629)	(724,267)	(966,175)
Transfer in	340,000	200,000	540,000	2,420,000
Transfer out	(58,036)	(57,704)	(115,740)	(2,073,071)
Capital contributions	460,302	117,157	577,459	864,589
Change in net assets	711,628	(434,176)	277,452	245,343
Net assets, beginning	33,613,087	26,721,749	60,334,836	60,089,493
Net assets, ending	$ 34,324,715	$ 26,287,573	$ 60,612,288	$ 60,334,836

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Water	Sewer	Total 2011	Total 2010
Cash Flows from Operating Activities				
Cash received from customers	$ 2,756,408	$ 1,905,555	$ 4,661,963	$ 4,782,703
Cash payments to suppliers	(2,035,513)	(1,350,075)	(3,385,588)	(3,494,573)
Cash payments to employees	(380,890)	(382,790)	(763,680)	(721,509)
Other cash received	113,200	35,872	149,072	139,446
Net Cash Provided by Operating Activities	453,205	208,562	661,767	706,067
Cash Flows from Noncapital Financing Activities				
Transfers from other funds	340,000	200,000	540,000	346,929
Transfers to other funds	(58,036)	(57,704)	(115,740)	0
Net Cash Provided by Non Financing Activities	281,964	142,296	424,260	346,929
Cash Flows from Capital and Related Financing Activities				
Acquisition and construction of capital assets	(1,900,703)	(1,613,252)	(3,513,955)	(2,351,110)
Capital charges received	460,302	117,157	577,459	864,589
Net Cash Used in Capital and Related Financing Activities	(1,440,401)	(1,496,095)	(2,936,496)	(1,486,521)
Cash Flows from Investing Activities				
Purchases of investment	(39,827)	0	(39,827)	(26,475)
Investment income	69,847	1,118	70,965	78,324
Net Cash Provided by Investing Activities	30,020	1,118	31,138	51,849
Net decrease	(675,212)	(1,144,119)	(1,819,331)	(381,676)
Cash and cash equivalents, beginning	12,782,288	1,740,515	14,522,803	14,904,479
Cash and cash equivalents, ending	$12,107,076	$ 596,396	$12,703,472	$14,522,803

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2011

	Water	Sewer	Total 2011	Total 2010
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities				
Operating loss	$ (158,521)	$ (706,869)	$ (865,390)	$ (1,167,570)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation	523,021	881,834	1,404,855	1,341,582
Receipt of system availability charges	58,036	12,122	70,158	123,071
Loss on disposal of assets	0	0	0	30,580
Changes in assets and liabilities:				
Accounts receivable	(60,175)	31,693	(28,482)	(41,833)
Prepaid expenses	(15,651)	(15,651)	(31,302)	0
Due from other funds	0	0	0	546,252
Accounts payable	85,035	16,307	101,342	(196,464)
Deposits	18,600	(18,600)	0	0
Deferred revenues	(4,866)	0	(4,866)	68,133
Accrued compensated absences	7,726	7,726	15,452	2,316
Net Cash Provided by Operating Activities	$ 453,205	$ 208,562	$ 661,767	$ 706,067

The accompanying notes are an integral part of these financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Roxborough Water and Sanitation District ("the District"), previously the Roxborough Park Metropolitan District, was formed on January 12, 1972, to provide water, sewer and fire protection services within its boundaries. Effective July 1, 1999, the District's fire protection services were merged into the West Metro Fire Protection District (the "WMFP"). By intergovernmental agreement, the District conveyed ownership of the fire station and all fire equipment to the WMFP, along with property tax revenues related to these services. The District is governed by a five-member Board of Directors elected by the residents.

The accounting policies of the District conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

Reporting Entity

The financial reporting entity consists of the District and organizations for which the District is financially accountable. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are reported as part of the District. In addition, any legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the District.

Based upon the application of this criteria, the District does not report additional organizations within its reporting entity.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities,* which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities,* which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. Internally dedicated resources are reported as general revenues rather than as program revenues.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Separate financial statements are provided for governmental and proprietary funds. Major individual funds are reported as separate columns in the fund financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Property taxes, specific ownership taxes, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, the District reports the following major governmental funds.

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The *Debt Service Fund* accounts for resources accumulated for, and payments made on, long-term obligations of the District.

Additionally, the District reports the following major proprietary funds.

The *Water Fund* accounts for the activities associated with the provision of water services.

The *Sewer Fund* accounts for the activities associated with the provision of sewer services.

Assets, Liabilities and Net Assets/Fund Balances
Cash and Cash Equivalents – For purposes of the statement of cash flows, cash and cash equivalents are defined as investments with original maturities of three months or less. Pooled cash and investments are categorized as cash equivalents.

Investments – Investments are stated at fair value.

Receivables – All receivables are reported at their gross values and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At December 31, 2011, the District expects to collect all accounts receivable balances.

Capital Assets – Capital assets, which include property, plant, equipment, and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives.

Collection and Distribution Systems	30-50 years
Vehicles and Equipment	3-10 years

Deferred Revenues – Deferred revenues include property taxes earned but levied for a subsequent year.

Compensated Absences – Employees of the District are allowed to accumulate unused vacation and sick time. Upon termination of employment from the District, an employee will be compensated for all accrued vacation time, and for all accrued sick time at a rate of one day for every two days accumulated. A liability for these compensated absences is accrued when incurred in the government-wide and proprietary fund financial statements. A liability is reported in the governmental funds only when due.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Fund Balances (Continued)
Long-Term Debt – In the government-wide financial statements, and for the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method.

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current year. The face amount of debt issued is reported as other financing sources.

Fund Balance
The District has adopted GASB Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of constraints placed on a government's fund balances more transparent. Based on that statement fund balances of the governmental funds are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes, determined by a formal action of the Board of Directors. The Board of Directors is the highest level of decision making body for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. At December 31, 2011, the District had no Committed Fund Balances.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the Board of Directors may assign fund balances for specific purposes. At December 31, 2011, the District had no Assigned Fund Balances.

The beginning fund balance has been restated to reflect the above classifications.

When an expenditure is incurred for which committed, assigned or unassigned fund balance is available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District has provided otherwise in its commitment or assignment actions.

Net Assets
Net assets in the government-wide Statement of Net Assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulators of other governments.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

Property taxes attach as an enforceable lien on property on January 1 and are levied the following January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits them to the District on a monthly basis.

Comparative Information

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read. Certain prior year amounts have been reclassified to conform to the current year presentation.

NOTE 2 - CASH AND INVESTMENTS

At December 31, 2011, cash and investments consisted of the following:

Deposits	$ 9,059,369
Investments	19,340,059
Total	$ 28,399,428

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of Federal Deposit Insurance Corporation (FDIC) levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2011, the District had bank deposits of $1,710,259 and $7,434,072 which were covered by FDIC insurance and collateralized with securities held by the financial institution's agent but not in the District's name.

Investments

The District is required to comply with State statutes which specify instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest. State statutes do not address custodial risk. The District's investment policy follows State statutes, and allows the following investments.

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

The District had the following investments at December 31, 2011:

		Investment Maturities (in Years)		
Investment Type	S&P Rating	Less Than 1	1-5	Fair Value
Local Government Investment Pool	AAAm	$ 17,036,295	$ 0	$ 17,036,295
U.S. Agency Securities	AA+	2,303,764	0	2,303,764

Interest Rate Risk – State statutes limit investments in U.S. Agency securities to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

Credit risk – State statutes limit investments in U.S. Agency securities to the highest rating issued by two or more nationally recognized statistical rating organizations (NRSROs). State statutes also limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by a NRSRO.

Concentration of Credit Risk – State statues do not limit the amount the District may invest in one issuer. At December 31, 2011, the District's investments in U. S. Treasury Notes were 5%, of the District's total investments.

Local Government Investment Pools – At December 31, 2011, the District had $10,522,183 and $6,514,112 invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), and the Colorado Surplus Asset Fund Trust (CSAFE) investment vehicles established by State statute for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating COLOTRUST and CSAFE. COLOTRUST and CSAFE operate similarly to a money market fund and each share is equal in value to $1.00. COLOTRUST and CSAFE are rated AAAm by Standard and Poor's.

Investments of COLOTRUST and CSAFE are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

At December 31, COLOTRUST and CSAFE's portfolio had weighted average maturities of 11 and 45 days.

NOTE 3 - INTERFUND BALANCES AND TRANSACTIONS

Transfers In	Transfers Out	Amount
Sewer Fund	General Fund	$ 200,000
Water Fund	General Fund	340,000
Debt Service Fund	Water Fund	58,036
Debt Service Fund	Sewer Fund	57,704

NOTE 3 - INTERFUND BALANCES AND TRANSACTIONS (CONTINUED)

Availability charges collected by the Water and Sewer Funds are required by State statue to be used for debt service and are transferred to the Debt Service Fund. The transfers from the General Fund to the Water and Sewer Funds were determined during the budget process. The prior year transfers from the Water to the Sewer Fund were to eliminate interfund loan balances. The cumulative transfers from the Water Fund to the Sewer Fund were $8,400,000 through December 31, 2011. It is the intent of management to have the Sewer Fund transfer excess funds to the Water Fund, as they become available, to eventually eliminate these cumulative transfers.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011, is summarized below:

	Balances 12/31/10	Additions	Deletions	Balances 12/31/11
Governmental Activities				
Capital assets, being depreciated				
furniture and equipment	$ 97,985	$ 0	$ 0	$ 97,985
Total Capital Assets, Being Depreciated	97,985	0	0	97,985
Less accumulated depreciation				
furniture and equipment	(94,895)	(1,246)	0	(96,141)
Total Accumulated Depreciation	(94,895)	(1,246)	0	(96,141)
Total Capital Assets, Being Depreciated, Net	3,090	(1,246)	0	1,844
Governmental Activities Capital Assets	$ 3,090	$ (1,246)	$ 0	$ 1,844
Business-Type Activities				
Capital assets, not being depreciated				
Land	$ 204,511	$ 0	$ 0	$ 204,511
Tap fees	5,152,150	0	0	5,152,150
Water rights	1,139,239	0	0	1,139,239
Total Capital Assets, Not Being Depreciated	6,495,900	0	0	6,495,900
Capital assets, being depreciated				
Land improvements	5,514	0	0	5,514
Collection and distributions systems	44,738,498	3,613,418	0	48,351,916
Vehicles and equipment	361,344	0	0	361,344
Total Capital Assets, Being Depreciated	45,105,356	3,613,418	0	48,718,774
Less Accumulated Depreciation				
Land improvements	(5,514)	0	0	(5,514)
Collection and distribution systems	(14,374,034)	(1,381,168)	0	(15,755,202)
Vehicles and equipment	(319,070)	(23,687)	0	(342,757)
Total Accumulated Depreciation	(14,698,618)	(1,404,855)	0	(16,103,473)
Total Capital Assets, Being Depreciated, Net	30,406,738	2,208,563	0	32,615,301
Business-Type Activities Capital Assets, Net	$ 36,902,638	$ 2,208,563	$ 0	$ 39,111,201

NOTE 4 - CAPITAL ASSETS (CONTINUED)

All water rights of the District are for sale at December 31, 2011.

Depreciated expense was charged to programs of the District as follows:

Governmental activities	
General Government	$ 1,246
Business-type activities	
Water	$ 523,021
Sewer	881,834
Total	$ 1,404,855

NOTE 5 - LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions of the governmental activities for the year ended December 31, 2011:

	Balance 12/31/10	Additions	Payments	Balance 12/31/11	Due Within One Year
Governmental Activities					
Accrued Compensated Absences	$ 15,469	$ 622	$ 0	$ 16,091	$ 0
2005 CWRPDA Loan	7,835,000	0	385,000	7,450,000	395,000
Loan premium	347,539	0	23,133	324,406	0
Total	$ 8,198,008	$ 622	$ 408,133	$ 7,790,497	$ 395,000

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

2005 Clean Water Revenue Bonds were issued by the Colorado Water Resources and Power Development Authority and proceeds were loaned to the District to finance a sewer pipeline and two pump stations. Principal and interest payments are due semi-annually on February 1 and August 1, through 2026. Interest accrues at the rate of 3.35% per annum.

Future payments for the outstanding debt are as follows:

Year Ended December 31,	Principal	Interest and Admin. Fees	Total
2012	$ 395,000	$ 286,926	$ 681,926
2013	410,000	274,492	684,492
2014	425,000	261,587	686,587
2015	435,000	248,209	683,209
2016	450,000	234,517	684,517
2017-2021	2,460,000	965,811	3,425,811
2022-2026	2,875,000	618,105	3,493,105
Total	$ 7,450,000	$ 2,889,647	$ 10,339,647

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Business-Type Activities

Following are the long-term debt transactions of the business-type activities for the year ended December 31, 2011:

	Balance 12/31/10	Additions	Balance Payments	Due Within 12/31/11	One Year
Business-Type Activities					
Accrued compensated absences	$ 85,960	$ 15,452	$ 0	$ 101,412	$ 0

NOTE 6 - PUBLIC ENTITY RISK POOL

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, with the exception of workers' compensation, the District carries commercial insurance. For workers' compensation, the District participates in the Colorado Special Districts Property and Liability Pool, a separate and independent governmental and legal entity formed by intergovernmental agreement.

The purposes of the Pool are to provide members defined liability, property, and workers compensation coverages and to assist members in preventing and reducing losses and injuries to property and to persons or property which might result in claims being made against members of the Pool, their employees and officers.

It is the intent of the members of the Pool to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of the Pool against stated liability of loss, to the limit of the financial resources of the Pool. It is also the intent of the members to have the Pool provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of the Pool shall be at all times dedicated to the exclusive benefit of its members. The Pool is a separate legal entity and the District does not approve budgets nor does it have the ability to significantly affect the operations of the Pool.

NOTE 7 - RETIREMENT COMMITMENTS

Profit Sharing Plan

The District has established a profit sharing pension plan on behalf of all District employees. The contribution requirements of plan participants and the District are established and may be amended by the Board of Directors. All employees are eligible to participate in the plan upon employment, and become fully vested after five years of service.

The District may contribute up to 15% of each participating employee's compensation. During the year ended December 31, 2011, the District contributed $95,627 to the Plan, representing 15% of employee compensation. All contributions are deposited to the individual employee's self-directed accounts and the District has no further fiduciary responsibility for the plan assets.

NOTE 7 - RETIREMENT COMMITMENTS (CONTINUED)

Deferred Compensation Plan

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all District employees and permits them to defer a portion of their salary until future years. All plan investments are held in trust for the exclusive benefit of the employees. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

NOTE 8 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

At December 31, 2011, the governmental activities had negative net assets of $949,263, which resulted because debt proceeds were used to construct capital assets that were contributed to the Water and Sewer Funds. Property tax revenues will be used to service the debt, which will reduce the negative net assets in the future.

NOTE 9 - CONCENTRATIONS

One company paid 18% of all revenue for the year ended December 31, 2011. This same company was responsible for 21% of the property tax collected.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the "Amendment") which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment.

In November, 2001, the District electors allowed the District to spend the full proceeds of any taxes, fees, charges, grants, rates, tolls or any other revenues collected in fiscal year 2000 and in all subsequent fiscal years without regard to any limitation contained in the Amendment.

The District has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2011, the emergency reserve of $45,500 was reported as a restriction of fund balance in the General Fund.

The District has entered into a contract to purchase sewer treatment services from the City of Littleton, Colorado. This City is treating all wastewater of the District. The contract is irrevocable by the District as long as bonds to finance the City's treatment plant are still outstanding.

The District has entered into an agreement to purchase is water from the City of Aurora, Colorado. This agreement expires in 2105 and then automatically and continuously renews for another ninety years. As part of the agreement with the City of Aurora, the District will pay the City development and connection fee of $6,575 per customer. This fee is due in December 2015, although the District may purchase taps before that date. The District estimates that this fee will be $24,985,000.

NOTE 10 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

In November 2011, the District electors approved an increase in District debt of $6,500,000. These funds will be used to purchase certain development and connection fees from the City of Aurora.

The District has agreed to sell its waste water treatment plant to another water and sanitation district. This total sale price is $4,000,000 plus $300 for every tap sold by the buyer. The District anticipates a total minimum price of $7,000,000. The District has received, and included in deferred income, the amount of $200,000 at December 31, 2011.

The District has entered into construction contracts for various projects. At December 31, 2011, the remaining contractual amounts are $109,920.

During the 1970's the District presold approximately 2,500 taps. For the year ended December 31, 2011 each prepaid tap had a credit value of $14,757 against the total tap cost of approximately $37,125. At December 31, 2011, 87 presold taps remained.

NOTE 11 - SUBSEQUENT EVENTS

During 2012, the District entered into a line of credit with a bank totaling $4,000,000.

REQUIRED SUPPLEMENTARY INFORMATION

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2011

	Original And Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	$ 842,157	$ 825,170	$ (16,987)
Specific ownership taxes	50,000	68,485	18,485
Investment income	2,000	2,652	652
Miscellaneous revenues	500	0	(500)
Total Revenues	894,657	896,307	1,650
Expenditures			
Salaries and benefits	115,000	108,419	6,581
Accounting and audit	18,000	18,887	(887)
Contract labor	1,000	0	1,000
Director fees	8,000	7,100	900
Election expense	20,000	27,669	(7,669)
Education	30,000	16,257	13,743
Engineering	15,000	14,878	122
Insurance	11,000	10,330	670
Legal fees	20,000	13,253	6,747
Miscellaneous	5,000	2,780	2,220
Office expense	20,000	16,375	3,625
Permits, dues and subscriptions	1,500	2,475	(975)
Rent	15,000	0	15,000
Repairs and maintenance	15,000	16,864	(1,864)
Treasurer fees	15,000	11,703	3,297
Utilities	6,800	6,892	(92)
Vehicle expense	3,000	2,379	621
Capital outlay	10,000	0	10,000
Total Expenditures	329,300	276,261	53,039
Excess of Revenues Over Expenditures	565,357	620,046	54,689
Other Financing Uses			
Transfers out	(605,860)	(540,000)	65,860
Net Change in Fund Balances	$ (40,503)	80,046	$ 120,549
Fund Balances, Beginning		464,983	
Fund Balances, Ending		$ 545,029	

See the accompanying Independent Auditors' Report.

NOTE 1 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets

Budgets are legally adopted for all funds of the District. Budgets for the General and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary funds are presented on a non-GAAP budgetary basis. Capital outlay and debt principal are budgeted as expenditures, and depreciation is not budgeted.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

- In September, District management submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- District management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Directors.
- All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2011

	Original And Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	$ 1,153,082	$ 1,129,823	$ (23,259)
Specific ownership taxes	65,000	97,502	32,502
Investment income	10,000	10,077	77
Total Revenues	1,228,082	1,237,402	9,320
Expenditures			
General government	16,927	16,024	903
Debt Service			
Principal	385,000	385,000	0
Interest	299,044	299,044	0
Total Expenditures	700,971	700,068	903
Excess of Revenues Over Expenditures	527,111	537,334	10,223
Other Financing Sources			
Transfers in	118,000	115,740	(2,260)
Net Change in Fund Balances	645,111	653,074	7,963
Fund Balances, Beginning	4,697,003	5,698,348	1,001,345
Fund Balances, Ending	$ 5,342,114	$ 6,351,422	$ 1,009,308

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
WATER FUND
YEAR ENDED DECEMBER 31, 2011

	Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for services	$ 2,600,000	$ 2,608,065	$ 8,065
Permit fees	8,250	1,800	(6,450)
Other water sales	140,000	153,548	13,548
Miscellaneous	79,000	113,200	34,200
Investment income	75,000	69,847	(5,153)
Availability charges	60,000	58,036	(1,964)
Capital charges	290,000	418,718	128,718
System development charges	196,000	41,584	(154,416)
Transfers in	0	340,000	340,000
Total Revenues	3,448,250	3,804,798	356,548
Expenditures			
Accounting and audit	25,000	27,595	(2,595)
Permits, dues and subscriptions	15,000	13,151	1,849
Contract labor	10,000	6,300	3,700
Education	25,000	20,599	4,401
Engineering	125,000	167,522	(42,522)
GPS/GIS	1,000	467	533
Insurance	22,000	20,420	1,580
Lab and test fees	18,000	12,820	5,180
Legal fees	50,000	30,857	19,143
Meter expense	150,000	138,606	11,394
Miscellaneous	12,000	5,774	6,226
Office expense	30,000	32,718	(2,718)
Operating supplies	105,000	85,498	18,502
Payroll, taxes and benefits	410,000	388,616	21,384
Repairs and maintenance	275,000	156,276	118,724
Utilities	110,000	103,046	6,954
Vehicle expense	15,000	14,612	388
Water study	50,000	23,283	26,717
Dominion	0	2,211	0
Water cost	1,500,000	1,202,191	297,809
Capital outlay	4,000,000	2,000,166	1,999,834
Conservation rebates	15,000	9,376	5,624
Chatfield reallocation	25,000	24,988	12
Water rights capital	15,000	25,187	(10,187)
Transfers out	2,520,600	58,036	2,462,564
Total Expenditures	9,523,600	4,570,315	4,955,496
Change in Net Assets, Budgetary Basis	$ (6,075,350)	(765,517)	$ 5,312,044

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
WATER FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2011

	Budget	Actual	Variance Positive (Negative)
Reconciliation to GAAP Basis			
Capital outlay		$ 2,000,166	
Depreciation		(523,021)	
Change in Net Assets, GAAP Basis		711,628	
Fund Balances, Beginning		33,613,087	
Fund Balances, Ending		$ 34,324,715	

ROXBOROUGH WATER AND SANITATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
SEWER FUND
YEAR ENDED DECEMBER 31, 2011

	Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for services	$ 1,420,000	$ 1,453,543	$ 33,543
Charges for services – Lockheed Martin Agreement	420,000	384,419	(35,581)
Permit fees	8,250	1,800	(6,450)
Ravenna service charge	13,000	21,978	8,978
Miscellaneous	42,000	35,872	(6,128)
Investment income	1,500	1,118	(382)
Availability charges	58,000	12,122	(45,878)
Capital charges	63,000	94,467	31,467
System development charges	63,650	22,690	(40,960)
Transfer in	1,975,040	200,000	(1,775,040)
Total Revenues	4,064,440	2,228,009	(1,836,431)
Expenditures			
Accounting and audit	20,000	18,664	1,336
Contract labor	1,000	0	1,000
Dominion expense	1,000	0	1,000
Education	6,000	17,103	(11,103)
Engineering	75,000	81,186	(6,186)
GPS/GIS	1,000	467	533
Insurance	22,000	20,420	1,580
Lab and test fees	300	200	100
Legal fees	30,000	16,703	13,297
Miscellaneous	12,000	3,968	8,032
Office expense	30,000	31,935	(1,935)
Operating supplies	50,000	32,125	17,875
Permits, dues and subscriptions	1,500	1,455	45
Payroll, taxes and benefits	410,000	390,516	19,484
Repairs and maintenance	250,000	231,571	18,429
Service fees	800,000	753,142	46,858
Utilities	110,000	108,628	1,372
Vehicle expense	15,000	14,564	436
Capital outlay	2,200,000	1,613,252	586,748
Transfer out	0	57,704	(57,704)
Total Expenditures	4,034,800	3,393,603	641,197
Change in Net Assets, Budgetary Basis	$ 29,640	(1,165,594)	$ (1,195,234)
Reconciliation to GAAP Basis			
Capital outlay		1,613,252	
Depreciation		(881,834)	
Change in Net Assets, GAAP Basis		(434,176)	
Fund Balances, Beginning		26,721,749	
Fund Balances, Ending		$ 26,287,573	

See the accompanying Independent Auditors' Report.

APPENDIX H

Financial Statement, November 30, 2012 (unaudited)

ROXBOROUGH WATER & SANITATION DISTRICT
FINANCIAL STATEMENTS

November 30, 2012

TABLE OF CONTENTS

PAGE

Accountant's Report.....1

Financial Statements.....2

Supplemental Information.....10

Accountant's Report

Board of Directors
Roxborough Water & Sanitation District
Douglas County, Colorado

We have not audited the accompanying balance sheet – all fund types of Roxborough Water & Sanitation District as of November 30, 2012, and the related statements of revenue, expenditures and changes in fund balance – budget and actual and the statements of operations and retained earnings for the period of January 1, 2012 through November 30, 2012, for the General Fund, the Debt Service Fund, the Capital Projects Fund, the Water Fund, and the Sewer Fund and the accompanying supplemental information, which is presented for additional analysis purposes only, and, accordingly, do not express an opinion on them.

Management has elected to omit the management discussion and analysis, the government wide financial statements, the statement of revenue, expenditures and changes in fund balance – governmental funds, the statement of cash flows and substantially all of the disclosures required by general accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Roxborough Water & Sanitation District.

TWS Financial, Inc.
Littleton, Colorado
December 7, 2012

Roxborough Water & Sanitation District
Balance Sheet - All Fund Types
November 30, 2012

	Governmental Funds			Business - Type Funds		
	General Fund	Debt Service Fund	Capital Projects	Water Fund	Sewer Fund	Total
ASSETS						
Checking & Savings	$ 191,392	$ 220,884	$ 180,897	$ 1,231,504	$ 461,074	$ 2,285,751
Davidson Investments	-	-	8,829,876	-	-	8,829,876
Wells Fargo Premium Fund	-	-	4,846,712	-	-	4,846,712
Investment in Colotrust	430,946	15,064	6,045,117	4,325,731	804,025	11,620,883
Firstbank CD	-		3,107,384	-	-	3,107,384
A/R - Taxes	786,067	893,694	-	-	-	1,679,761
A/R - Service	-	-	-	252,941	189,319	442,260
A/R - Availability	-	-	-	75,312	59,764	135,076
A/R - Non-Current Amer Golf	-	-	-	2,883	-	2,883
Prepaid Insurance	777	-	-	1,554	1,554	3,886
Capital Assets, net	-	-	-	13,090,816	25,015,695	38,106,511
Total Assets	$ 1,409,182	$ 1,129,642	$ 23,009,986	$ 18,980,740	$ 26,531,431	$ 71,060,983
LIABILITIES						
Accounts Payable	$ -	$ -	$ -	$ 60,743	$ -	$ 60,743
Deferred Rental Income	-	-	-	63,267	-	63,267
Retainage Payable	-	-		140,653		140,653
Deferred Taxes Receivable	786,067	893,694	-	-	-	1,679,761
Property Tax Abatements	-	-	-	-	-	-
Accrued Vac/Sick/Comp Payable	-	-	-	50,706	50,706	101,411
Deferred Income Dominion			-	-	200,000	200,000
Deposits	-	-	-	18,600	7,396	25,996
Total Liabilities	$ 786,067	$ 893,694	$ -	$ 333,968	$ 258,102	$ 2,271,831
FUND BALANCES						
Total Fund Balances	$ 623,115	$ 235,948	$ 23,009,986	$ 18,646,772	$ 26,273,330	$ 68,789,152
Total Liabilities & Fund Balances	$ 1,409,182	$ 1,129,642	$ 23,009,986	$ 18,980,740	$ 26,531,431	$ 71,060,983

Roxborough Water & Sanitation District
Statement of Revenues and Expenditures
Budget Basis – Budget and Actual
For the Eleven Months Ending November 30, 2012

General Fund

	Annual Budget	Current Month Actual	Year to Date Actual	Variance
REVENUES				
Investment Income	$ 2,000	$ 45	$ 2,939	939
Miscellaneous Income	500	-	-	(500)
Property Taxes	789,081	1,660	789,126	45
Specific Ownership Taxes	50,000	5,666	51,124	1,124
Total Revenues	841,581	7,370	843,190	1,609
EXPENDITURES				
Accounting/Audit	20,000	640	16,307	(3,693)
Capital Projects	10,000	-	-	(10,000)
Contract Labor	1,000	-	-	(1,000)
Directors' Fees	8,000	500	7,000	(1,000)
Education	20,000	1,026	9,616	(10,384)
Election Expense	20,000	-	-	(20,000)
Engineering	15,000	2,741	14,677	(323)
Insurance	12,000	2,027	8,167	(3,833)
Legal	20,000	1,091	13,708	(6,292)
Miscellaneous Expense	5,000	168	2,018	(2,982)
Office Expense	20,000	281	9,645	(10,355)
Payroll Expense	120,000	17,079	104,825	(15,175)
Permit/Dues/Subscriptions	1,500	-	-	(1,500)
Rent	15,000	-	9,427	(5,573)
Repairs and Maintenance	15,000	927	9,949	(5,051)
Treasurers' Fees	15,000	(25)	10,530	(4,470)
Utilities	7,500	573	5,487	(2,013)
Vehicle Expense	3,000	569	3,748	748
Total Expenditures	328,000	27,599	225,104	(102,896)
Excess (Deficiency) of Revenues Over Expenditures	513,581	(20,229)	618,086	104,505
Transfers In (Out)	(729,869)	-	(540,000)	189,869
Beginning Working Capital	466,288	-	545,030	78,742
Ending Fund Balance	$ 250,000	$ (20,229)	$ 623,116	$ 373,116

Roxborough Water & Sanitation District
Statement of Revenues and Expenditures
Budget Basis – Budget and Actual
For the Eleven Months Ending November 30, 2012

Debt Service Fund

	Annual Budget	Current Month Actual	Year to Date Actual	Variance
REVENUES				
Investment Income	$ 10,000	$ (40)	$ 9,116	$ (884)
Property Taxes	897,097	1,887	874,904	(22,193)
Specific Ownership Taxes	80,000	6,441	65,215	(14,785)
Total Revenues	987,097	8,288	949,236	(37,861)
EXPENDITURES				
Treasurers Fees	-	(28)	14,351	14,351
General Government	15,000	-	-	(15,000)
Interest Payments	210,126	-	210,126	-
Loan Administrative Fees	76,800	-	76,800	-
Principle Payments	395,000	-	395,000	-
Total Expenditures	696,926	(28)	696,277	(649)
Excess (Deficiency) of Revenues Over Expenditures	290,171	8,316	252,959	(37,212)
Transfers In (Out)	(6,548,907)	-	(6,368,432)	180,475
Beginning Working Capital	6,316,736	-	6,351,422	34,686
Ending Fund Balance	$ 58,000	$ 8,316	$ 235,949	$ 177,949

Roxborough Water & Sanitation District
Statement of Revenues and Expenditures
Budget Basis – Budget and Actual
For the Eleven Months Ending November 30, 2012

Capital Projects

	Annual Budget	Current Month Actual	Year to Date Actual	Variance
REVENUES				
Investment Income	$ -	$ 5,443	$ 9,986	$ 9,986
Total Revenues	-	5,443	9,986	9,986
Excess (Deficiency) of Revenues Over Expenditures	-	5,443	9,986	9,986
Transfers In (Out)	$ -	$ -	$ 23,000,000	$ 23,000,000
Beginning Working Capital	-	-	-	-
Ending Fund Balance	$ -	$ 5,443	$ 23,009,986	$ 23,009,986

Roxborough Water & Sanitation District
Statement of Operations
And Changes in Retained Earnings
For the Eleven Months Ending November 30, 2012

Water Fund

	Current Month	Year to Date
OPERATING REVENUES		
Availability Charges	$ -	$ 72,202
Capital – Surcharges	40,654	466,737
Hydrant Water	648	8,528
Investment Income	827	31,842
Irrigation Raw Water	-	133,919
Late Fee, Fines, & Penalties	200	2,728
Miscellaneous Income	5,332	64,369
Permit Fee	3,300	4,375
Potable Irrigation Water	632	68,273
Rental Income	1,600	16,600
Service Charges	165,418	2,605,766
System Development Charge	57,208	78,838
Total Operating Revenues	275,819	3,554,177
OPERATING EXPENDITURES		
Accounting/Audit	1,280	14,158
Capital Projects	20,990	284,107
Chatfield Reallocation	-	-
Conservation Rebates	300	3,800
Contract Labor	700	7,700
Depreciation	27,037	297,408
Dominion	(1,930)	13,966
Education	18,461	33,174
Engineering	8,813	159,548
GPS/GIS	475	8,826
Insurance	4,101	16,761
Lab & Test Fees	946	10,288
Legal	4,727	29,679
Meter Expense	1,390	45,851
Miscellaneous Expenses	182	2,251
Office Expense	563	19,994
Operating Supplies	5,149	87,252
Payroll Expenses	55,688	368,099
Permits/Dues/Subscriptions	-	17,138
Repairs and Maintenance	10,511	216,191
Safety Equipment/Uniforms	449	(275)
Utilities	3,744	88,962
Vehicle Expense	1,113	12,266
Water Costs	60,742	1,264,574
Water Rights Capital	200	5,113
Water Study Development	-	(6,912)
Total Operating Expenditures	225,629	2,999,918
Operating Income (Loss)	50,189	554,259
Transfers In (Out)	-	(16,232,202)
Net Income (Loss)	$ 50,189	$ (15,677,943)
Beginning Retained Earnings		34,324,715
Ending Retained Earnings		$ 18,646,772

Roxborough Water & Sanitation District
Statement of Revenues and Expenditures
Budget Basis – Budget and Actual
For the Eleven Months Ending November 30, 2012

	Water Fund			
	Annual Budget	Current Month Actual	Year to Date Actual	Variance
REVENUES				
Availability Charges	$ 60,000	$ -	$ 72,202	$ 12,202
Capital – Surcharges	325,000	40,654	466,737	141,737
Hydrant Water	8,022	648	8,528	506
Investment Income	75,000	827	31,842	(43,158)
Irrigation Raw Water	70,000	-	133,919	63,919
Late Fees, Fines, & Penalties	-	200	2,728	2,728
Miscellaneous Income	70,000	5,332	64,369	(5,631)
Permit Fees	3,300	3,300	4,375	1,075
Potable Irrigation Water	60,000	632	68,273	8,273
Rental Income	19,200	1,600	16,600	(2,600)
Service Charges	2,720,000	165,418	2,605,766	(114,234)
System Development Charge	44,064	57,208	78,838	34,774
Total Revenues	3,454,586	275,819	3,554,177	99,591
EXPENDITURES				
Accounting/Audit	20,000	1,280	14,158	(5,842)
Capital Projects	1,015,000	20,990	284,107	(730,893)
Chatfield Reallocation	20,000	-	-	(20,000)
Conservation Rebates	10,000	300	3,800	(6,200)
Contract Labor	10,000	700	7,700	(2,300)
Dominion	35,000	(1,930)	13,966	(21,034)
Education	25,000	18,461	33,174	8,174
Engineering	100,000	8,813	159,548	59,548
GPS/GIS	15,000	475	8,826	(6,174)
Insurance	23,000	4,101	16,761	(6,239)
Lab & Test Fees	17,000	946	10,288	(6,712)
Legal	40,000	4,727	29,679	(10,321)
Meter Expense	150,000	1,390	45,851	(104,149)
Miscellaneous Expenses	10,000	182	2,251	(7,749)
Office Expense	30,000	563	19,994	(10,006)
Operating Supplies	90,000	5,149	87,252	(2,748)
Payroll Expenses	390,000	55,688	368,099	(21,901)
Permits/Dues/Subscriptions	15,000	-	17,138	2,138
Repairs and Maintenance	250,000	10,511	216,191	(33,809)
Safety Equipment/Uniforms	2,000	449	(275)	(2,275)
Utilities	105,000	3,744	88,962	(16,038)
Vehicle Expense	15,000	1,113	12,266	(2,734)
Water Cost	1,500,000	60,742	1,264,574	(235,426)
Water Rights - Capital	20,000	200	5,113	(14,887)
Water Study Development	25,000	-	(6,912)	(31,912)
Total Expenditures	3,932,000	198,592	2,702,510	(1,229,490)
Net Income (Loss)	(477,414)	77,226	851,668	1,329,082
Transfers In (Out)	(16,803,400)	-	(16,232,202)	571,198
Excess (Deficiency) of Revenues Over Expenditures	(17,280,814)	77,226	(15,380,534)	1,900,280
Beginning Working Capital	20,275,823	-	24,508,173	4,232,350
Ending Fund Balance	$ 2,995,009	$ 77,226	$ 9,127,639	$ 6,132,630

Roxborough Water & Sanitation District
Statement of Operations
And Changes in Retained Earnings
For the Eleven Months Ending November 30, 2012

Sewer Fund

	Current Month	Year to Date
OPERATING REVENUES		
Availability Charges	$ -	$ 59,366
Capital – Surcharges	11,864	113,672
Investment Income	154	3,912
Miscellaneous Income	2,119	35,480
Permit Fee	7,020	8,095
Ravenna Service Charge	1,836	20,196
Service Charges	120,951	1,330,951
Service Charges - LMA	27,481	311,262
System Development Charge	10,180	20,052
Total Operating Revenues	181,605	1,902,985
OPERATING EXPENDITURES		
Accounting/Audit	1,280	14,158
Capital Projects	1,325	157,977
Contract Labor	-	-
Depreciation	64,298	707,281
Dominion Expense	-	-
Education	836	9,053
Engineering	6,866	130,010
GPS/GIS	475	8,826
Insurance	4,101	16,761
Lab & Test Fees	75	300
Legal	2,972	23,879
Littleton Service Fees	-	385,817
Miscellaneous Expenses	137	2,177
Office Expense	563	19,295
Operating Expense	-	28,874
Payroll Expenses	55,688	348,499
Permits/Dues/Subscriptions	-	3,720
Repairs and Maintenance	7,812	118,185
Safety Equipment/Uniforms	449	(275)
Utilities	6,645	70,965
Vehicle Expense	1,113	12,359
Total Operating Expenditures	154,635	2,057,861
Operating Income (Loss)	26,970	(154,876)
Transfers In (Out)	-	140,634
Net Income (Loss)	$ 26,970	$ (14,242)
Beginning Retained Earnings		26,287,572
Ending Retained Earnings		$ 26,273,330

Roxborough Water & Sanitation District
Statement of Revenues and Expenditures
Budget Basis – Budget and Actual
For the Eleven Months Ending November 30, 2012

Sewer Fund

	Annual Budget	Current Month Actual	Year to Date Actual	Variance
REVENUES				
Availability Charges	$ 58,000	$ -	$ 59,366	$ 1,366
Capital – Surcharges	132,000	11,864	113,672	(18,328)
Investment Income	1,500	154	3,912	2,412
Miscellaneous Income	42,000	2,119	35,480	(6,520)
Permit Fees	3,300	7,020	8,095	4,795
Ravenna Service Charge	20,000	1,836	20,196	196
Service Charges	1,430,000	120,951	1,330,951	(99,049)
Service Charges - LMA	415,000	27,481	311,262	(103,738)
System Development Charge	30,252	10,180	20,052	(10,200)
Total Revenues	2,132,052	181,605	1,902,985	(229,067)
EXPENDITURES				
Accounting/Audit	20,000	1,280	14,158	(5,842)
Capital Projects	648,000	1,325	157,977	(490,023)
Contract Labor	1,000	-	-	(1,000)
Dominion Expense	1,000	-	-	(1,000)
Education	20,000	836	9,053	(10,947)
Engineering	75,000	6,866	130,010	55,010
GPS/GIS	15,000	475	8,826	(6,174)
Insurance	23,000	4,101	16,761	(6,239)
Lab & Test Fees	300	75	300	-
Legal	20,000	2,972	23,879	3,879
Littleton Service Fees	810,000	-	385,817	(424,183)
Miscellaneous Expenses	10,000	137	2,177	(7,823)
Office Expense	30,000	563	19,295	(10,705)
Operating Supplies	45,000	-	28,874	(16,126)
Payroll Expenses	390,000	55,688	348,499	(41,501)
Permits/Dues/Subscriptions	1,500	-	3,720	2,220
Repairs and Maintenance	200,000	7,812	118,185	(81,815)
Safety Equipment/Uniforms	2,000	449	(275)	(2,275)
Utilities	115,000	6,645	70,965	(44,035)
Vehicle Expense	15,000	1,113	12,359	(2,641)
Total Expenditures	2,441,800	90,337	1,350,580	(1,091,220)
Net Income (Loss)	(309,748)	91,268	552,405	862,153
Transfers In (Out)	(37,380)	-	140,634	178,014
Excess (Deficiency) of Revenues Over Expenditures	(347,128)	91,268	693,040	1,040,168
Beginning Working Capital	458,706	-	201,779	(256,927)
Ending Fund Balance	$ 111,578	$ 91,268	$ 894,819	$ 783,241

SUPPLEMENTAL INFORMATION

NOTE: Long Term Obligations

2005 CWRPDA Loan Payable	$ 7,055,000
TOTAL LONG TERM LIABILITIES	$ 7,055,000

The 2005 Bonds are callable on or after September 1, 2015 with no premium

NOTE: Inter Fund Transfers

The water fund transferred $4,500,000 to the sewer fund in 2009 for the completion of the sewer pipeline to the City of Littleton's treatment facility. It is the intention of the sewer fund to transfer these funds back to the water fund when the funds become available. Due to capital projects in 2010, the water fund also advanced $1,950,000 during 2010. The total funds advanced to date from the Water Fund to the Sewer Fund are $ 6,450,000.

NOTE: Reserves

The board of directors has directed the authority to designate a portion of the cash on hand as operating and capital reserves for both the Water and Sewer Funds. The operating reserves will be in an amount equal to 25% of the budgeted annual expenditures for each fund. These funds will be used to fund any operational expenses in excess of operating cash on hand. The capital reserves will be in an amount equal to 20% of the budgeted annual expenditures for the water fund and 10 % of the budgeted annual expenditures for the sewer fund. These funds will be used to fund capital improvements on existing capital assets and acquisitions of new capital assets. In addition the Capital Projects Fund has designated $ 23,000,000 to be reserved for the purchase of the Aurora Water Supply Project. The balance in these funds as of November 30, 2012 is as follows:

	Water Fund	Sewer Fund	Capital Projects Fund
Operating Reserve	$ 998,000	$ 624,950	$ 0
Capital Reserve	$ 851,279	$ 373,412	$ 23,000,000
Operating Cash	$ 3,707,956	$ 266,737	$ 9,986
Total Cash on Hand	$ 5,557,235	$ 1,265,099	$ 23,009,986

Roxborough Water and Sanitation
Distribution of Cash in Bank- Water Fund
November 30, 2012

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Cash Funds Available												
Cash in Bank - Water Fund	20,630,591	20,741,630	20,268,028	20,258,852	20,518,110	21,245,169	21,283,659	21,467,915	5,297,824	5,414,719	-	-
Due From Debt Service	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	-	-	-	-
Total Funds Available	27,130,591	27,241,630	26,768,028	26,758,852	27,018,110	27,745,169	27,783,659	27,967,915	5,297,824	5,414,719	-	-
Distribution of Available Funds												
Operating Reserve 25% of Budgeted Expenditures	998,000	998,000	998,000	998,000	998,000	998,000	998,000	998,000	998,000	998,000	-	-
Reserve for Water Supply	23,000,000	23,000,000	23,000,000	23,000,000	23,000,000	23,000,000	23,000,000	23,000,000	-	-	-	-
Capital Reserve	505,483	540,472	550,541	576,069	618,293	661,923	698,706	744,005	785,802	823,652	-	-
Operating Cash	2,627,108	2,703,158	2,219,487	2,184,783	2,401,817	3,085,246	3,086,953	3,225,910	3,514,022	3,593,067	-	-
Total Cash	27,130,591	27,241,630	26,768,028	26,758,852	27,018,110	27,745,169	27,783,659	27,967,915	5,297,824	5,414,719	-	-
Capital Reserve												
Beginning Reserve Balance	600,600	505,483	540,472	550,541	576,069	618,293	661,923	698,706	744,005	785,802	-	-
Additions to Reserve	48,617	48,617	48,617	48,617	48,617	48,617	48,617	48,617	48,617	48,617		
Use of Reserves	143,734	13,628	38,548	23,089	6,393	4,987	11,834	3,318	6,820	10,767	-	-
Ending Capital Reserve Balance	505,483	540,472	550,541	576,069	618,293	661,923	698,706	744,005	785,802	823,652	-	-

Roxborough Water and Sanitation
Distribution of Cash in Bank- Sewer Fund
November 30, 2012

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Cash Funds Available												
Cash in Bank - Sewer Fund	909,978	984,749	1,014,182	1,135,158	1,224,265	1,021,422	707,953	836,530	1,108,940	1,155,295	-	-
Total Funds Available	909,978	984,749	1,014,182	1,135,158	1,224,265	1,021,422	707,953	836,530	1,108,940	1,155,295	-	-
Distribution of Available Funds												
Operating Reserve	624,950	624,950	624,950	624,950	624,950	624,950	624,950	624,950	624,950	624,950	-	-
25% of Budgeted Expenditures												
Capital Reserve	238,174	252,005	266,927	276,408	289,696	301,932	316,565	331,513	346,461	359,789	-	-
Operating Cash	46,854	107,794	122,305	233,800	309,619	94,540	(233,562)	(119,933)	137,529	170,556	-	-
Total Available Funds	909,978	984,749	1,014,182	1,135,158	1,224,265	1,021,422	707,953	836,530	1,108,940	1,155,295	-	-
Capital Reserve												
Beginning Reserve Balance	366,960	238,174	252,005	266,927	276,408	289,696	301,932	316,565	331,513	346,461	-	-
Additions to Reserve	14,948	14,948	14,948	14,948	14,948	14,948	14,948	14,948	14,948	14,948		
Use of Reserves	143,734	1,117	26	5,467	1,660	2,712	315	-	-	1,620	-	-
Ending Capital Reserve Balance	238,174	252,005	266,927	276,408	289,696	301,932	316,565	331,513	346,461	359,789	-	-

Roxborough Water & Sanitation District
Property Tax Schedule
2012

SUMMARY – DOUGLAS & JEFFERSON COUNTIES

	2012										2011		
	Property Taxes	Delinquent Tax, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	HB 1006 Tax	HB 1006 Treasurer's Fee	Total Amount Received	Percentage of Levied Taxes Received Monthly	Percentage of Levied Taxes Received Y-T-D	Total Amount Received	Percentage of Levied Taxes Received Monthly	Percentage of Levied Taxes Received Y-T-D
January	$ 118	$ -	$ 10,430	$ -	$ (2)	$ -	$ -	$ 10,546	0.01%	0.01%	$ 29,143	1.08%	1.08%
February	$ 34,978	$ -	$ 10,799	$ -	$ (525)	$ -	$ -	$ 45,252	2.07%	2.08%	$ 589,517	29.61%	30.69%
March	$ 487,074	$ -	$ 8,726	$ -	$ (7,306)	$ -	$ -	$ 488,494	28.89%	30.97%	$ 61,953	2.65%	33.34%
April	$ 479,300	$ -	$ 11,540	$ -	$ (7,189)	$ -	$ -	$ 483,651	28.42%	59.39%	$ 203,821	26.73%	60.07%
May	$ 119,702	$ -	$ 9,565	$ 11	$ (1,796)	$ -	$ -	$ 127,482	7.10%	66.49%	$ 304,051	14.91%	74.98%
June	$ 222,495	$ -	$ 11,067	$ 273	$ (3,342)	$ -	$ -	$ 230,493	13.20%	79.69%	$ 373,832	18.40%	93.38%
July	$ 273,551	$ -	$ 10,192	$ -	$ (4,103)	$ -	$ -	$ 279,640	16.22%	95.91%	$ 25,395	0.72%	94.10%
August	$ 12,681	$ -	$ 10,222	$ 298	$ (194)	$ -	$ -	$ 23,007	0.75%	96.66%	$ 41,811	1.45%	95.55%
September	$ 28,103	$ -	$ 11,687	$ 1,112	$ (438)	$ -	$ -	$ 40,464	1.67%	98.33%	$ 16,017	0.26%	95.81%
October	$ 2,592	$ -	$ 9,993	$ 140	$ (40)	$ -	$ -	$ 12,685	0.15%	98.48%	$ 39,411	1.38%	97.19%
November	$ 3,652	$ -	$ 12,107	$ (77)	$ (53)	$ -	$ -	$ 15,629	0.22%	98.70%	$ 10,739	0.00%	97.19%
December	$ 13,127	$ -	$ 10,526	$ 898	$ (210)	$ -	$ -	$ 24,341	0.78%	99.48%	$ 10,546	0.00%	97.19%
TOTAL	$ 1,677,373	$ -	$ 126,854	$ 2,655	$ (25,198)	$ -	$ -	$ 1,781,684	99.48%	99.48%	$ 1,706,236	97.19%	97.19%

	Taxes Levied/ Budgeted	% of Levied	Property Taxes Collected	% Collected to Amount Levied
Property Taxes				
General Fund	$ 789,081.00	46.80%	$ 784,960.69	99.48%
Debt Service	$ 897,097.00	53.20%	$ 892,412.31	99.48%
	$ 1,686,178.00	100.00%	$ 1,677,373.00	99.48%
Specific Ownership Tax				
General Fund	$ 50,000.00	38.46%	$ 59,363.90	118.73%
Debt Service	$ 80,000.00	61.54%	$ 67,490.10	84.36%
	$ 130,000.00	100.00%	$ 126,854.00	97.58%
Treasurer's Fees				
General Fund	$ 15,000.00	100.00%	$ 11,791.91	78.61%
Debt Service	$ -	0.00%	$ 13,406.09	0.00%
	$ 15,000.00	100.00%	$ 25,198.00	167.99%

Douglas County		Jefferson County
$ 103,336,140	Assessed Value	$ 32,505,730
6.208	General Mill Levy	6.208
$ 641,511		$ 201,796
7.0578	Debt Mill Levy	7.0578
$ 729,326		$ 229,419

Roxborough Water & Sanitation District
Property Tax Schedule
2012

DOUGLAS COUNTY

	2012										2011		
	Property Taxes	Delinquent Tax, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	HB 1006 Tax	HB 1006 Treasurer's Fees	Total Amount Received	Percentage of Levied Taxes Received Monthly	Percentage of Levied Taxes Received Y-T-D	Total Amount Received	Percentage of Levied Taxes Received Monthly	Percentage of Levied Taxes Received Y-T-D
January	$ 118	$ -	$ 8,022	$ -	$ (2)	$ -	$ -	$ 8,138	0 01%	0 01%	$ 29,143	1.42%	1 42%
February	$ 34,978	$ -	$ 8,241	$ -	$ (525)	$ -	$ -	$ 42,694	2 30%	2.31%	$ 589,517	38.87%	40.29%
March	$ 486,868	$ -	$ 6,209	$ -	$ (7,303)	$ -	$ -	$ 485,774	32 03%	34 34%	$ 61,953	3 48%	43 77%
April	$ 38,080	$ -	$ 8,873	$ -	$ (571)	$ -	$ -	$ 46,382	2 51%	36 85%	$ 123,702	7.76%	51 53%
May	$ 119,531	$ -	$ 6,893	$ 11	$ (1,793)	$ -	$ -	$ 124,642	7 86%	44 71%	$ 292,970	19 01%	70 54%
June	$ 213,262	$ -	$ 8,414	$ 273	$ (3,203)	$ -	$ -	$ 218,746	14 03%	58 74%	$ 370,988	24 14%	94 68%
July	$ 273,345	$ -	$ 7,513	$ -	$ (4,100)	$ -	$ -	$ 276,758	17 98%	76 73%	$ 22,959	0.95%	95 63%
August	$ 11,717	$ -	$ 7,624	$ 269	$ (179)	$ -	$ -	$ 19,431	0 77%	77 50%	$ 39,052	1 90%	97 53%
September	$ 29,104	$ -	$ 8,731	$ 1,112	$ (453)	$ -	$ -	$ 38,494	1 91%	79 41%	$ 13,453	0 34%	97 87%
October	$ 2,592	$ -	$ 7,548	$ 140	$ (40)	$ -	$ -	$ 10,240	0 17%	79 59%	$ 36,743	1 80%	99 67%
November	$ 3,652	$ -	$ 9,146	$ (77)	$ (53)	$ -	$ -	$ 12,668	0 24%	79 83%	$ 8,283	0 00%	99 67%
December	$ 13,127	$ -	$ 8,010	$ 898	$ (210)	$ -	$ -	$ 21,825	0 86%	80 69%	$ 8,138	0 01%	99 68%
TOTAL	$ 1,226,374	$ -	$ 95,224	$ 2,626	$ (18,432)	$ -	$ -	$ 1,305,792	80 69%	80 69%	$ 1,596,901	99.68%	99 68%

JEFFERSON COUNTY

	2012										2011		
	Property Taxes	Delinquent Tax, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	HB 1006 Tax	HB 1006 Treasurer's Fees	Total Amount Received	Percentage of Levied Taxes Received Monthly	Percentage of Levied Taxes Received Y-T-D	Total Amount Received	Percentage of Levied Taxes Received Monthly	Percentage of Levied Taxes Received Y-T-D
January	$ -	$ -	$ 2,408	$ -	$ -	$ -	$ -	$ 2,408	0.00%	0 00%	$ -	0.00%	0 00%
February	$ -	$ -	$ 2,558	$ -	$ -	$ -	$ -	$ 2,558	0.00%	0 00%	$ -	0 00%	0 00%
March	$ 206	$ -	$ 2,517	$ -	$ (3)	$ -	$ -	$ 2,720	0 04%	0 04%	$ -	0.00%	0 00%
April	$ 441,220	$ -	$ 2,667	$ -	$ (6,618)	$ -	$ -	$ 437,269	92.29%	92 33%	$ 80,119	86.86%	86 86%
May	$ 171	$ -	$ 2,672	$ -	$ (3)	$ -	$ -	$ 2,840	0 04%	92 37%	$ 11,081	1 81%	88 67%
June	$ 9,233	$ -	$ 2,653	$ -	$ (139)	$ -	$ -	$ 11,747	1 93%	94 30%	$ 2,844	0.00%	88 67%
July	$ 206	$ -	$ 2,679	$ -	$ (3)	$ -	$ -	$ 2,882	0 04%	94 34%	$ 2,436	0.00%	88.67%
August	$ 964	$ -	$ 2,598	$ 29	$ (15)	$ -	$ -	$ 3,576	0 20%	94.54%	$ 2,759	0.00%	88 67%
September	$ (1,001)	$ -	$ 2,956	$ -	$ 15	$ -	$ -	$ 1,970	-0 21%	94.33%	$ 2,564	0.00%	88.67%
October	$ -	$ -	$ 2,445	$ -	$ -	$ -	$ -	$ 2,445	0.00%	94 33%	$ 2,668	0.00%	88.67%
November	$ -	$ -	$ 2,961	$ -	$ -	$ -	$ -	$ 2,961	0 00%	94 33%	$ 2,456	0 00%	88.67%
December	$ -	$ -	$ 2,516	$ -	$ -	$ -	$ -	$ 2,516	0 00%	94 33%	$ 2,408	0 00%	88.67%
TOTAL	$ 450,999	$ -	$ 31,630	$ 29	$ (6,766)	$ -	$ -	$ 475,892	94.33%	94.33%	$ 109,335	88 67%	88 67%

COLORADO WATER CONSERVATION BOARD
WATER PROJECT LOAN APPLICATION

Instructions: This application should be typed or printed neatly with black ink. Attach additional sheets as necessary to fully answer any question or to provide additional information that would be helpful in the evaluation of this application. When finished, please sign and return this application to:

THE COLORADO WATER CONSERVATION BOARD
Finance Section
1580 Logan St., Suite 600
Denver, CO 80203
Attn: Anna Mauss, P.E.
Phone: (303) 866-3441 x3224 Fax (303) 894-2578
Email: anna.mauss@state.co.us

Part A. - Description of the Applicant (Generally, the applicant is also the prospective owner and sponsor of the proposed project)

1. Name of applicant Roxborough Water and Sanitation District, acting by and through its Water Activity Enterprise

   Mailing Address 6222 N. Roxborough Park Road, Littleton, CO 80125

   Business Phone (303) 979-7286 Fax (303) 933-3649

   Federal ID Number 84-0623925 email larry@roxwater.org

2. Person to contact regarding this application:

   Name Larry Moore

   Position/Title General Manager

   Address 6222 N. Roxborough Park Road, Littleton, CO 80125

   Business Phone (303) 979-7286 Cell (303) 549-7148

   Email larry@roxwater.org

3. Type of organization (Ditch Co., Irrigation District, Municipality, etc.): Special District - Political Subdivision of the State.

   Date of Annual Meeting N/A

   Is the organization incorporated in the State of Colorado? YES ☑ NO ☐ (If YES, please include a copy of the articles of incorporation, and the bylaws) (Quasi-municipal corporation organized pursuant to Title 32 of the C.R.S. - Service plan attached)

4. Please provide a brief description of the owner's existing water supply facilities and describe any existing operational or maintenance problems. Attach a map of the service area

Currently in Lease Agreement with City of Aurora which expires in 2022. Need to secure permanent raw water supply, as described in the Loan Feasibility, attached.

For existing facilities indicate:

Number of shareholders _____ or Number of customers served 3,400 EQRs

Current Assessment per share $_____ Number of shares _____

Number of acres irrigated _____ Water Right: 0 CFS.

Average water diverted per year: 1,141 acre-feet. (by City of Aurora)

Part B. - Description of the Project

1. Name of the Project Permanent Raw Water Supply

2. Purpose of this loan application. Check one.

- ☐ New project
- ☐ Rehabilitation or replacement of existing facility
- ☐ Enlargement of existing facility
- ☐ Emergency Repair
- ☑ Other (describe) Secure permanent raw water supply

3. If the project is for rehabilitation of an existing reservoir, is the reservoir currently under a storage restriction order from the State Engineer? YES ☐ NO ☐

4. General location of the project. (Please include county, and approximate distance and direction from nearest town, as well as legal description, if known.

Unincorporated northwest Douglas County (Legal description - map attached)

5. Please provide a brief narrative description of the proposed project including purpose, need, facilities, type of water uses to be served and service area. Attach separate sheet, if needed.

Purpose is to secure permanent raw water supply before the current Lease Agreemnt with aurora expires in 2022. This project is for raw water supply only no new facilities are required. Water will serve residential, commercial, and irrigation customers. All customers to be served are current customers of RWSD and are located with in the service area.

6. Will the acquisition of additional water rights be necessary? YES ☐ NO ☑

If YES, please explain. _____

7. Please list the names, addresses and phone numbers of the Applicants' engineer(s) and attorney(s).

NAME	ADDRESS and PHONE
TST Infrastructure, LLC	Inverness Drive East, Ste 100, Englewood, CO 80112
Icenogle, Seaver, Pogue	4725 S. Monaco St., Ste 225, Denver, CO 80237

8. List any feasibility studies or other investigations that have been completed or are now in progress for the proposed project. If so, submit one copy of the study with this application
   2012 Loan Feasibility Study (Attached)

9. Estimated cost of the project. Please include estimated engineering costs, and estimated construction costs, if known.

Estimated Engineering Costs:$	$0	
Estimated Construction Costs:	$0	
Estimated Other Costs:	$26,313,150	(land, water rights purchase,etc.)
Estimated Total Costs:	$26,313,150	

10. Loan amount and terms you are requesting.

Requested Loan Amount:	$18,355,000	(Usually 90 % of est. Total Costs)
Term (length) of loan:	30 years	(Usually 10, 20, or 30 years)
Interest Rate:	3.25 %	(Please call for our current rates)

Part C. - Project Sponsor Financial Information

Because the CWCB's Fund is a revolving fund, it is important that the project sponsor have the financial capacity to repay any loans made by the CWCB. The following information is needed to assist the CWCB in a preliminary assessment of the applicant's financial capacity. The project sponsor will submit the three most recent annual financial statements.

1. List any existing long-term liability (multi-year) or indebtedness that exceeds one thousand dollars. For example, bank loans, government agency loans, bond issues, accounts payable, etc. Include names and addresses of lenders, amounts, due dates and maturity dates.

Lender Name & Address	Remaining Amount	Annual Payment	Maturity Date
CWRPDA - 2005 Series Bond	$7,055,000	$685,000	2026

2. Are any of the above liabilities now in default, or been in default at any time in the past? YES ☐ NO ☑. If YES, please give detailed explanation.

3. Please provide a brief narrative description of sources of funding, in addition to the CWCB, which have been explored for this project (Examples would be Banks, USDA Rural Development, NRCS, Colorado Water Resources and Power Development Authority, Colorado Division of Local Government, etc.).
   USDA Rural Development - Did not meet household income requirements.
   Private Bank - Financially undesireable
   CWRPDA - Do not fund water supply projects

4. What collateral will you be offering for this loan? Possibilities include a pledge of revenues, the project itself, real estate, water rights.
   Pledge of fee revenues from water activity enterprise.

The above statements are true, to the best of my knowledge:

Signature of Applicant Larry W Moore

Printed Name Larry Moore

Title Roxborough Water and Sanitation District General Manager

Date 12/14/2012