Bellyache Ridge Metro District Well Replacement

June 2013

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

7/17/2013
Date

Loan Feasibility Study Prepared by:
Zancanella & Associates
PO Box 1908
Glenwood Springs, CO 81602

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 Bellyache Ridge Metropolitan District

   Mailing Address c/o Robertson & Marchetti, P.C., 28 Second Street, Suite 213, Edwards, CO 81632

   Business Phone (970) 926-6060 Fax (970) 926-6040

   Federal ID Number 46-1482392 email Cissy@rmpccpa.com and Ken@rmpccpa.com

2. Person to contact regarding this application:

   Name Thomas A. Zancanella, Zancanella & Associates, Inc.

   Position/Title Professional Engineer

   Address P. O. Box 1908, Glenwood Springs, CO 81602

   Business Phone (970) 945-5700 Cell (970) 379-2926

   Email taz@za-engineering.com

3. Type of organization (Ditch Co., Irrigation District, Municipality, etc.): Metropolitan District

   Date of Annual Meeting _____

   Is the organization incorporated in the State of Colorado? YES ____ NO X (If YES, please include a copy of the articles of incorporation, and the bylaws) Metro District Decree 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

   See Attachment A

   For existing facilities indicate:

   Number of shareholders _____ or Number of customers served 65 lots currently served with a total of 76 potential lots

   Current Assessment per share $_____ Number of shares _____

   Number of acres irrigated 5 Water Right: 0.22 CFS.

   Average water diverted per year: 11.24 acre-feet.

Part B. - Description of the Project

1. Name of the Project Bellyache Ridge Metropolitan District – Well #2R Re-Construction

2. Purpose of this loan application. Check one.

   _____ New project
   X Rehabilitation or replacement of existing facility
   _____ Enlargement of existing facility
   _____ Emergency Repair
   _____ Other (describe) _____

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.
   Bellyache Ridge Metropolitan District is located in Eagle County, Colorado on the east end of Bellyache Ridge in Sections 34 and 35, T4S, R83W of the 6th PM, west of Edwards, approximately 6 miles.

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.
   See Attachment B

6. Will the acquisition of additional water rights be necessary? YES _____ NO X

   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
Thomas A. Zancanella	Zancanella & Associates, Inc., P. O. Box 1908, Glenwood Springs, CO 81602 (970) 945-5700

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

   In 1982 Leonard Rice Engineers performed a study that describes the geology and hydrology for the wells. See Attachment C

9. Estimated cost of the project. Please include estimated engineering costs, and estimated construction costs, if known.

Estimated Engineering Costs:$	$ 34,000.	
Estimated Construction Costs:	$ 301,000	
Estimated Other Costs:	$	(land, water rights purchase,etc.)
Estimated Total Costs:	$ 335,000	

10. Loan amount and terms you are requesting.

Requested Loan Amount:	$ 167,500	(Usually 90 % of est. Total Costs)
Term (length) of loan:	30 years	(Usually 10, 20, or 30 years)
Interest Rate:	3.00 %	(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. (Attachment D)

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.

sponsor will submit the three most recent annual financial statements. (Attachment D)

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
None			

2. Are any of the above liabilities now in default, or been in default at any time in the past?

   YES____ NO __X__. 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.). The Metro District has applied to the Colorado River District (CRWCD) – Water Supply Grant Program and the Department of Local Affairs (DOLA) – Energy and Mineral Impact Assistance Program for funding this past year. No money was awarded in the CRWCD application and the District is waiting for the results of the DOLA application. The money from this loan will be combined with the grant money from DOLA to complete the project.

4. What collateral will you be offering for this loan? Possibilities include a pledge of revenues, the project itself, real estate, water rights. The District is offering a pledge of future revenues. Additionally the Bellyache Ridge Homeowners Association has offered to pledge $75,000 as a reserve emergency fund for the District.

The above statements are true, to the best of my knowledge:

Signature of Applicant Jan Eric Strauch

Printed Name Jan Eric Strauch

Title President

Date 11 June 13

ATTACHMENT A

Existing Facilities Description:

The Bellyache Ridge Metropolitan District is located in Eagle County, Colorado on the east end of Bellyache Ridge in sections 34 and 35, T4S, R83W. (Figure 1) Elevations range from 8500 to 9100 feet above mean sea level. The climate is typically semi-arid receiving from 15 to 20 inches of rainfall per year. The District's water system is supplied by three wells. The wells currently operate simultaneously and fill a 100,000 gallon storage tank and a 250,000 gallon storage tank on an as needed basis. In the summer Wells 1R and 2 operate at a pumping rate of 12.5 gpm each. Well 3 operates at a pumping rate of 25 gpm. The wells typically will operate 12 Hours out of every 36 hours to maintain the desired levels in the storage tank.

Due to significantly less recharge during the 2012 calendar year, through the winter of 2012-2013, Wells 1R & 2 pumped at rate of approximately 1 gpm each and Well 3 pumped at a rate of 2.5 gpm. The wells effectively pumped 24 hours a day to attempt to maintain the system. During the months of January through March the system was augmented with 240,000 gallons of water hauled in by a licensed provider.

Wells #1R and Well 2 have a combined diversion appropriation of 0.132 CFS. Well 2 is an alternate point of diversion for Well #1R. Well #3 has a diversion appropriation of 0.089 CFS.

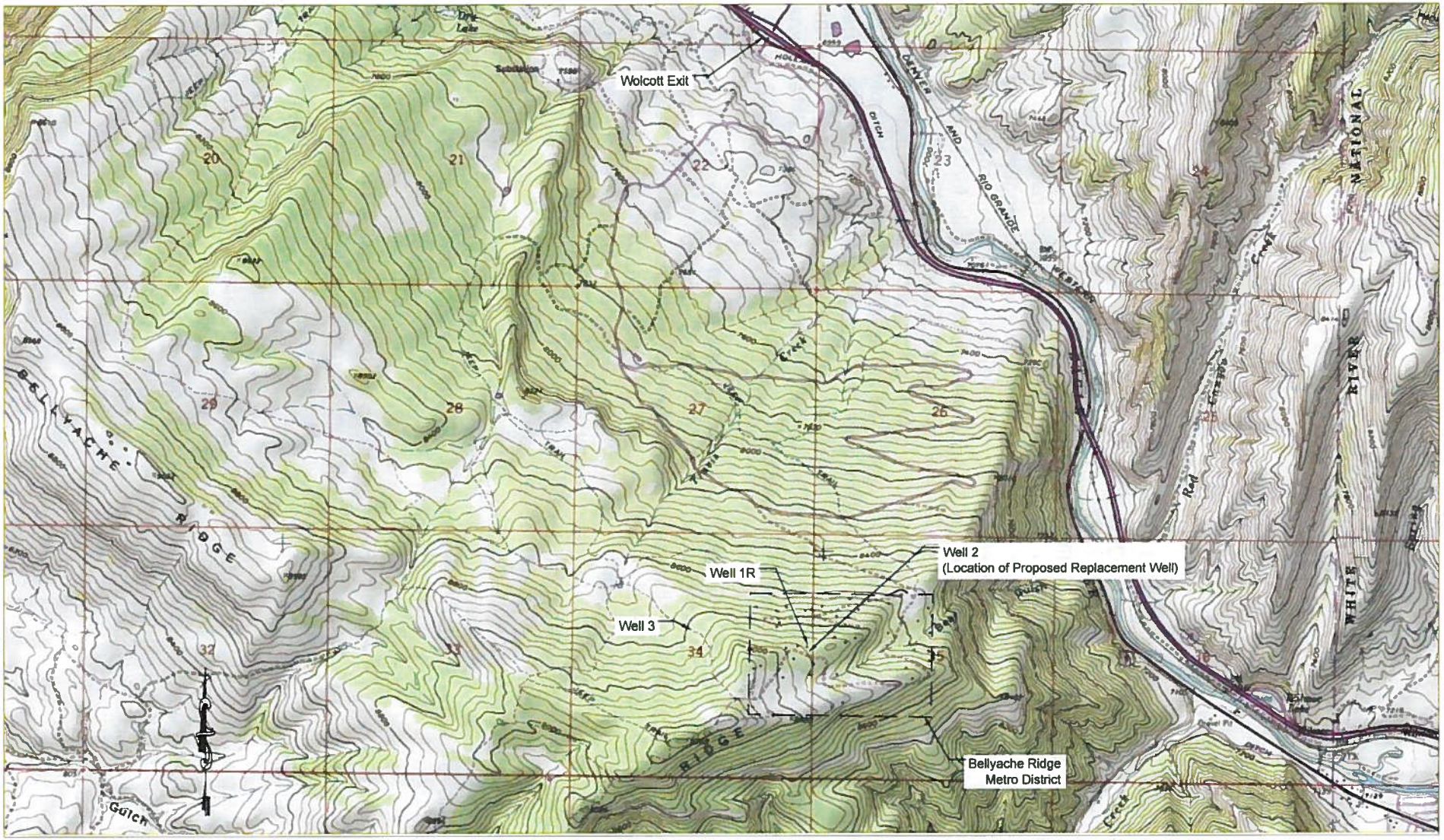
Bellyache Ridge	Amount	App	Adj	Case	Permit #
Well #1R	0.132 CFS	05/05/72	12/31/73	W-1714	17411-F-R
Well #2	0.132 CFS	05/05/72	12/31/73	W-3902	23683-F
Well #3	0.089 CFS	08/27/83	12/31/83	83CW353	37756-F

The District currently serves 65 lots with a total potential build out of 76 lots. The District was originally planned for an ultimate buildout in 1992 with an estimate annual use of 36.4 A.F. With the District constructed to 86% of buildout the last 4 years of annual use is:

Year	Wells 1R & 2 (A.F.)	Well 3 (A.F.)	Total (A.F.)
2012	3.80	7.44	11.24
2011	4.63	6.05	10.68
2010	5.61	6.36	11.97
2009	0.68	10.63	11.31

Due to progressive water rates and diligence in maintaining the system, the water usage for the development has been significantly lower than the design rates and the

national average. These volumes are for the entire year. During the winter months the average home uses approximately 2500 gallons. Water conservation measures are currently being utilized to their fullest extent.



2000 0 2000 4000 5000

1 INCH = 2000 FEET

REV. NO.	DATE	REVISION	MADE BY	CHKD BY	APPD BY

PROJECT AREA

SCALE: 1" = 2000'	DATE: JAN 30, 2013	SHEET: 1 of 4
DRAWN BY: JAW	CHKD BY: TAZ	APPD BY: TAZ	DRAWING: SEE BORDER

BELLYACHE RIDGE METRO DISTRICT

ZANCANELLA AND ASSOCIATES, INC.
ENGINEERING CONSULTANTS
POST OFFICE BOX 1908 – 1011 GRAND AVENUE
GLENWOOD SPRINGS, COLORADO 81602 (970) 945-5700

Figure 1

PROJECT: 3409

Z:\400's\409 – Bellyache Ridge\dwg\2013_Grant_App.dwg

ATTACHMENT B

Proposed Project Description:

Figures 2 and 3 show the plan and profile views of the geologic formations in the area. A July 25, 1979 Wright Water Engineer's report, a September 7, 1982 Leonard Rice Engineer's Report, and a July 23, 1992 Jerome Gamba & Associates' Engineers report discussed the ground water potential of the Bellyache Ridge Area. Ground water for domestic use was considered to occur in the Dakota, the Morrison and Entrada Formations. The formations were considered to operate independently of each other but probably hydraulically connected through vertical leakage through the tight sandstones and fractured shale. Wells 1 and 2 were the initial wells for the subdivision and were drilled into the upper reaches of the Morrison Formation. These engineering reports advised that the upper reaches of the Morrison were adequate when the tests were performed but were probably not adequate for a long term water supply. The lower reaches of the Morrison Formation were thought to have an adequate water supply. As a result Well 3 was added and drilled to a depth of 505 feet through the Entrada and just into the Chinle Formation. In 2007 Well #1R replaced Well 1and was drilled 550 feet through the Entrada Formation and just into the Chinle Formation.

Wells 1R and 2 are located so close together that they pump virtually the same water from the aquifer but were designed as a well and a backup well for mechanical reliability. Originally, these wells reportedly produced as much as 60 gpm. Well 3 was meant to be independent of Wells 1 and 2. Over time the water production has declined in all of the wells. The recent drought conditions have further exasperated the decline in production. Below the three formations currently utilized are two other potential formations that may be suitable for development as a groundwater source. The Chinle formation is approximately 375 feet deeper than the Entrada sandstone and the base of the State Bridge\Maroon formation is yet another 1000 feet below the Chinle. In total, these formations are approximately 1000 feet deep to the bottom of the Chinle and 2000 feet deep for the State Bridge\Maroon. Figure 4 shows the proposed preliminary well detail.

The Project consists of the development of plans and specifications for the drilling of a new 1900 foot deep well for the Bellyache Ridge Metropolitan District to provide a more stable long term water source. The well would be a replacement for Well #2 which is decreed for domestic use.

The service area includes 76 total lots at full build out, 65 are currently served, with an average of less than 1000 s.f. of irrigation per lot. The rate structure was modified for the winter. Total usage was limited by these progressive water rates that included a base fee of $15.00 per month plus a $5.00 charge per month for a "Plant Investment Fee" that pays for facility maintenance and expansion. A $25.00 fee was added to

account for hauling of water to augment the wells as a drought abatement fee for a total base fee of $45.00. The rate structure for the District through the winter has been per the following schedule:

	Usage	Charge
	1,000 to 3,000 gallons	$2.00 per 1000 gallons
Plus	4,000 to 25,000 gallons	$70.00 per 1000 gallons
Plus	Over 25,000 gallons	$200.00 per 1000 gallons

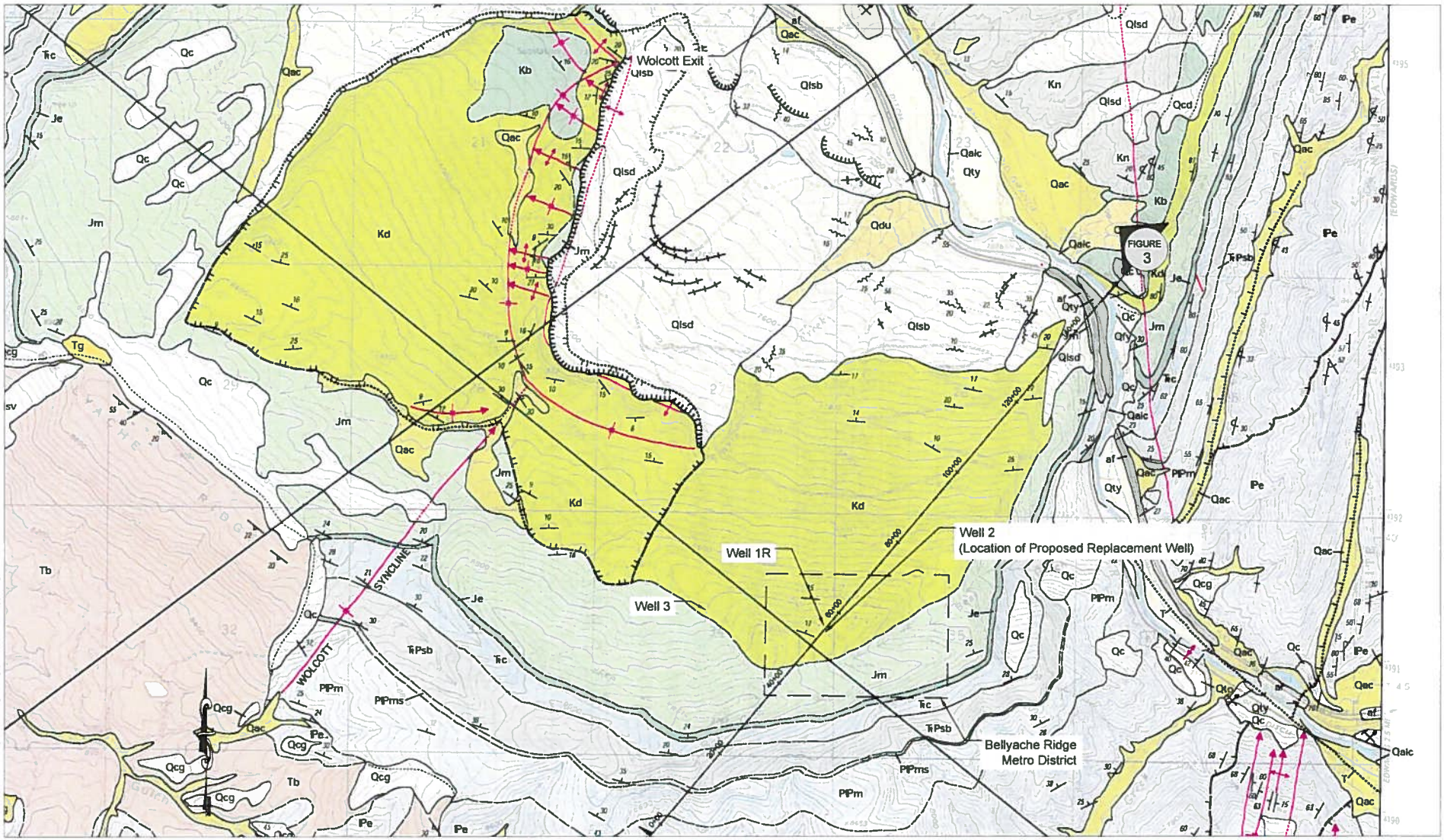
This rate structure allowed the district to maintain a water usage of below 3000 gallons per unit on average through the winter.

Historically the rate structure included the aforementioned $20.00 in base fees plus a rate structure per the following schedule:

	Usage	Charge
	1,000 to 8,000 gallons	$2.00 per 1000 gallons
Plus	9,000 to 16,000 gallons	$10.00 per 1000 gallons
Plus	17,000 to 25,000 gallons	$50.00 per 1000 gallons
Plus	Over 25,000 gallons	$200.00 per 1000 gallons

This rate structure was instrumental in limiting irrigation throughout the district and the average annual usage has averaged less than 5000 gallons per resident per year over the last 4 years. The District was originally planned for an ultimate buildout in 1992 with an estimate annual use of 36.4 A.F. With the District constructed to 86% of buildout the last 4 years of annual use is:

Year	Wells 1R & 2 (A.F.)	Well 3 (A.F.)	Total (A.F.)	Total Gallons/Service/Month
2012	3.80	7.44	11.24	4,695
2011	4.63	6.05	10.68	4,462
2010	5.61	6.36	11.97	5,000
2009	0.68	10.63	11.31	4,725



2000 0 2000 4000 5000

1 INCH = 2000 FEET

REV. NO.	DATE	REVISION	MADE BY	CHKD BY	APPD BY

PROJECT AREA
WITH WOLCOTT GEOLOGIC MAP

SCALE: 1" = 2000'	DATE: JAN 30, 2013	SHEET: 1 of 4
DRAWN BY: JAW	CHKD BY: TAZ	APPD BY: TAZ	DRAWING: SEE BORDER

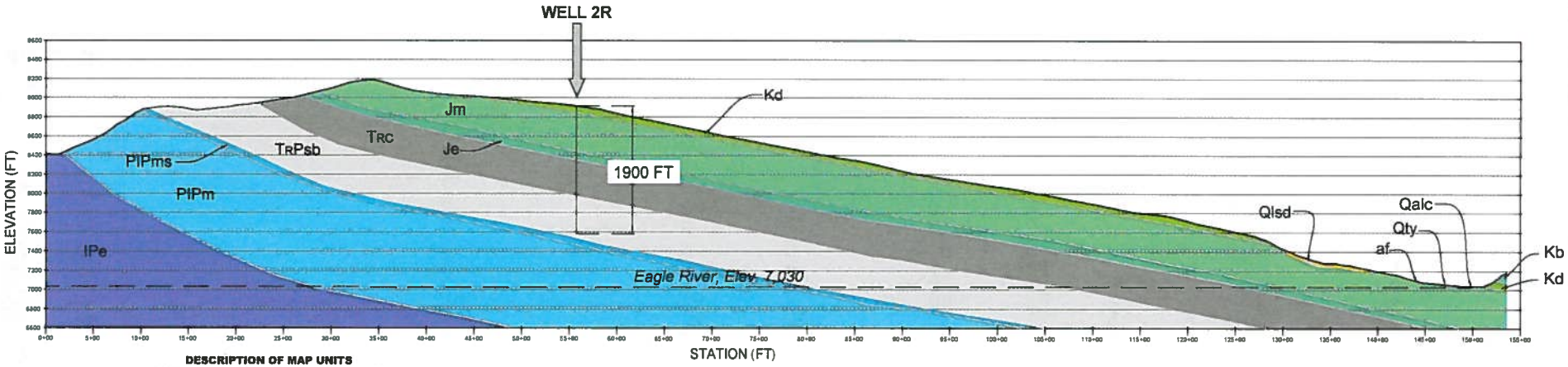
BELLYACHE RIDGE METRO DISTRICT

ZANCANELLA AND ASSOCIATES, INC.
ENGINEERING CONSULTANTS
POST OFFICE BOX 1908 - 1011 GRAND AVENUE
GLENWOOD SPRINGS, COLORADO 81602 (970) 945-5700

Figure 2

PROJECT: 3409

Z:\400's\409 - Bellyache Ridge\dwg\2013_Grant_App.dwg



DESCRIPTION OF MAP UNITS
(FROM WOLCOTT GEOLOGIC MAP - LIDKE, 1996)

Kd — Dakota Sandstone (Upper and Lower) Certain sand [illegible] sandstone and white quartzite interbedded with black, yellowish gray and square pale purplish red shale. Contains scattered horizons of thick and quartz pebble conglomerate [illegible]

PIPms — [illegible]

Jm — Morrison Formation (Upper Jurassic) [illegible]

Je — Entrada Sandstone (Upper Jurassic) [illegible]

TRC — Chinle Formation [illegible]

TRPsb — State Bridge Formation [illegible]

IPe — Eagle Valley Formation (Middle Pennsylvanian) [illegible]

Kb	Benton Shale
Kd	Dakota Sandstone
Jm	Morrison Formation
Je	Entrada Sandstone
TRC	Chinle Formation
TRPsb	State Bridge Formation
PIPms	Schollhouse Member of Maroon Formation
PIPm	Main Body of Maroon Formation
IPe	Eagle Valley Formation
af	Artificial Fill
Qty	Younger Terrace Alluvium
Qalc	Stream Channel and Floodplain Deposits
Qlsd	Landslide Deposits of Dakota Sandstone

REV. NO.	DATE	REVISION	MADE BY	CHKD BY	APPD BY

GEOLOGIC CROSS SECTION AT PROPOSED WELL

SCALE: 1" = 2000' | DATE: JAN 30, 2013 | SHEET: 1 of 1
DRAWN BY: JAW | CHKD BY: TAZ | APPD BY: TAZ | DRAWING: SEE BORDER

BELLYACHE RIDGE METRO DISTRICT

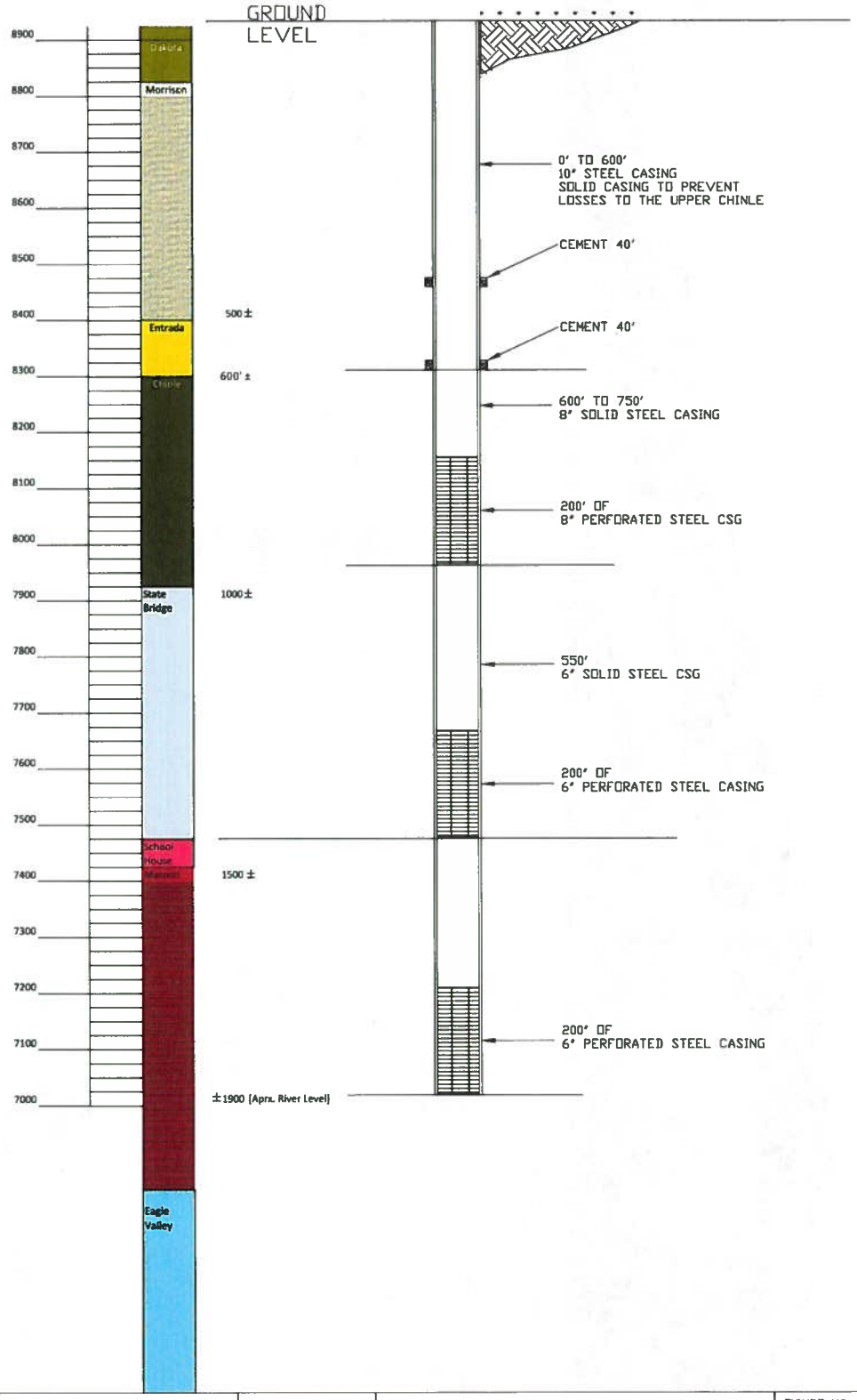
ZANCANELLA AND ASSOCIATES, INC.
ENGINEERING CONSULTANTS
POST OFFICE BOX 1908 – 1011 GRAND AVENUE
GLENWOOD SPRINGS, COLORADO 81602 (970) 945-5700

Figure 3
PROJECT: 3409

Z:\400's\409 – Bellyache Ridge\dwg\Wolcott DEM_Rev1.dwg

BELLYACHE WELL 2R
POSSIBLE DESIGN

Well 2R Possible Design



BELLYACHE WELL 24 POSSIBLE DESIGN				BELLYACHE METRO DIST.
SCALE: NOT TO SCALE	DATE: 24 JAN 2013		SHEET 2/2	ZANCANELLA AND ASSOCIATES, INC. ENGINEERING CONSULTANTS 1011 Grand Avenue GLENWOOD SPRINGS, COLORADO 81602 (970) 945-5700
DRAWN BY: TPB	CHKD BY: TPB	APPD BY: TAZ	PLAN NO. SEE FOOTER	

FIGURE NO. 4

PROJECT: 10800

ATTACHMENT C

Leonard Rice Consulting Water Engineers, Inc.
(303) 455-9589 / 2695 Alcott Street / Denver, Colorado 80211

Leonard Rice
Leslie H. Botham
Gordon W. Fassett

September 7, 1982

Bellyache Ridge Homeowners Association
c/o Mr. Nottingham
Post Office Box 40
Wolcott, Colorado 81655

Dear Mr. Nottingham:

This letter describes the results of a preliminary investigation and evaluation of the ground-water resources in the vicinity of Bellyache Ridge Subdivision. The investigation was made in response to concerns that the two existing wells (17411F, 23683F) will not be adequate for future water supply requirements. These two wells are permitted for a combined total of 60 gallons per minute (gpm) but currently have a combined yield of approximately 23 gpm. This report evaluates the current physical water supply, projects potential demands, and evaluates the physical ground water supply in the non-tributary aquifer beneath the property. The report concludes that if projected future water requirements are realized the two wells will not be adequate and recommends a method of obtaining additional water.

Introduction

Bellyache Ridge Subdivision, covering approximately 240 acres, is located in sections 34 and 35, T4S, R83W, Eagle County, Colorado (Figure 1). The property is situated on the east end of Bellyache Ridge, a prominant east-west trending topographic high. Elevations range from 8500 to 9100 feet above mean sea level. The climate is typically semi-arid receiving from 15 to 20 inches of rainfall per year. In this altitude range, vegetation consists primarily of aspen, cedar, pine, juniper and sagebrush. An intermittent stream drains the east end of Bellyache Ridge. This stream heads on the property at about 8850 feet and flows northeast to the Eagle River. No other streams flow across the property.

The subdivision originally obtained its water supply from a well drilled in October, 1972, by William L. Shelton. This well (17411F) is located in the SE¼ of the NE¼ of Section 34 (Figure 1). Well 17411F is 300 feet deep and is completed in

the Jurassic Morrison Formation. The well was originally permitted for 15 gpm but an increased yield of 60 gpm was granted based on results from a 30-hour aquifer test performed by Canaday Pump Company in November, 1972. Based on the following observations, however, the 60 gpm represents yield from water in storage and not a long term sustained yield.

-The relationship between drawdown and recovery versus time was not determined during the Canaday pump test. It is not possible to estimate long term sustained yield without these data.

-The Morrison Formation is a generally poor aquifer rarely producing over 15 gpm.

-Well 17411F is currently yielding about 10 gpm (Jim Weber, personal communication).

In the spring of 1977, well 23683F was drilled as an alternate point of diversion to well 17411F. This well, redrilled on two occasions, is about 455 feet deep and completed in the Morrison Formation. According to the well completion report on file at the State Engineer's Office, a 20-minute "pump test" was conducted in June, 1977. A yield of 40 gpm was reported at that time. In June and July, 1979, Wright Water Engineers (WWE) conducted a seven-day aquifer test on well 23683F. The well was pumped at 28.4 gpm for approximately 100 hours and allowed to recover for about 56 hours. Well 17411F was used as an observation well. Based on the test data WWE estimated a long term sustained yield of 25 - 30 gpm for 23683F. However, recovery of the pumped well (23683F) was slow indicating poor aquifer recharge properties.

Well 17411F was given non-tributary status when adjudicated (Case No. W-1714). By definition, a non-tributary aquifer is not hydraulically connected to the surface formation. Thus, in the vicinity of Bellyache Ridge, the Morrison is not considered to be recharged via the Dakota but is probably recharged at its outcrop about 2,000 feet from the well. According to Jim Weber, of Bellyache Ridge Homeowners Association, the yield of well 17411F has held constant at 10 gpm for the last few years. Well 23683F is currently yielding about 12 to 13 gpm. The yield of this well has decreased from 30 gpm since it was drilled in 1977. This indicates that recharge to that volume of aquifer being pumped by well 23683F is slow. Currently each well is being pumped about 12 hours per day.

Water Use

The water treatment, storage and distribution system for Bellyache Ridge Subdivision was designed by the Eldorado Engineering Company. The system includes a 100,000 gallon overhead storage tank that is divided into two 50,000 gallon compartments. Fifty thousand gallons are kept in storage for purposes of fire fighting and 50,000 gallons are stored for residential use. System deficiencies and maintenance requirements have been outlined in an April, 1979, report by Wright Water Engineers.

Table 1 summarizes the current and projected water requirements for Bellyache Ridge Subdivision. The 1980 use figures were obtained from Bernie Kruse of the Bellyache Ridge Homeowners Association. The 1987 and 1992 figures are based on projected growth and constant per capita use.

Currently, the system is serving a population of 125 people. Total water use for the 1980 calendar year was 4,488,600 gallons which results in an average use of 98.4 gal/day/person and requires a constant well yield of approximately 8.5 gpm. This is within the capacity of the existing wells as each is capable of yielding more than 8.5 gpm.

Projected 1987 total water use is 8,270,000 based on a projected population of 230. This will require a constant well yield of 15.6 gpm. Since neither well is capable of yielding 15.6 gpm, both will have to be pumped for more than 12 hours a day. This puts an unrealistic demand on the capacity of each well. If the projected 1987 water use becomes a reality, it will be difficult to obtain the required yield from the two existing wells.

Maximum buildout for Bellyache Ridge Subdivision is expected in 1992. A projected population of 330 people will require a total annual use of 11,852,280 gallons based on current per capita use. A constant well yield of 22.4 gpm will be required to supply this demand. Since the combined yield of wells 17411F and 23683F is 22.5 to 23 gpm, both wells will have to be pumped continuously to supply the projected 1992 demand. This is far beyond the realistic capacity of the two wells. In addition, the yield of well 23683F could continue to decline before it stablizes. This will further limit the capability of the two wells to supply the required demand.

Ground Water Supply Evaluation

Geology - The Bellyache Ridge Subdivision property is situated atop the nose of the northward plunging Burns-Wolcott Syncline (Figure 1). The syncline is an asymeterial open fold which plunges about 25° to the north-northwest. Sedimentary formations within the syncline include the Permian Maroon Formation, the Triassic Shinarump and Chinle Formations, the Jurassic Entrada and Morrison Formations, and the Cretaceous Dakota Formation. The Dakota and Maroon are prominant ridge formers. The Dakota Formation and the Morrison Formation form the surface over the entire Bellyache Ridge property (Figure 1). The Dakota consists of three cliff-forming, jointed, light brown sandstones, with interbedded black shales. The formation is about 300 - 320 feet thick in the Wolcott area. The Morrison Formation which stratigraphically underlies the Dakota is approximately 400 feet thick in the Wolcott area. The basal 133 feet contains four sandstone units that vary in thickness from 4-19 feet (Hubert, 1952). These yellow to greenish-gray sandstones are interbedded with green shales, massive limestones, and lenticular siltstone conglomerates. The upper 267 feet of Morrison consists of massive limestones, thin lensing sandstones, shales and lensing conglomerates. Underlying the Morrison Formation is the Jurassic Entrada Formation. This formation is about 100 feet thick and consists of fine to medium grained sandstones. The subsurface geology beneath the Bellyache Ridge property is shown in cross-sections A-A' and B-B' (Figure 2). The location of the cross-sections are shown in Figure 1. The stratigraphic and topographic relationships between the Dakota, the Morrison and the Entrada are shown by the cross-sections. The Morrison and Entrada Formations outcrop areas are shown in Figure 1. The outcrop represents the upturned edge of the formations. The Dakota outcrops in the trough of the syncline and as such has a much more extensive outcrop area.

Hydrology - Ground water of suitable quality for domestic use occurs in the Dakota, the Morrison and the Entrada. These formations effectively operate as independent aquifers although they are probably hydraulically connected to a minor degree. The connection is probably by vertical leakage through tight sandstones, fractured shales and intermittent shales and sandstones. The Dakota aquifer would be considered tributary in the vicinity of Bellyache Ridge because it is the surficial formation. This effectively eliminates the Dakota as a future water source for the Bellyache Ridge Subdivision due to the legal and physical problems connected

with augmenting the Dakota water. Thus, the search for a ground-water source to supply anticipated demands for Bellyache Ridge is necessarily centered on the Morrison and/or Entrada.

Ground water contained within the sedimentary formations in the Burns-Wolcott syncline flows generally towards the center of the syncline (Figure 1). The primary source of recharge is precipitation. According to U.S. Forest Service records the area south of Wolcott receives about 20 inches of precipitation annually. Of this 12 to 15 inches is lost through evapotranspiration and another 6 to 7 inches is lost to surface runoff. This indicates that the annual amount of recharge to the aquifers is 0 to 2 inches (0 to 0.16 acre-feet/acre). The estimated outcrop area providing recharge for wells 17411F, 23683F, and any other wells developed in the Morrison on or adjacent to the property, is shown on Figure 1. This area is defined by ground-water flow directions which are parallel to formation dip directions. The area covers approximately 425 acres of Morrison outcrop. Annual recharge to the aquifer via this area is approximately 70 acre-feet. However this amount of water is not available to wells 17411F and 23683F because they are developed in the upper part of the aquifer and much of the 70 acre-feet/year passes under the screened interval of both wells.

Calculations have been made to estimate the amount of water in storage in that volume of the Morrison aquifer between the recharge area and the north property line of Bellyache Ridge Subdivision. An estimated 3,900 to 4,000 acre-feet of water is available within this volume of aquifer. The rate at which the aquifer will yield this water is dependent on the local permeability and transmissivity.

Other than wells 17411F and 23683F no wells in the vicinity of Bellyache Ridge are developed in the Morrison. Consequently no site specific hydraulic data could be obtained. Selected data from water wells in Colorado and Wyoming indicate permeabilities of less than 3 gpd/ft^2, transmissivity values of less than 100 gpd/feet and porosity values that range from 8 to 20%. The saturated thickness of the Morrison in the vicinity of Bellyache Ridge is difficult to determine. An estimated saturated thickness of 175 feet was used to calculate the volume of water in that part of the aquifer available to wells 17411F and 23683F. This is probably a high estimate. Available data indicate that yields from the Morrison are generally low. There is some evidence to indicate that wells tapping both the Morrison and the

underlying Entrada will have higher yields than wells that tap only the Morrison. Whether this would hold true at Bellyache Ridge is not known. Site specific hydraulic data can be obtained from properly conducted aquifer tests. Transmissivity and storage coefficient values can be determined from time-drawdown relationships.

The lithology of the bottom 133 feet of the Morrison is more suitable for storing and yielding water than the upper 2/3 of the formation. The underlying Entrada is composed entirely of fine to medium grained sandstones (80ft). No specific hydraulic data is available for the Entrada in this area but wells developed in the Entrada and Wingate sandstones in the Grand Junction area yield as much as 25 to 30 gpm from flowing artesian wells. Also, it seems likely that the degree of hydraulic connection between the Entrada and the basal 1/3 of the Morrison would be greater than the connection between the Morrison and the Dakota. Depth to the top of the Morrison varies somewhat in the vicinity of Bellyache Ridge but is generally in excess of 300 feet. Depth to the bottom of the Morrison is estimated at 550 - 700 feet.

Conclusions

1. The two existing Bellyache Ridge wells (17411F and 23683F) will not adequately supply the anticipated future demand.

2. These wells are developed in the upper part of the Morrison Formation less than ½ mile from the recharge area.

3. Locally the Morrison receives an annual recharge of approximately 70 acre-feet via the outcrop area shown in Figure 1. An additional 4,000 acre-feet is estimated to be in storage within that volume of aquifer between the north property line of Bellyache Ridge Subdivision and the recharge area. However, much of this water is not available to wells 17411F and 23683F because the wells are located in the upper part of the aquifer and because permeabilities and transmissivity values are lower in the upper part of the formation.

4. Current water use requires a supply of 13 to 14 acre-feet/year. The two existing wells, which have a combined yield of 22 to 23 gpm, can accomodate this.

5. The yield of well 17411F seems to have stabilized at 10 gpm. However, it is possible that the yield of well 23683F will continue to decrease until equilibrium is reached.

6. Projected demand for 1987 is 25.2 acre-feet/year and for 1992, 36.1 acre-feet/year. If these demands are realized, the existing wells will not have the capacity to adequately supply the required amount of water. Additional water should be sought.

Recommendations

The two existing wells will not adequately supply the anticipated future demands for the subdivision. It is, therefore, recommended that a new well be constructed prior to reaching the water requirements projected for 1987. The well should be completed in the lower Morrison and/or upper Entrada Formations, where higher permeability can be expected. It is estimated that the total depth of the well would range between 600 and 800 feet at the proposed site for the new well, shown on Figure 1. It is likely that this well would be considered a non-tributary ground water source and could be used as an alternate point of diversion to well 17411F, which is permitted for 60 gpm. It should also be noted that this site is located on Bureau of Land Management property and the legal right-of-way is being obtained by the subdivision. This site is approximately 1/2 mile from the existing wells and interference between the wells should be minimal. It is also recommended that an aquifer test be performed on this well when drilled. This will allow for determination of the long-term sustained yield.

If you have any questions or if we can be of further service, please feel free to call.

Very truly yours,

LEONARD RICE CONSULTING WATER ENGINEERS, INC.

Michael Wireman
Ground Water Geologist

Reviewed by:

Ian M. Hart
Project Manager

MW/IMH/dm/sw
607BLY01

Table 1

Current and Projected Future Water Use Requirements for Bellyache Ridge Subdivision

	Population	Total Use (gal)	Per Capita Use Per Day (gal)	Required Well Yield (gpm)	(af/yr)
1980	125	4,488,600[a]	98.4	8.5	13.7
1987[b]	230	8,270,000	98.4	15.6	25.2
1992[c]	330 (maximum buildout)	11,852,280	98.4	22.4	36.1

a) Total use volume for 1980 obtained from Bernie Kruse, Bellyache Ridge Homeowners Association.

b,c) Estimated use based on projected growth and constant per capita use.

607BLY01

SELECTED REFERENCES

Boettcher, A.J., 1972, Ground-Water Occurrence in Northern and Central Parts of Western Colorado, Colorado Water Conservation Board Water Resources Circular No. 15.

Gary, Howard L., 1975, Watershed Management Problems and Opportunities for the Colorado Front Range: The Status of Our Knowledge, U.S.D.A. Forest Service Research Paper RM-139, 32 p.

Leaf, Charles F., 1975, Watershed Management in The Central and Southern Rocky Mountains: A Summary of The Status of Our Knowledge by Vegetation Types, U.S.D.A. Forest Service Research Paper RM-142, 28 p.

Hubert, J.F., 1954, Structure and Stratigraphy of An Area East of Brush Creek, Eagle County, Colorado, Masters Thesis, University of Colorado.

LRCWE, 1979, Vail Springs Water Engineering Review, Job No. 450.

Pearl, R.H., 1974, Geology of Ground Water Resources in Colorado, An Introduction, Colorado Geological Survey Special Publication No. 4.

Tweto, Ogden, et al, 1978, Geologic Map of The Leadville 1° X 2° Quadrangle, Northeastern Colorado, U.S. Geological Survey Map I-999.

Wilson, Woodrow W., 1965, Pumping Tests in Colorado, Colorado Water Conservation Board, Colorado Ground Water Circular No. 11.

Wright Water Engineers, 1979, Letter Report describing pump test evaluation of Well 2-3683-F.

Wright Water Engineers, 1978, Letter Report describing results of Vail Springs pump tests and aquifer analysis.

Freeze, R.A. and Cherry, J.A., 1979, GROUND WATER, Prentice-Hall, Inc., 604 p.

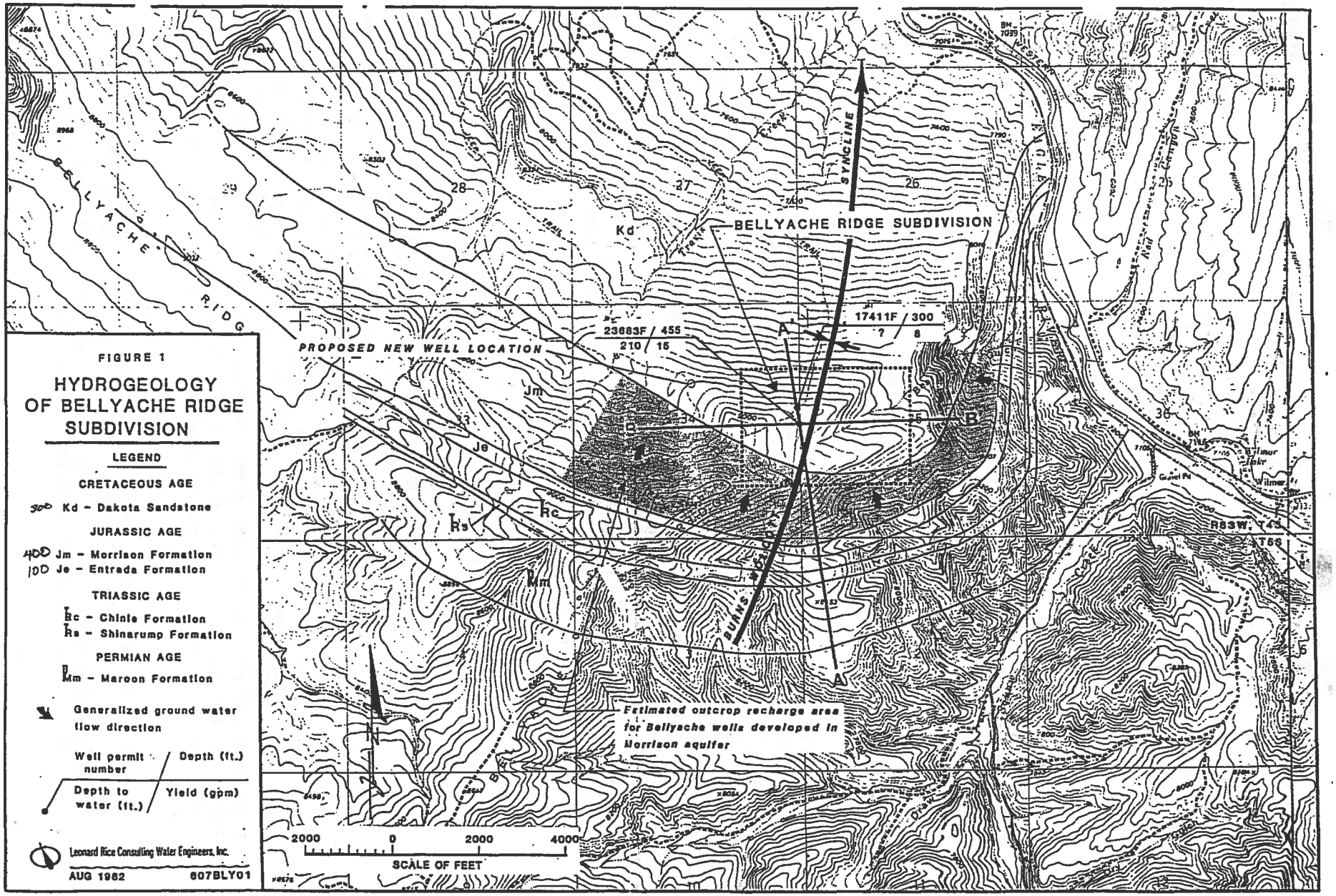


FIGURE 1
HYDROGEOLOGY OF BELLYACHE RIDGE SUBDIVISION
LEGEND
CRETACEOUS AGE
Kd - Dakota Sandstone
JURASSIC AGE
Jm - Morrison Formation
Je - Entrada Formation
TRIASSIC AGE
Rc - Chinle Formation
Rs - Shinarump Formation
PERMIAN AGE
Pm - Maroon Formation
Generalized ground water flow direction
Well permit number
Depth (ft.)
Depth to water (ft.)
Yield (gpm)
Leonard Rice Consulting Water Engineers, Inc.
AUG 1982
607BLY01
BELLYACHE RIDGE
BELLYACHE RIDGE SUBDIVISION
SYNCLINE
PROPOSED NEW WELL LOCATION
23683F / 455
210 / 15
17411F / 300
? / 8
Estimated outcrop recharge area for Bellyache wells developed in Morrison aquifer
2000 0 2000 4000
SCALE OF FEET

ASPEN OFFICE
P.O. BOX 8028
ASPEN, COLORADO 81611

CHEYENNE OFFICE
3228 LOCUST DRIVE
CHEYENNE, WYOMING 82001

GLENWOOD SPRINGS OFFICE
P.O. BOX 1286
GLENWOOD SPRINGS, COLORADO 81601

STEAMBOAT OFFICE
P.O. BOX 5220
STEAMBOAT VILLAGE, COLORADO 80499

WRIGHT WATER ENGINEERS, INC.
ENGINEERING CONSULTANTS
2420 ALCOTT STREET
DENVER, COLORADO 80211
(303) 458-6201

KENNETH R. WRIGHT
WILLIAM L. LORAH
RUSSELL E. DARR
RICHARD D. JOHNSON
J. CRAIG GREEN
H. RAY NEWMYER
MARILYN M. STOKES
RALPH L. TOREN
FRANK J. TRELEASE

Glenwood Springs
Tel. 945-7755

July 25, 1979

Mr. Donald Kiese
President, Homeowners Association
Bellyache Ridge Subdivision
P.O. Box 596
Eagle, CO 81631

RE: Pumping Test Evaluation

Dear Mr. Kiese:

This letter contains our evaluation of the Bellyache Ridge pumping test conducted over a seven day period beginning on Wednesday, June 27, 1979. Both wells at the site were monitored during the test. The newer well, currently the main source of water for the development, was pumped at a steady rate of 28.4 gpm for approximately 100 hours and allowed to recover for roughly 56 hours following the pumping. The original well was used as an observation well during the 7 day test. The original well was constructed to a depth of 300 feet under permit number 66245 and later granted an increased yield of 60 gpm under permit number 17411-F. The driller's well completion report stated the final water level following a one hour/10 gpm pumping test was 135 feet. Well #2 was drilled as an alternate point of diversion to Well #1 (Case W-3902) and redrilled on two occasions to a final depth of roughly 437 feet.

Both wells were pumped intensively for 10 hours and allowed only 3 hours of recovery prior to the test. At the outset of the test, the depth to water in the pumped main well was 187.42 feet, the observation well water level was 185.25 feet. The pumped well began drawdowning immediately and continued to do so during the 100 hour pumping period, after which time the depth to water was 204.67 feet, representing a total drawdown of 17.25 feet. The observation well continued to recover from the earlier pumping and 24 hours into the pumping stablized at a depth of 181.67 feet. Over the next 76 hours the observation well had a drawdown of 2.08 feet, with a depth to water of 183.75 feet. Following the 56 hour recovery period the water level in the main well had recovered to a depth of 192.04, representing a total recovery of 12.63 feet. The observation well continued to drawdown during the recovery period, finally stablizing at a depth of 184.17 feet after 40 hours. The water level recovered to 184.06 during the next 16 hours. Enclosed are graphs displaying the drawdown and recovery data for the pumped well.

It is the opinion of this office that, based on the test data, the well probably will produce 25-30 gpm on a sustained basis under the hydrologic conditions encountered during the testing period. This assumes no hydrologic boundaries will be encountered; i.e., any decrease in the aquifer's

porosity and/or storage. We anticipate this production, in conjunction with storage, would be adequate to satisfy the in-house and restricted domestic irrigation requirements of the subdivision at ultimate development. We are assuming that ultimate development is 80-100 units with 350 gallons per day per unit of in-house water consumption.

We feel that the spring snowmelt is a major source of recharge of the aquifer and during the summer and fall when the aquifer fractures are dewatered of snowmelt it would be reasonable to assume the ground water availability is severely reduced. This conclusion is supported by the past Bellyache well history and a depth to water reading of 226 feet taken on July 17 in the main well.

Because the aquifer is a dynamic system, we strongly recommend that the two wells be monitored on regular weekly or bi-weekly basis. Powers Well Sounders can be purchased from Pumps Inc. in Denver for roughly $150.00. Graphically displaying the water levels will possibly enable the Homeowners Association to recognize the establishment of a downward trend before any severe hardship or mechanical problems are created. In the event significantly lowered water levels are detected, we suggest that appropriate restrictions be placed on the subdivision's consumption of water.

We base this recommendation on the recovery data gathered following the extensive pumping. The slow recovery rate of the pumped well indicates the possibility of poor aquifer recharge properties and potential mining of the ground water; i.e., the volume of ground water pumped from the aquifer exceeds the volume of recharge which is limited due to the geologic nature of the area. These two features will ultimately determine the long term production of the two Bellyache wells.

A further recommendation would be to restrict the well yield to 30-40 gpm via the control valve in the pump houses. The effect of this is twofold. First, pumps operate more efficiently over a longer life-span if they are in sustained operation. Secondly, the aquifer will not be subjected to short intense periods of dewatering, but rather, hopefully, reach a state of equilibrium where discharge is balanced by recharge.

It is our understanding that Mr. George Burens has indicated a right to a portion of the production of the two Bellyache wells to service a proposed development. It is our feeling that the Homeowners Association is not in a position to relinquish any portion of the well yield because of the discussed potential problems concerning the available physical water supply.

In summary, an analogy can be made between the limited recharge aquifer which serves the Bellyache development and a large underground storage tank with a limited inlet capacity. Excessive pumping will deplete both to a point of dewatering. On an annual basis a finite amount of water is available to be extracted from the tank and the Homeowners Association should be cognizant of this "bank account".

The monitoring program carried on year round should supply the information necessary to get a better feel for the annual volume of ground water available for pumping and the pattern of recharge. This will assist the Homeowners Association in the development of a water management policy. Sound water usage management policy should keep the development supplied with water year round, possibly with periods of restricted use.

If you have any questions concerning this report, or if we can be of further assistance to you, please don't hesitate to contact our office.

Very truly yours,

WRIGHT WATER ENGINEERS, INC.

By Walter F. Bricker
Walter F. Bricker

WFB:ep
Enclosures
791-34

cc: Lee Leavenworth w/o Enclosures

JEROME GAMBA & ASSOCIATES, INC.
CONSULTING ENGINEERS & LAND SURVEYORS

800 COLORADO AVENUE
P.O. BOX 1458
GLENWOOD SPRINGS, COLORADO 81602-1458
PHONE: (303) 945-2550 FAX: (303) 945-1410

P.O. BOX 4808
PAGOSA SPRINGS, COLORADO 81157
PHONE: (303) 731-5743

July 23, 1992

Bellyache Ridge Homeowner's Assoc.
c/o Doug Maxwell
P.O. Box 15
Wolcott, CO 81655

RE: Test Wells

Dear Doug:

At your request Jerome Gamba and Associates has prepared the following letter to supplement the July 25, 1979 Wright Water Engineer's report and the September 7, 1982 Leonard Rice Engineer's report (Appendix A) discussing the ground water potential of the Bellyache Ridge area. By your direction the topics covered in those reports have not been reiterated in this letter. The reports should be reviewed in conjunction with this letter.

Currently there are three wells serving the Bellyache Ridge Subdivision (Figure 1). Wells #1 and #2 are operated simultaneously at pumping rates of 12.5 gpm each. Well #3 is operated independently at a pumping rate of 25 gpm. A summary of the water rights associated with the three water supply wells are as follows:

Bellyache Ridge	Amount	App	Adj	Case
Well #1	60 gpm	05/05/72	12/31/73	W-1714
Well #2	60 gpm AP	05/05/72	12/31/73	W-3902
Well #3	40 gpm	08/27/83	12/31/83	83CW353

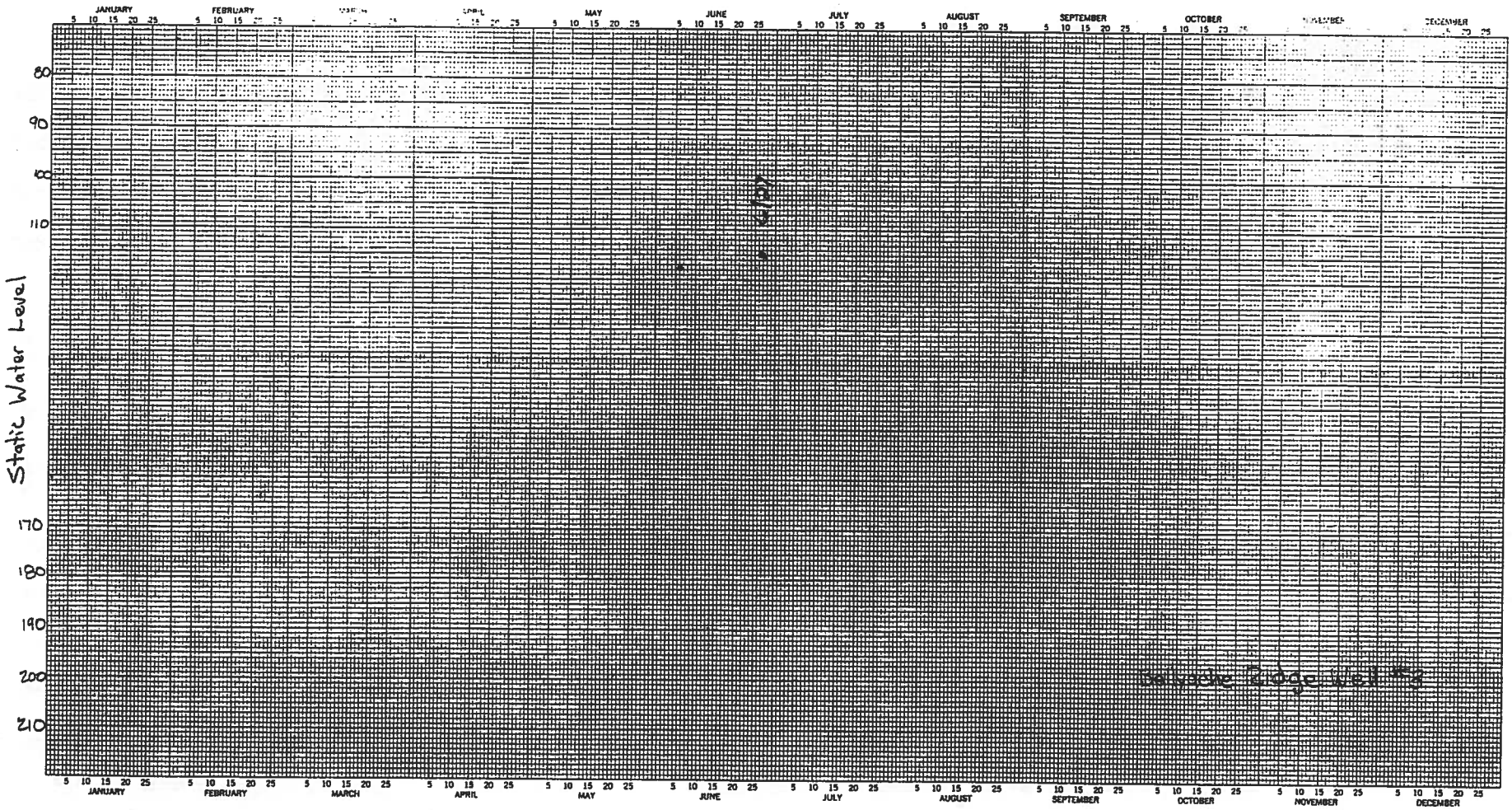
The water court decrees for all three of the wells are contained in Appendix B. From the above table it can be seen that Well #1 was decreed prior to 1977 and under current administration practices would be protected from a senior down stream call by Green Mountain water. Well #2 was decreed as an alternate of Well #1 and may or may not be protected by the Green Mountain operating principals. You should consult your water council with respect to this issue. A separate Green Mountain contract could be obtained to augment out of priority diversions from Well #2 if necessary. Well #3 has been decreed as non-tributary and is presently not subject to an administrative call.

Figure #1 shows the approximate relation between the geologic formations and the three wells presently serving the subdivision. The most productive well serving the subdivision is Well #3, it currently is producing 25 gpm. Well #3 fully penetrates both the Morrison and the Entrada Formation. Wells #1 and #2 are currently completed in the Morrison Formation. Wells #1 and #2 would have to be deepened approximately 240 and 125 feet respectively to penetrate the same strata as Well #3, assuming the formation thickness and dip are relatively consistent.

The office of the State Engineer may limit the amount of water that could be produced from a redrilled well to the current production amounts of 12 gpm each. It may be necessary to demonstrate to the Stat Engineer that the wells were capable of producing the original decreed amount of 60 gpm and that allowing the redrilling of the wells will not expanded the historic use.

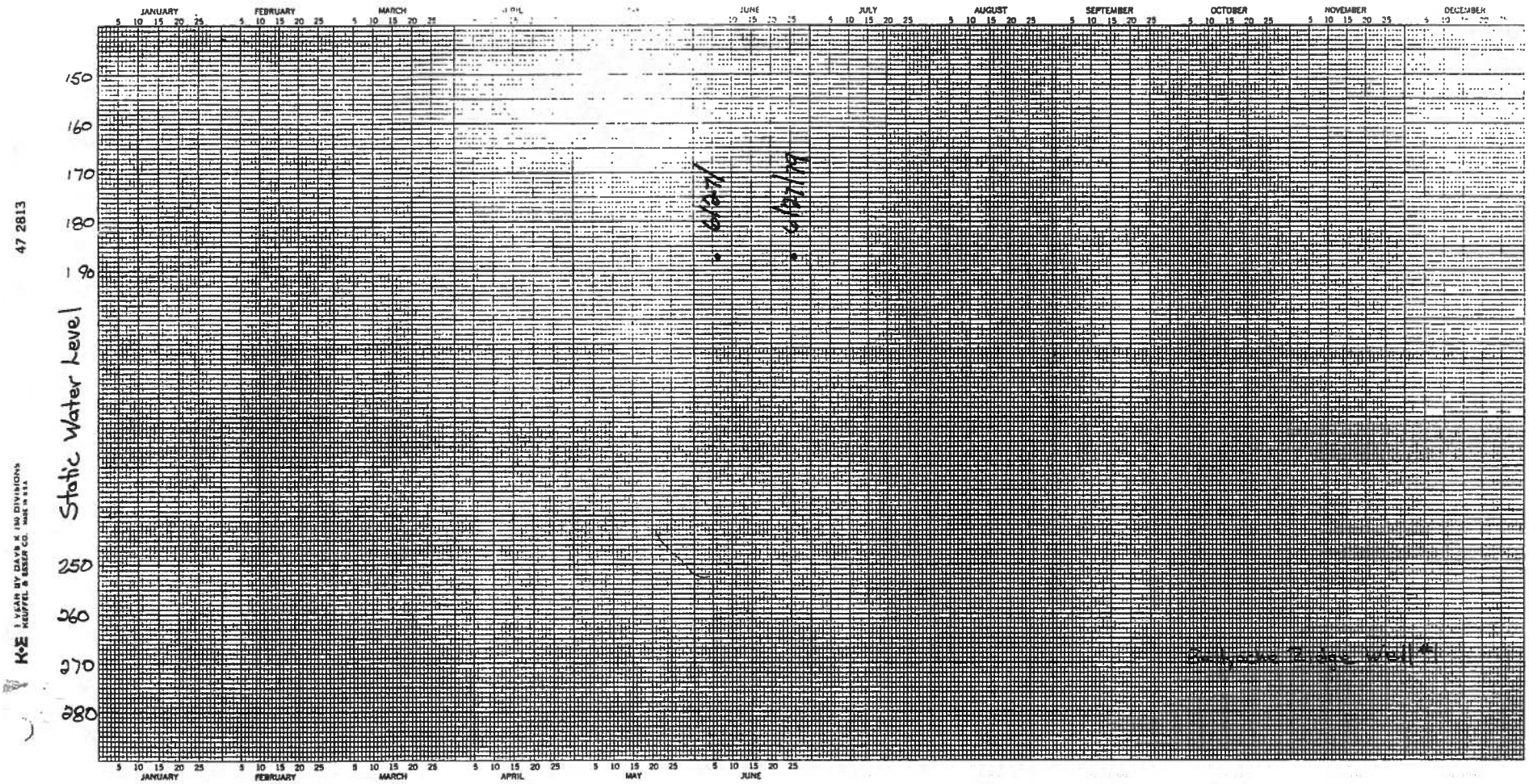
We recommend that you apply for replacement well permits for Wells #1 and #2. This will answer the question as to the amount of water that will be permitted under the existing decree. The wells should be deepened to penetrate at least through the Entrada Formation.

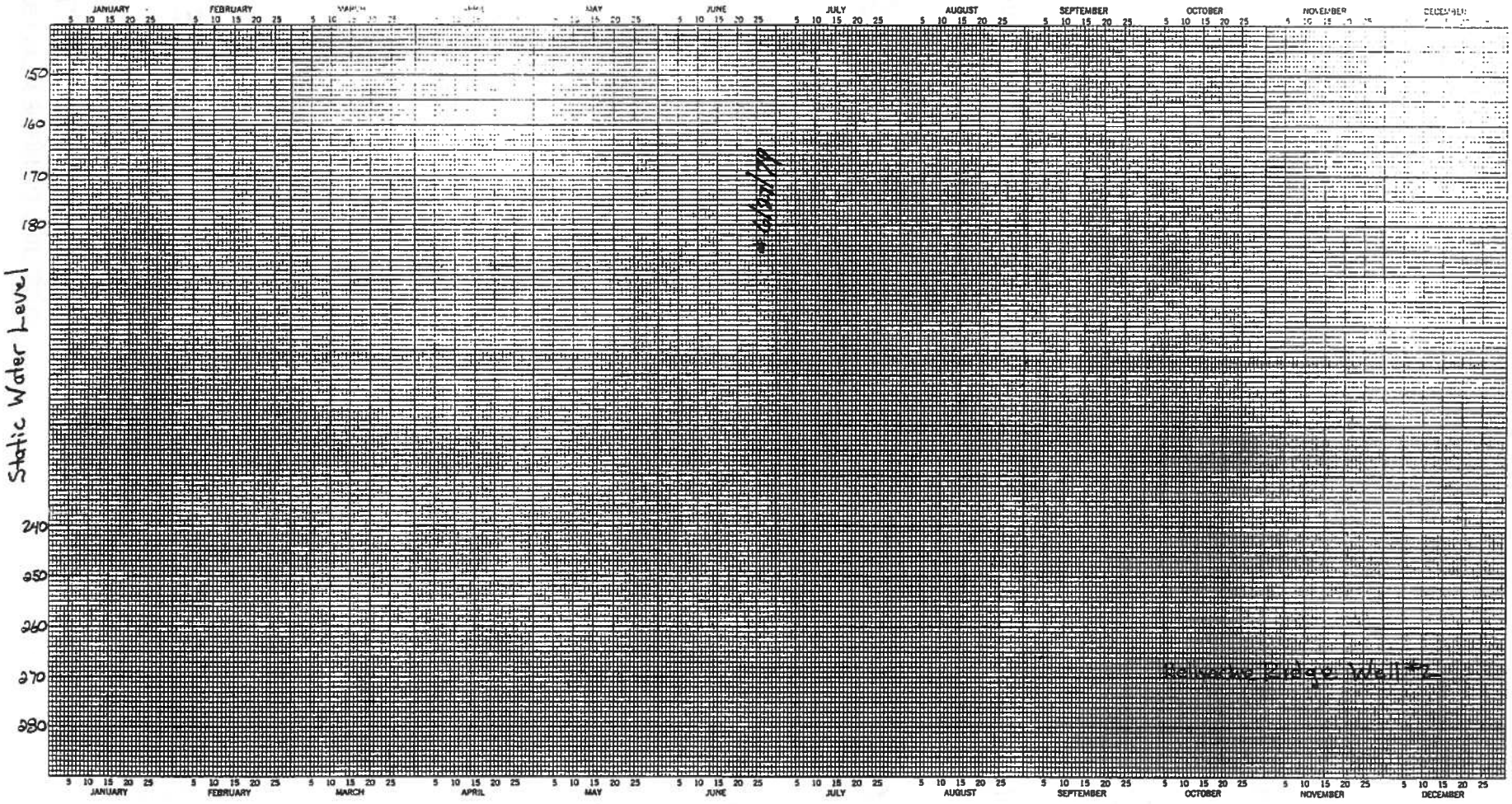
We recommend that 3/4 inch poly pipe draw down tubes be installed in wells #1 and #2 at the next pump maintenance opportunity and the drawdown tube in well #3 be cleared so that a well probe can be lowered into the well. Static water levels in all the wells should be measured on a monthly or bi-monthly basis. This will provide data to determine if the ground water is being mined at the Bellyache Ridge existing well locations. We have provided (Appendix C) annual graph paper so that the well data can be plotted and trends graphically observed. We will work closely with your system operator Jerry Bender, to assist him with the collection and plotting of the data. Depending on the results of the water level monitoring program the homeowners will be in a position to make the decision with respect to adding additional water sources or well capacity.



47 2813

K+E 1 YEAR BY 1 MO. 5 SQ. DIVISIONS
KEUFFEL & ESSER CO. MADE IN U.S.A.


JANUARY
FEBRUARY
MARCH
JUNE
JULY
AUGUST
SEPTEMBER
OCTOBER
NOVEMBER
DECEMBER
150
160
170
180
190
Static Water Level
250
260
270
280
JANUARY
FEBRUARY
MARCH
APRIL
MAY
JUNE
Comanche Stage Well #1
47 2813
K+E 1 YEAR BY DAYS X 100 DIVISIONS
KEUFFEL & ESSER CO. MADE IN U.S.A.



K+E 1 YEAR BY DAYS & 100 DIVISIONS KEUFFEL & ESSER CO. MADE IN U.S.A.

47 2813

BELLYACHE RIDGE MUNICIPAL WELLS

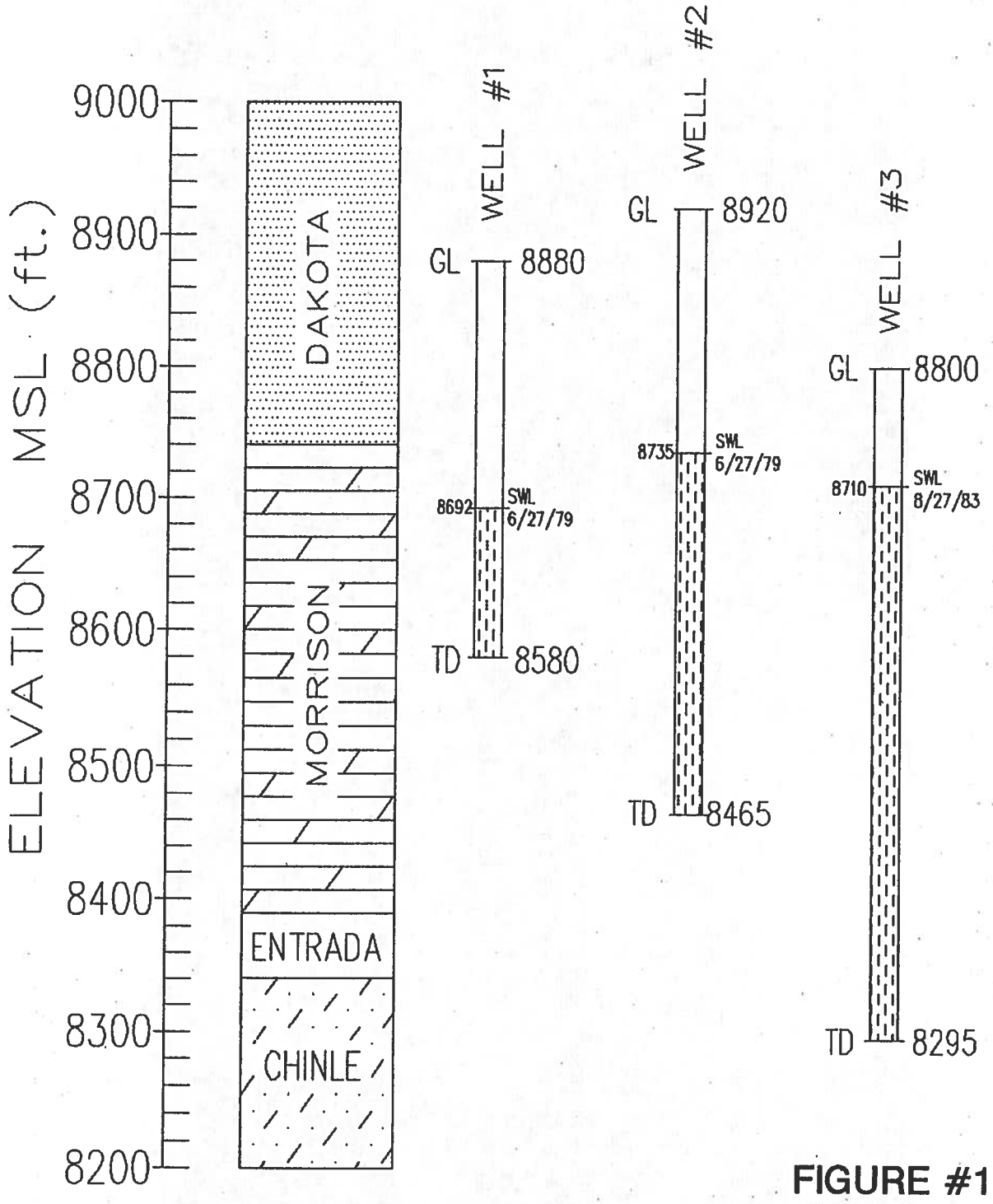


FIGURE #1

JEROME GAMBA & ASSOCIATES, INC.
CONSULTING ENGINEERS & LAND SURVEYORS

Finally the last system improvement we believe that should be considered is to operate Well #1 and Well #2 on an independent pumping schedule so that well interference will not be cumulative.

We cannot over stress the importance of a sound water distribution system and water conservation in an area with a water supply that is as physically limited as the Bellyache Ridge Subdivision. Jerry Bender's report of May 4, 1992 indicates that there may be as much as 46% of the water produced from the wells unaccounted for through sales to customers. Additional leak testing may be appropriate. The homeowners may also want to considering limiting the amount of outside irrigation on each lot. It is unlikely that adequate physical water could be developed to supply large outside uses.

If you have any questions, please call.

Very Truly Yours,

JEROME GAMBA & ASSOCIATES, INC.

Thomas A Zancanella

Thomas A. Zancanella, P.E.

TAZ/pf\92042/wellrpt.ltr

Enclosures
cc Jerry Bender

ATTACHMENT D

ROBERTSON & MARCHETTI, P.C.
Certified Public Accountants

Accountant's Compilation Report

June 11, 2013

Board of Directors
Bellyache Ridge Metropolitan District
Wolcott, Colorado

I have compiled the accompanying balance sheet of Bellyache Ridge Metropolitan District as of December 31, 2012 and the related statement of revenues, expenditures and changes in fund balance – historical, budget and forecast – for the twelve month period then ended and the accompanying budget and forecast of revenues, expenditures and changes in fund balance for calendar year 2013, in accordance with standards established by the American Institute of Certified Public Accountants.

I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

As a consulting financial manager, I participate in the financial management of the District. Management (with my participation) is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements. I have prepared these financial statements in my capacity as a consulting financial manager for the District.

My responsibility includes conducting the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management (with my participation) has elected to omit substantially all the disclosures required by accounting principles generally accepted in the United States of America. 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, the financial statements are not designed for those who are not informed about such matters.

A compilation of a forecasted financial statement 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. I have not examined the accompanying forecast and, accordingly, do not express an opinion or any other form of assurance on the forecasted statement 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. I have no responsibility to update this report for events or circumstances occurring after the date of this report.

I also compiled the accompanying 2011 historical financial statements of the District and my report thereon dated January 5, 2012 stated that I did not audit or review those financial statements and, accordingly, expressed no opinion or other form of assurance on them. The report noted that management had elected to omit substantially all disclosures and if those omissions had been included, they might influence the user's conclusions about the District's 2011 financial position and results of operations. Accordingly, the 2011 financial statements are not designed for those who are not informed about such matters.

I am not independent from an accounting and auditing perspective with respect to Bellyache Ridge Metropolitan District because I perform certain accounting services that impair my independence.

ROBERTSON & MARCHETTI, P.C.
Kenneth J. Marchetti
Kenneth J. Marchetti, CPA
President

28 Second Street, Suite 213, Edwards, CO 81632
Phone (970) 926-6060; Fax (970) 926-6040

Bellyache Ridge Metropolitan District
Balance Sheet
For the Periods Indicated

	12/31/12	12/31/11
ASSETS		
Current Assets:		
Cash in Bank - Checking	2,511	1,427
ColoTrust	41,808	244,963
First Bank Liquid Asset	36,739	151,389
First Bank Liquid Asset	0	151,389
Total Cash in Bank	**81,059**	**549,169**
Due From County Treasurer	256	326
Due From BRHOA	0	85
Collateral - Eagle County (09-07)	0	0
Collateral - Eagle County (07-08)	0	0
Collateral - Eagle County (08-09)	0	0
Property Tax Receivable	83,469	85,522
Accounts Receivable Water	664	708
Accounts McPherson/Forier	0	24
Prepaid Right of Way Rental	3,000	3,000
Total Current Assets	**168,447**	**638,834**
Fixed Assets:		
General Fixed Assets	929,744	400,263
Telemetry System	0	22,096
Water Rights	11,569	0
Outlots	5,571	0
Accumulated Depreciation	(157,877)	(131,505)
Total Property & Equipment	**789,007**	**290,854**
TOTAL ASSETS	**957,454**	**929,689**
LIABILITIES & NET ASSETS		
Liabilities:		
Accounts Payable	27,219	11,629
Director Payroll Taxes	359	359
Deferred Property Taxes	83,469	85,522
Retainage - Hydrant		0
Retainage - New Tank	0	0
Retainage - Water Line		0
Total Liabilities	**111,046**	**97,510**
Net Assets		
Invested in Fixed Assets, Net of Related Debt	789,007	290,854
Unrestricted	57,401	541,325
Total Net Assets	**846,408**	**832,179**
Total Liabilities & Net Assets	**957,454**	**929,689**
See accompanying accountant's report.	=	=

BELLYACHE RIDGE METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE Printed: 06/11/13
Actual, Budget and Forecast for the Periods Indicated **MODIFIED ACCRUAL BASIS**

	YTD Actual 12/31/11	2012 Adopted Budget	Variance Favorable (Unfavor)	2012 Forecast	YTD Actual 12/31/12	YTD Budget 12/31/12	Variance Favorable (Unfavor)	2013 Adopted Budget
PROPERTY TAXES								
ASSESSED VALUATION	6,635,110	3,800,980		3,800,980				3,709,720
% INCREASE YEAR TO YEAR	1.82%	-41.67%		-41.67%				-2.40%
Operating Mill Levy	22.500	22.500		22.500				22.500
Temporary Credit	(4.500)							
NET OPERATING MILL LEVY	**18.000**	**22.500**		**22.500**				**22.500**
OPERATING PROPERTY TAXES LEVIED		85,522		85,522				83,469
REVENUES								
OPERATING PROPERTY TAXES	119,432	85,522	0	85,522	85,521	85,522	(1)	83,469
SPECIFIC OWNERSHIP TAXES	3,792	2,993	0	2,993	3,311	2,993	318	2,921
WATER USAGE FEES	17,438	18,100	3,800	21,900	20,274	18,100	2,174	20,000
WATER TAP FEES & PIF - NEW CONNECTION	0	8,000	0	8,000	8,000	8,000	0	0
PLANT INVESTMENT FEE - MONTHLY	3,750	3,810	0	3,810	3,810	3,810	0	3,860
INTEREST & DIVIDEND INCOME	1,866	975	525	1,500	1,361	975	386	975
MISCELLANEOUS INCOME	9,613	0	0	0	358	0	358	0
TOTAL REVENUES	**155,891**	**119,400**	**4,325**	**123,725**	**122,636**	**119,400**	**3,235**	**111,225**
EXPENDITURES								
OPERATIONS								
ACCOUNTING	16,162	15,000	0	15,000	15,344	15,000	(344)	15,000
BAD DEBT - FORIER/McPHERSON	568		0		0	0	0	
BANK CHARGES	24	40	0	40	24	40	16	40
BOARD OPERATING	2,700	1,500	(1,200)	2,700	2,700	1,500	(1,200)	2,700
DIRECTOR PAYROLL TAXES	207		0		207	0	(207)	207
ELECTIONS	0	2,000	1,190	810	807	2,000	1,193	0
ENGINEERING	4,528	3,000	0	3,000	3,956	3,000	(956)	3,000
INSURANCE	2,092	2,400	0	2,400	5,442	2,400	(3,042)	2,400
LEGAL	2,389	2,000	(2,000)	4,000	5,571	2,000	(3,571)	2,000
MISCELLANEOUS	1,474	500	0	500	3,415	500	(2,915)	500
OFFICE EXPENSE	894	1,000	(500)	1,500	1,468	1,000	(468)	1,000
REIMBURSABLE EXPENSES	0	250	0	250	44	250	206	250
TREASURER'S FEES	3,591	2,566	0	2,566	2,572	2,566	(6)	2,504
UTILITIES - ELECTRIC	3,011	3,500	0	3,500	3,709	3,500	(209)	3,500
UTILITIES - TELEPHONE	1,601	2,000	0	2,000	1,611	2,000	389	2,000
LEGAL (WATER)	207	200	0	200	11,569	200	(11,369)	200
WATER IMPROVEMENTS	0		0		0	0	0	25,000
OPERATIONS - ZANCANELLA	12,300	13,200	0	13,200	12,300	13,200	900	13,200
WATER QUALITY	4,654	4,000	0	4,000	2,068	4,000	1,932	2,000
WATER PURCHASE/HAULING/EMERGENCY		0	(4,000)	4,000	3,999	0	(3,999)	
REPAIRS AND MAINTENANCE	17,996	10,000	0	10,000	10,774	10,000	(774)	14,000
CRWCD WATER SUPPLY AGREEMENT	6,795	7,500	0	7,500	6,795	7,500	705	7,500
CONTINGENCY	0	25,000	25,000	0	0	25,000	25,000	25,000
BLM RIGHT OF WAY AGREEMENT	3,000	3,000	0	3,000	3,000	3,000	0	3,000
TOTAL OPERATING EXPENDITURES	**84,191**	**98,656**	**18,490**	**80,166**	**97,375**	**98,656**	**1,281**	**125,001**
CAPITAL								
NEW TANK	26,203	480,000	0	480,000	507,385	480,000	(27,385)	0
NEW HYDRANTS	15,644	0	(1,800)	1,800	1,800	0	(1,800)	5,000
TOTAL CAPITAL	**41,847**	**480,000**	**(1,800)**	**481,800**	**509,185**	**480,000**	**(29,185)**	**5,000**
TOTAL EXPENDITURES	**126,038**	**578,656**	**16,690**	**561,966**	**606,559**	**578,656**	**(27,904)**	**130,001**
REVENUE OVER EXPENDITURES	**29,853**	**(459,255)**	**21,015**	**(438,240)**	**(483,924)**	**(459,255)**	**(24,668)**	**(18,776)**
BEGINNING FUND BALANCE	511,472	543,756	(2,431)	541,325	541,325	543,756	(2,431)	64,000
ENDING FUND BALANCE	**541,325**	**84,501**	**18,584**	**103,084**	**57,401**	**84,501**	**(27,100)**	**45,224**
SEE ACCOMPANYING ACCOUNTANT'S REPORT	=	=		=	=	=	=	

ROBERTSON & MARCHETTI, P.C.
Certified Public Accountants

Accountant's Compilation Report

January 5, 2012

Board of Directors
Bellyache Ridge Metropolitan District
Wolcott, Colorado

I have compiled the accompanying balance sheet of Bellyache Ridge Metropolitan District as of December 31, 2011 and the related statement of revenues, expenditures and changes in fund balance – historical, budget and forecast – for the twelve month period then ended and the accompanying budget and forecast of revenues, expenditures and changes in fund balance for calendar year 2012, in accordance with standards established by the American Institute of Certified Public Accountants.

I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

As a consulting financial manager, I participate in the financial management of the District. Management (with my participation) is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements. I have prepared these financial statements in my capacity as a consulting financial manager for the District.

My responsibility includes conducting the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management (with my participation) has elected to omit substantially all the disclosures required by accounting principles generally accepted in the United States of America. 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, the financial statements are not designed for those who are not informed about such matters.

A compilation of a forecasted financial statement 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. I have not examined the accompanying forecast and, accordingly, do not express an opinion or any other form of assurance on the forecasted statement 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. I have no responsibility to update this report for events or circumstances occurring after the date of this report.

I also compiled the accompanying 2010 historical financial statements of the District and my report thereon dated January 11, 2011 stated that I did not audit or review those financial statements and, accordingly, expressed no opinion or other form of assurance on them. The report noted that management had elected to omit substantially all disclosures and if those omissions had been included, they might influence the user's conclusions about the District's 2010 financial position and results of operations. Accordingly, the 2010 financial statements are not designed for those who are not informed about such matters.

I am not independent from an accounting and auditing perspective with respect to Bellyache Ridge Metropolitan District because I perform certain accounting services that impair my independence.

ROBERTSON & MARCHETTI, P.C.
Kenneth J. Marchetti
Kenneth J. Marchetti, CPA
President

28 Second Street, Suite 213, Edwards, CO 81632
Phone (970) 926-6060; Fax (970) 926-6040

Bellyache Ridge Metropolitan District
Balance Sheet
For the Periods Indicated

	12/31/11	12/31/10
ASSETS		
Current Assets:		
Cash in Bank - Checking	1,427	1,144
ColoTrust	244,963	229,049
First Bank Liquid Asset	151,389	150,773
First Bank Liquid Asset	151,389	150,773
Total Cash in Bank	**549,169**	**531,740**
Due From County Treasurer	326	277
Due From BRHOA	85	
Collateral - Eagle County (09-07)	0	0
Collateral - Eagle County (07-08)	0	0
Collateral - Eagle County (08-09)	0	2,049
Property Tax Receivable	85,522	119,432
Accounts Receivable Water	708	1,333
Accounts McPherson/Forier	24	20
Prepaid Right of Way Rental	3,000	3,000
Total Current Assets	**638,834**	**657,851**
Fixed Assets:		
General Fixed Assets	422,359	380,512
Accumulated Depreciation	(131,505)	(111,463)
Total Property & Equipment	**290,854**	**269,050**
TOTAL ASSETS	**929,689**	**926,901**
LIABILITIES & NET ASSETS		
Liabilities:		
Accounts Payable	11,629	26,948
Director Payroll Taxes	359	
Deferred Property Taxes	85,522	119,432
Retainage - Hydrant		
Retainage - Water Line		
Total Liabilities	**97,510**	**146,380**
Net Assets		
Invested in Fixed Assets, Net of Related Debt	290,854	269,050
Unrestricted	541,325	511,472
Total Net Assets	**832,179**	**780,521**
Total Liabilities & Net Assets	**929,689**	**926,901**
See accompanying accountant's report.	=	=

BELLYACHE RIDGE METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE Printed: 06/11/13
Actual, Budget and Forecast for the Periods Indicated MODIFIED ACCRUAL BASIS

	YTD Actual 12/31/10	2011 Adopted Budget	Variance Favorable (Unfavor)	2011 Forecast	YTD Actual 12/31/11	YTD Budget 12/31/11	Variance Favorable (Unfavor)	2012 Adopted Budget
PROPERTY TAXES								
ASSESSED VALUATION	6,516,560	6,635,110		6,635,110				3,800,980
% INCREASE YEAR TO YEAR	-0.17%	1.82%		1.82%				-42.71%
Operating Mill Levy	22.500	22.500		22.500				22.500
Temporary Credit	(4.500)	(4.500)		(4.500)				
NET OPERATING MILL LEVY	**18.000**	**18.000**		**18.000**				**22.500**
OPERATING PROPERTY TAXES LEVIED		119,432		119,432				85,522
REVENUES								
OPERATING PROPERTY TAXES	116,249	119,432	0	119,432	119,432	119,432	0	85,522
SPECIFIC OWNERSHIP TAXES	3,879	4,180	0	4,180	3,792	4,180	(388)	2,993
WATER USAGE FEES	21,161	22,050	(3,950)	18,100	17,438	22,050	(4,612)	18,100
WATER TAP FEES & PIF - NEW CONNECTIONS	0	8,000	(8,000)	0	0	8,000	(8,000)	8,000
PLANT INVESTMENT FEE - MONTHLY	3,785	3,600	150	3,750	3,750	3,600	150	3,810
INTEREST & DIVIDEND INCOME	2,414	2,500	(400)	2,100	1,866	2,500	(634)	975
MISCELLANEOUS INCOME		0	9,613	9,613	9,613	0	9,613	0
TOTAL REVENUES	**147,488**	**159,762**	**(2,587)**	**157,175**	**155,891**	**159,762**	**(3,871)**	**119,400**
EXPENDITURES								
OPERATIONS								
ACCOUNTING	13,702	14,500	50	14,450	16,162	14,500	(1,662)	15,000
BAD DEBT - FORIER/McPHERSON	0		(568)	568	568	0	(568)	
BANK CHARGES	24	100	76	24	24	100	76	40
BOARD OPERATING	1,500	1,500	0	1,500	2,700	1,500	(1,200)	1,500
DIRECTOR PAYROLL TAXES		0	0	0	207	0	(207)	
ELECTIONS	616	0	0	0	0	0	0	2,000
ENGINEERING	9,296	5,000	924	4,076	4,528	5,000	473	3,000
INSURANCE	1,983	2,400	375	2,025	2,092	2,400	308	2,400
LEGAL	2,503	7,500	7,200	300	2,389	7,500	5,111	2,000
MISCELLANEOUS	523	150	(1,470)	1,620	1,474	150	(1,324)	500
OFFICE EXPENSE	1,551	1,800	850	950	894	1,800	906	1,000
REIMBURSABLE EXPENSES	0	250	70	180	0	250	250	250
TREASURER'S FEES	3,508	3,583	0	3,583	3,591	3,583	(8)	2,566
UTILITIES - ELECTRIC	2,723	3,500	400	3,100	3,011	3,500	490	3,500
UTILITIES - TELEPHONE	1,622	1,900	270	1,630	1,601	1,900	299	2,000
LEGAL (WATER)	16,168	1,000	660	340	207	1,000	793	200
WATER IMPROVEMENTS	613		0		0	0	0	
OPERATIONS - ZANCANELLA	12,300	13,200	900	12,300	12,300	13,200	900	13,200
WATER QUALITY	7,846	10,000	5,400	4,600	4,654		(4,654)	4,000
REPAIRS AND MAINTENANCE	8,729	10,000	(5,500)	15,500	17,996	10,000	(7,996)	10,000
CRWCD WATER SUPPLY AGREEMENT	6,795	7,500	705	6,795	6,795	7,500	705	7,500
CONTINGENCY	0	25,000	25,000	0	0	25,000	25,000	25,000
BLM RIGHT OF WAY AGREEMENT	3,114	0	(3,000)	3,000	3,000	0	(3,000)	3,000
TOTAL OPERATING EXPENDITURES	**95,118**	**108,883**	**32,342**	**76,541**	**84,191**	**98,883**	**14,692**	**98,656**
CAPITAL								
NEW TANK	27,458	320,000	287,300	32,700	26,203	320,000	293,797	480,000
NEW HYDRANTS	30,132	15,000	(650)	15,650	15,644	15,000	(644)	0
TOTAL CAPITAL	**57,590**	**335,000**	**286,650**	**48,350**	**41,847**	**335,000**	**293,153**	**480,000**
TOTAL EXPENDITURES	**152,708**	**443,883**	**318,992**	**124,891**	**126,038**	**433,883**	**307,845**	**578,656**
REVENUE OVER EXPENDITURES	**(5,220)**	**(284,121)**	**316,405**	**32,284**	**29,853**	**(274,121)**	**303,974**	**(459,255)**
BEGINNING FUND BALANCE	516,691	538,057	(26,585)	511,472	511,472	538,057	(26,585)	543,756
ENDING FUND BALANCE	**511,472**	**253,936**	**289,820**	**543,756**	**541,325**	**263,936**	**277,388**	**84,501**
SEE ACCOMPANYING ACCOUNTANT'S REPORT	=	=		=	=	=	=	=

Bellyache Ridge Metropolitan District
Balance Sheet
For the Periods Indicated

	12/31/10	12/31/09
ASSETS		
Current Assets:		
Cash in Bank - Checking	1,144	4,403
ColoTrust	229,049	528,489
First Bank Liquid Asset	150,773	
First Bank Liquid Asset	150,773	
Total Cash in Bank	**531,740**	**532,891**
Due From County Treasurer	277	319
Collateral - Eagle County (09-07)	0	0
Collateral - Eagle County (07-08)	0	2,471
Collateral - Eagle County (08-09)	2,049	2,013
Property Tax Receivable	119,432	117,298
Accounts Receivable Water	1,333	474
Accounts McPherson/Forier	20	(84)
Prepaid Right of Way Rental	3,000	
Total Current Assets	**657,851**	**655,383**
Fixed Assets:		
General Fixed Assets	358,416	300,826
Telemetry System	22,096	22,096
Accumulated Depreciation	(111,463)	(96,668)
Total Property & Equipment	**269,050**	**226,253**
TOTAL ASSETS	**926,901**	**881,636**
LIABILITIES & NET ASSETS		
Liabilities:		
Accounts Payable	26,948	21,393
Deferred Property Taxes	119,432	117,298
Retainage - Hydrant		
Retainage - Water Line		
Total Liabilities	**146,380**	**138,692**
Net Assets		
Invested in Fixed Assets, Net of Related Debt	269,050	226,253
Unrestricted	511,472	516,691
Total Net Assets	**780,521**	**742,945**
Total Liabilities & Net Assets	**926,901**	**881,636**
	=	=

See accompanying accountant's report.

ROBERTSON & MARCHETTI, P.C.
Certified Public Accountants

Accountant's Compilation Report

March 8, 2011

Board of Directors
Bellyache Ridge Metropolitan District
Wolcott, Colorado

I have compiled the accompanying balance sheet of Bellyache Ridge Metropolitan District as of December 31, 2010 and the related statement of revenues, expenditures and changes in fund balance – historical, budget and forecast –for the twelve month period then ended. I also compiled the accompanying budget of revenues, expenditures and changes in fund balance for the year ending December 31, 2011, in accordance with standards established by the American Institute of Certified Public Accountants.

I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

As a consulting financial manager, I participate in the financial management of the District. Management (with our participation) is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements. I have prepared these financial statements in my capacity as a consulting financial manager for the District.

My responsibility includes conducting the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management (with our participation) has elected to omit substantially all the disclosures required by accounting principles generally accepted in the United States of America. 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, the financial statements are not designed for those who are not informed about such matters.

A compilation of a forecasted financial statement 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. I have not examined the accompanying forecast and, accordingly, do not express an opinion or any other form of assurance on the forecasted statement 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. I have no responsibility to update this report for events or circumstances occurring after the date of this report.

I also compiled the accompanying 2010 historical financial statements of the District and my report thereon stated that I did not audit or review those financial statements and, accordingly, expressed no opinion or other form of assurance on them. The report noted that management had elected to omit substantially all disclosures and if these omissions had been included, they might influence the user's conclusions about the District's 2010 financial position and results of operations. Accordingly, the 2010 financial statements are not designed for those who are not informed about such matters.

I am not independent with respect to Bellyache Ridge Metropolitan District because I perform certain accounting services that impair my independence.

ROBERTSON & MARCHETTI, P.C.

KJMarchetti

Kenneth J. Marchetti, CPA, President

28 Second Street, Suite 213, Edwards, CO 81632
Phone (970) 926-6060; Fax (970) 926-6040

BELLYACHE RIDGE METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE Printed: 08/23/11
Actual, Budget and Forecast for the Periods Indicated MODIFIED ACCRUAL BASIS

	YTD Actual 12/31/09	2010 Adopted Budget	Variance Favorable (Unfavor)	2010 Forecast	YTD Actual 12/31/10	YTD Budget 12/31/10	Variance Favorable (Unfavor)	Adopted 2011 Budget
PROPERTY TAXES								
ASSESSED VALUATION	6,527,630	6,516,560		6,516,560				6,635,110
% INCREASE YEAR TO YEAR		-0.17%		-0.17%				1.82%
Operating Mill Levy	22.500	22.500		22.500				22.500
Temporary Credit	(4.500)	(4.500)		(4.500)				(4.500)
NET OPERATING MILL LEVY	**18.000**	**18.000**		**18.000**				**18.000**
OPERATING PROPERTY TAXES LEVIED	117,497	117,298		117,298				119,432
REVENUES								
OPERATING PROPERTY TAXES	115,861	117,298	0	117,298	116,249	117,298	(1,049)	119,432
SPECIFIC OWNERSHIP TAXES	4,778	5,278	(1,296)	3,983	3,879	5,278	(1,399)	4,180
WATER USAGE FEES	19,726	21,000	3,100	24,100	21,161	21,000	161	22,050
WATER TAP FEES & PIF - NEW CONNECTIONS	0	8,000	0	8,000	0	8,000	(8,000)	8,000
PLANT INVESTMENT FEE - MONTHLY	3,780	3,600	0	3,600	3,785	3,600	185	3,600
CONTRIBUTION FROM HOMEOWNERS ASSN		0	0	0		0	0	0
INTEREST & DIVIDEND INCOME	2,559	2,500	0	2,500	2,414	2,500	(86)	2,500
MISCELLANEOUS INCOME		0	0	0		0	0	0
TOTAL REVENUES	**146,704**	**157,676**	**1,804**	**159,481**	**147,488**	**157,676**	**(10,188)**	**159,762**
EXPENDITURES								
OPERATIONS								
ACCOUNTING	15,293	14,500	0	14,500	13,702	14,500	798	14,500
BAD DEBT - FORIER/McPHERSON	9,508		0		0	0	0	
BANK CHARGES	24	100	75	25	24	100	76	100
BOARD OPERATING	1,500	1,500	1,500	0	1,500	1,500	0	1,500
ELECTIONS	0	2,000	1,384	616	616	2,000	1,384	0
ENGINEERING	820	2,000	(7,500)	9,500	9,296	2,000	(7,296)	5,000
INSURANCE	2,328	2,400	390	2,010	1,983	2,400	417	2,400
LEGAL	4,291	7,500	(6,000)	13,500	2,503	7,500	4,998	7,500
MISCELLANEOUS		0	(100)	100	523	0	(523)	150
OFFICE EXPENSE	1,256	1,600	(250)	1,850	1,551	1,600	49	1,800
REIMBURSABLE EXPENSES		0	0		0	0	0	250
TREASURER'S FEES	3,507	3,519	0	3,519	3,508	3,519	11	3,583
UTILITIES - ELECTRIC	3,027	3,900	1,500	2,400	2,723	3,900	1,177	3,500
UTILITIES - TELEPHONE	1,640	1,900	200	1,700	1,622	1,900	278	1,900
NEW TANK			(3,200)	3,200	27,458	0	(27,458)	320,000
NEW HYDRANTS			(44,500)	44,500	30,132	0	(30,132)	15,000
LEGAL (WATER)			(4,900)	4,900	16,168	0	(16,168)	1,000
WATER IMPROVEMENTS	101,468	300,000	300,000	0	613	300,000	299,387	
OPERATIONS - ZANCANELLA	21,425	16,500	4,200	12,300	12,300	16,500	4,200	13,200
WATER QUALITY			(9,500)	9,500	7,846		(7,846)	10,000
REPAIRS AND MAINTENANCE	25,956	30,000	22,800	7,200	8,729	30,000	21,271	10,000
CRWCD WATER SUPPLY AGREEMENT	6,795	7,500	705	6,795	6,795	7,500	705	7,500
BLM RIGHT OF WAY AGREEMENT					3,114	0	(3,114)	
CONTINGENCY		25,000	25,000	0	0	25,000	25,000	25,000
CAPITAL								
WATER IMPROVEMENTS			0			0	0	
TOTAL EXPENDITURES	**198,839**	**419,919**	**281,804**	**138,115**	**152,708**	**419,919**	**267,211**	**443,883**
REVENUE OVER EXPENDITURES	**(52,135)**	**(262,242)**	**283,608**	**21,366**	**(5,220)**	**(262,242)**	**257,023**	**(284,121)**
BEGINNING FUND BALANCE	568,827	519,690	(2,999)	516,691	516,691	519,690	(2,999)	538,057
ENDING FUND BALANCE	**516,691**	**257,448**	**280,610**	**538,057**	**511,472**	**257,448**	**254,024**	**253,936**
SEE ACCOMPANYING ACCOUNTANT'S REPORT	=	=		=	=	=	=	=

IN THE DISTRICT COURT IN AND FOR THE
COUNTY OF EAGLE AND STATE OF COLORADO

Civil Action No. 81 CV 298

IN RE THE ORGANIZATION OF)
BELLYACHE RIDGE METROPOLITAN)
DISTRICT, EAGLE COUNTY, COLORADO)

FINDINGS, ORDER AND DECREE
CREATING DISTRICT

This matter comes on to be heard upon the Judges' Certificate of Election Returns filed by the judges of election heretofore appointed and upon the Canvasser's Oath, Official Abstract of Votes Cast and Certificate of Election Results filed herein by the Clerk of this Court canvassing said election returns, which documents relate to an election held on the 17th day of November, 1981, at which election there was submitted to the qualified electors the question of the organization of Bellyache Ridge Metropolitan District, Eagle County, Colorado. Now this Court, having considered the documentary evidence and being fully advised in the premises, does hereby FIND:

1. That the question of the organization of Bellyache Ridge Metropolitan District was duly submitted to the qualified electors at an election duly held at the time and places and by the judges of election specified in the Order of this Court duly entered of record on the 19th day of October, 1981.

2. That the required Notice of Election on Organization was duly published in compliance with the aforementioned Order and in accordance with the requirements of law; that all of the ballots were cast at said election by qualified electors of the District; that the judges of election have duly certified their election returns to this Court as required by law; and that the Clerk of this Court has duly canvassed the election returns, which canvass and returns show the election results to be as stated herein.

FOR the organization of Bellyache Ridge Metropolitan District

	VOTES CAST
Forty One	(41)

AGAINST the organization of Bellyache Ridge Metropolitan District

	VOTES CAST
Two	(2)

TOTAL Votes Cast:

Forty Three (43)

3. That the following were the results of the election of directors for the term to expire May, 1982:

Candidates	Votes
James Kephart	38
Philip Ordway	34

4. That the following were the results of the election of directors for the term to expire May, 1984:

Candidates	Votes
Thomas Hunt	39
Bernadine Kruse	37
Arnold Nottingham	43

5. That all of the provisions of law, and more particularly all of the requirements of article 1 of title 32, C.R.S. 1973, as amended, have been complied with, met and performed, in the organization of said District.

6. That the signatures appearing on all documents filed herein are genuine.

The Court being fully advised in this matter, it is therefore ORDERED, ADJUDGED AND DECREED:

1. That this Court has jurisdiction in all matters pertaining to this action as provided by law.

2. That the District which is the subject of this action has been, and is hereby declared, duly and regularly organized and is named, and shall be known as "Bellyache Ridge Metropolitan District" in Eagle County, Colorado.

3. That the District is located entirely within Eagle County, Colorado, and the boundaries of the said District and the territory to be included therein are described as follows:

BELLYACHE RIDGE SUBDIVISION, FIRST FILING
Eagle County, Colorado, subdivision plat recorded
December 27, 1972, in Book 226, at Page 959,
Eagle County Clerk and Recorder records

BELLYACHE RIDGE SUBDIVISION, SECOND FILING
Eagle County, Colorado, subdivision plat recorded
November 2, 1973, in Book 231, at Page 882,
Eagle County Clerk and Recorder records

4. That the following are the names of five electors of said District who were elected and are therefore designated to serve on the first Board of Directors of the District:

Term to expire May, 1982:	James Kephart
	Philip Ordway
Term to expire May, 1984:	Thomas Bunt
	Bernadine Kruse
	Arnold Nottingham

5. That the District shall be a governmental subdivision of the State of Colorado and a body corporate with all of the powers of a public or quasi-municipal corporation; that the facilities, services and financial arrangements of the District shall conform as far as practicable to the approved Service Plan and Resolution of Approval of the Board of County Commissioners of Eagle County, Colorado. The approved Service Plan and Resolution required by part 2 of article 1 of title 32, C.R.S. 1973, as amended, previously filed in the within action shall be, and the same are hereby, incorporated by reference in and appended to this Order.

6. That within thirty (30) days after the date hereof, the Clerk of this Court shall transmit to the County Clerk and Recorder of Eagle County, Colorado, to the County Assessor of said County along with a map of the District, and to the Division of Local Government of the State of Colorado, true and correct copies of this Findings, Order and Decree Creating District, with a copy of the Resolution of Approval and Service Plan appended hereto, for filing in their offices. A Notice of Organization of the District shall be filed by the County Clerk and Recorder of Eagle County, Colorado, with the County Assessor, and a certified copy of said notice shall be filed with the Division of Local Government of the State of Colorado.

7. That the above-named duly elected and designated Board of Directors of the District and their lawful successors shall hereafter take such steps and proceedings as the needs of the District require.

8. That the District shall have and exercise through its proper officers all of the power and authority conferred upon metropolitan districts under and by virtue of the provisions of article 1 of title 32, C.R.S. 1973, as amended, and all laws thereunto enabling, and all such power and authority as may hereafter be conferred by law.

9. That the Judges' Certificate of Election Returns filed herein and the Canvasser's Oath, Official Abstract of Votes Cast and Certificate of Election Results canvassing said election returns filed herein be, and the same hereby are, in all respects, approved and confirmed.

10. That the members of the Board of Directors of the District shall qualify for office and organize said Board in the manner prescribed by the laws of the State of Colorado, and shall file with the Clerk of this Court and the Division of Local Government of the State of Colorado their oaths of office. At the time of filing such oath, there shall also be filed for each director an individual, schedule, or blanket corporate surety bonds at the expense of the District in an amount of $1,000 for each director, with the form of said bonds to be conditioned upon the faithful performance of the duties of said directors.

DONE IN OPEN COURT this 30 day of Nov, 1981.

BY THE COURT

/s/ WM. L. JONES
District Judge

(DISTRICT)
(COURT)
(SEAL)

STATE OF COLORADO)
) ss.
COUNTY OF EAGLE)

IN RE THE ORGANIZATION OF)
BELLYACHE RIDGE METROPOLITAN)
DISTRICT, EAGLE COUNTY, COLORADO)

NOTICE OF ORGANIZATION

TO THE COUNTY ASSESSOR, EAGLE COUNTY, COLORADO, AND TO THE DIVISION OF LOCAL GOVERNMENT OF THE STATE OF COLORADO:

Pursuant to the provisions of section 32-1-105, C.R.S. 1973, as amended:

NOTICE IS HEREBY GIVEN that a certified copy of the Findings, Order and Decree Creating District issued by the District Court in and for the County of Eagle and State of Colorado, entered on the 30th day of November, 1981, was filed in the office of the County Clerk and Recorder of said County on the 9th day of December, 1981, and in the office of the County Assessor of said County on the 8th day of December, 1981, and with the Division of Local Government of the State of Colorado on the 11th day of DECEMBER, 1981, by which Bellyache Ridge Metropolitan District in the County of Eagle and State of Colorado has been duly formed and organized pursuant to the laws of the State of Colorado thereunto relating.

NOTICE IS FURTHER GIVEN that the area concerned with said District, being the area included within the boundaries thereof, is located entirely within Eagle County, Colorado, and is as follows:

BELLYACHE RIDGE SUBDIVISION, FIRST FILING
Eagle County, Colorado, subdivision plat recorded
December 27, 1972, in Book 226, at Page 959,
Eagle County Clerk and Recorder records

BELLYACHE RIDGE SUBDIVISION, SECOND FILING
Eagle County, Colorado, subdivision plat recorded
November 2, 1973, in Book 231, at Page 882,
Eagle County Clerk and Recorder records

Pursuant to law, this Notice, including the above description, must be filed by the County Clerk and Recorder of the County in which

the organization took place, with the County Assessor, and a certified copy of this Notice also filed with the Colorado Division of Local Government by said County Clerk and Recorder.

Johnnette Phillips
County Clerk and Recorder
Eagle County, Colorado

(COUNTY)
(SEAL)

Receipt of a copy of the foregoing Notice of Organization of Bellyache Ridge Metropolitan District is hereby acknowledged.

Notice filed the 10th day of December, 1981.

Edwin F. Bridley
County Assessor
Eagle County, Colorado

(COUNTY)
(SEAL)

Receipt by the Division of Local Government of the State of Colorado of a certified copy of the foregoing Notice of Organization is hereby acknowledged.

Dated this 11th day of DECEMBER, 1981.

Beth Barnard
Title: Budget Analyst

STATE OF COLORADO

John W. Hickenlooper, Governor

Department of Local Affairs

Reeves Brown, Executive Director

June 6, 2013

Mr. Fred Rupp, President
Bellyache Ridge Metropolitan District
c/o Robertson & Marchetti
P.O. Box 600
Edwards, CO 81632

RE: EIAF 07245 - Bellyache Ridge Metro District Well #2 Replacement

Dear President Rupp:

The Department of Local Affairs is in receipt of your application for state Energy and Mineral Impact Assistance funds. These revenues are derived from oil, gas, carbon dioxide, coal and metals extracted in Colorado.

Your project was reviewed based on a variety of factors such as its connection to energy impact, degree of need, measurable outcomes, amount of request, relationship to community goals, level of local match and community support, management capacity and readiness to go.

As a result of a Tier I review of your project, I am offering to enter into a contract for a grant in the amount of $167,500. This offer is contingent upon receiving the Colorado Water Conservation Board Loan. Per our program guidelines this offer is valid for one year. This grant offer is made from federal mineral lease proceeds.

Please contact Greg Winkler at (970) 668-6160 for information on how to proceed. As you know, no state funds should be obligated before a grant contract is fully executed. Expenditures made prior to the contract being fully executed cannot be reimbursed by the state.

I wish you success with your project.

Sincerely,

Reeves Brown
Executive Director

cc: Gail Schwartz, State Senator
Diane Mitsch Bush, State Representative
Ben Elmore, Engineer
Greg Winkler, DOLA