

PLUM VALLEY HEIGHTS SUBDISTRICT  
of the ROXBOROUGH WATER AND  
SANITATION DISTRICT

LOAN FEASIBILITY STUDY

COLORADO WATER CONSERVATION  
BOARD LOAN APPLICATION

MARCH 2015

**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

Date

Prepared By:

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61 Inverness Drive East, Suite 100  
Englewood, CO 80112  
303.799.5197

042.001.13

# 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  
1313 Sherman St, Room 721  
Denver, CO 80203  
Attn: Anna Mauss, P.E.  
Phone (303) 866-3441 x3224 Fax (303) 866-4474  
Email [anna.mauss@state.co.us](mailto: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 Plum Valley Heights Subdistrict of the Roxborough Water and Sanitation District

Mailing Address 6222 N. Roxborough Park Road

Littleton, CO 80125

Business Phone ( 303 ) 979-7286

Fax ( 303 ) 933-3649

Federal ID Number 30-0799246

email [larry@roxwater.org](mailto:larry@roxwater.org)

2. Person to contact regarding this application:

Name Larry D. Moore

Position/Title General Manager

Address 6222 N. Roxborough Park Road Littleton, CO 80125

Business Phone ( 303 ) 979-7286

Cell ( 303 ) 933-3649

Email [larry@roxwater.org](mailto:larry@roxwater.org)

3. Type of organization (Ditch Co., Irrigation District, Municipality, etc.): Subdistrict of an existing Title 32 District

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)

## **CWCB Water Project Loan Application**

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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

RWSD obtains its raw water supply by contract with the City of Aurora, and obtained an additional supply of 150AF/Y which will be used to supply the additional units of the PVH Subdistrict. Treatment service will be provided at the existing RWSD water treatment facility which has adequate capacity to serve the additional units. Service Area map attached-Figure 1

For existing facilities indicate:

Number of shareholders \_\_\_\_\_ or Number of customers served 251

Current Assessment per share \$ \_\_\_\_\_ Number of shares \_\_\_\_\_

Number of acres irrigated \_\_\_\_\_ Water Right: \_\_\_\_\_ CFS.

Average water diverted per year: \_\_\_\_\_ acre-feet.

### **Part B. - Description of the Project**

1. Name of the Project NWDC Water Project

2. Purpose of this loan application. Check one.

\_\_\_\_\_ New project

\_\_\_\_\_ Rehabilitation or replacement of existing facility

\_\_\_\_\_ Enlargement of existing facility

\_\_\_\_\_ Emergency Repair

X Other (describe) permanent water supply for existing development in PVH Subdistrict

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 X

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 (Reference Figure 1)

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 from the City of Aurora. The proceeds from this loan will be used only for acquisition of the water supply. Funding required for the associated distribution infrastructure will be obtained from other sources, including a loan from CWRPDA and loans and grants from Douglas County.

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

If YES, please explain. \_\_\_\_\_

## CWCB Water Project Loan Application

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7. Please list the names, addresses and phone numbers of the Applicants' engineer(s) and attorney(s).

<u>NAME</u>	<u>ADDRESS and PHONE</u>
<u>TST Infrastructure, LLC</u>	<u>61 Inverness Dr. E, Suite 100 Englewood, CO 80112 303-799-5197</u>
<u>Icenogle, Seaver Pogue</u>	<u>4725 S. Monaco St., Suite 225 Denver, CO 80237 303-867-3006</u>
<u> </u>	<u> </u>

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

2015 Loan Feasibility – in progress

Preliminary Engineering Report for CWRPDA loan

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

Estimated Engineering Costs:\$ \$

Estimated Construction Costs: \$

Estimated Other Costs: \$ 2,355,133 (land, water rights purchase, etc.)

Estimated Total Costs: \$ 2,355,133

10. Loan amount and terms you are requesting.

Requested Loan Amount: \$ 2,119,620 (Usually 90 % of est. Total Costs)

Term (length) of loan: 30 years (Usually 10, 20, or 30 years)

Interest Rate: TBD % (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.

## CWCB Water Project Loan Application

<u>Lender Name &amp; Address</u>	<u>Remaining Amount</u>	<u>Annual Payment</u>	<u>Maturity Date</u>
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N/A

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.).

No other source of funding has been explored for the purchase of water supply.

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 of the PVH Subdistrict

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

Signature of Applicant



Printed Name Larry D. Moore

Title General Manager

Date

3/2/2015

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# 1 BACKGROUND

## 1.1 Purpose

### Relevant project history & need for the project:

Roxborough Water and Sanitation District (RWSD or District) provides water and sewer service within its existing district boundaries. The District currently provides water service to approximately 3,400 Equivalent Residential Units (EQRs), with a planned buildout of 3,800 EQRs.

Several existing developments located in close proximity to RWSD were developed in the 1970s and 1980s, and are currently supplied by non-renewable groundwater from the Denver Basin aquifers. The existing developments include Chatfield Acres, Chatfield East, Titan Road Industrial Park (TRIP) and Plum Valley Heights. Chatfield Acres, Chatfield East, and Plum Valley Heights are residential developments currently served by individual wells. Titan Road Industrial Park includes commercial and light industrial development currently served by two existing non-tributary wells and an existing distribution system.

Water levels in the Denver Basin aquifers are declining and will continue to decline with continued use of the aquifer as a significant source of water for northern Douglas County. The existing developments near RWSD are located near the margins of the aquifers, and water levels in this area are declining sooner and more rapidly than in more central parts of the aquifers. As a result existing wells in the area have failed, or are in danger of failing.

Under the proposed project, the existing developments would receive potable water service from RWSD.

### Overview of project:

The existing developments to be served by the proposed project would be included in the Roxborough Water and Sanitation District and the Plum Valley Heights Subdistrict of the Roxborough Water and Sanitation District (PVHSD or Subdistrict). New distribution and storage facilities will be required to serve the existing units and will include approximately 12 miles of new distribution pipelines and a 260,000 gallon water storage tank.

RWSD obtains its raw water supply by contract with the City of Aurora, and has obtained an additional supply of 150 AF/yr which will be used to supply the additional units. Treatment service will be provided at the existing RWSD water treatment facility which has adequate capacity to serve the existing additional units.

The new facilities will be constructed by the Plum Valley Heights Subdistrict, and operated by the Roxborough Water and Sanitation District. Existing development units will be required to connect to the distribution system within 2 years of completion of the system.

*Type of project and loan funding amount requested:*

The proposed project would provide a replacement water supply for the existing developments to be included in the PVH Subdistrict. The primary project components include acquisition of water supply, and potable distribution and storage infrastructure. PVHSD is requesting a loan of approximately \$2.2M (90% of total water cost of 2.355M) from the CWCB to fund the water supply acquisition. Funding for the required infrastructure improvements and other project costs will be provided by loans from Douglas County, the Colorado Water Resources and Power Development Authority, and Roxborough Water and Sanitation District.

*Project intention and importance to the District:*

The proposed project has been developed through the cooperative efforts of the Roxborough Water and Sanitation District, Douglas County, Aurora Water, and the residents of the areas to be served. RWSD has agreed to provide service to the developments in the PVH Subdistrict, and to operate, maintain, and ultimately own the required infrastructure. Douglas County performed conceptual studies for the project and has agreed to provide both loans and grants in support of the project. Aurora Water has committed to providing additional water supply to allow RWSD to provide service to the Subdistrict. And finally, the residents/owners in the existing developments have voted to include in the District and the Subdistrict, and have committed to pay the project costs.

Douglas County has contributed its portion of the funding to RWSD, and the CWRPDA has approved a \$5.2M loan to fund a portion of the required infrastructure. Securing funding for acquisition of the required additional water supply is the final financial step to enable this project to proceed.

## 1.2 Study Area Description

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

The water service area of the Roxborough Water and Sanitation District is located along the eastern edge of the foothills in unincorporated northwest Douglas County, south of C-470, and west of US Highway 85. The Plum Valley Heights Subdistrict of the Roxborough Water and Sanitation District is located to the northeast of the District's existing water service area as shown in Figure 1.

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

The following 2010 Douglas County census data describes the basic make-up and population characteristics of the Roxborough area and the population of the District's existing water service area. The demographics of the PVD Subdistrict developments is expected to be similar.

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.

### 1.3 Previous Studies

*Identify, summarize previous studies:*

Plum Valley Heights (PVH) is an existing rural residential development that includes 29 residential lots ranging in size from approximately 4.5 ac to 7.5 ac. The area was developed in the 1970s based on individual nontributary wells. Water levels in the aquifers are dropping, and in recent years, a number of wells have failed and have had to be redrilled. As a result, PVH has been actively pursuing an alternate water source in the form centralized service from an existing provider. In its pursuit of an alternate source of water, PVH received assistance from Douglas County under the County's Water Alternatives Program. Initial assistance included funding for engineering feasibility studies. In 2013 PVH was included in the Roxborough Water and Sanitation District, but has not yet connected to the RWSD system.

In early 2014, after other communities contacted Douglas County about their Water needs, Douglas County began investigating the potential for having an existing entity provide water service to other existing and potential development in the area. In addition to performing engineering studies, DC began negotiations with the City of Aurora regarding the potential for obtaining a raw water supply from Aurora.

The area to be served by this project is located in close proximity to the service areas of three existing water service providers, including Dominion Water and Sanitation District (DWSD), Centennial Water and Sanitation District (CWSD), and Roxborough Water and Sanitation District. Douglas County studied the potential for service from all three existing providers and concluded that obtaining water service from RWSD was the preferred option.

DWSD was formed primarily to serve the Sterling Ranch (SR) development, and currently does not have any infrastructure in place, which would delay implementation of service. In addition, as a developing district, DWSD has not finalized its water supply or its cost for service, making planning and funding a project more challenging.

CWSD has substantial existing infrastructure in place with adequate capacity to serve the existing developments. However, CWSD does not have adequate water supply to serve the existing development, and would have to acquire additional water supply from the WISE project. Due to the cost and intermittent availability of WISE water, the CWSD became a less desirable option as compared to the RWSD option. In addition, the WISE project is in the development stage, and it is unknown when WISE deliveries will commence.

RWSD has existing water supply and treatment infrastructure in place that could be used to serve the existing developments. RWSD receives its raw water supply from Aurora, and has the infrastructure in place to utilize the raw water to be provided by Aurora in support of the proposed project. In addition, RWSD has already included and agreed to serve PVH.

The County's studies identified RWSD as the most feasible service provider for the area due to its location, existing infrastructure, access to water supply conveyance systems, and willingness to participate in regional projects. Providing water service to this area of NWDC became a joint effort, with the water supply provided by the City of Aurora, treatment and distributions service provided by RWSD, and partial funding and other project facilitation provided by Douglas County.

A number of alternatives for service by RWSD were evaluated, ranging from larger projects to provide domestic and fire flow service to future as well as existing development, to a more limited scope project which supplies only domestic service to the existing development areas.

Final evaluation of alternatives for the project were developed in a Preliminary Engineering Report which was submitted to CDPHE in support of an application for a revolving fund loan through the Colorado Water Resources and Power Development Authority. The alternatives evaluated in the PER are summarized in Section 4 of this study.

## 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 Revised 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.

The Plum Valley Heights Subdistrict of the Roxborough Water and Sanitation District was formed in August, 2013, also under Title 32 of the Colorado Revised Statutes. (Ref. Appendix A for the formation resolution and a memo re: Subdistrict formation and financing) The purpose of the Subdistrict is to enable the cost of the project to be paid exclusively by customers of the Subdistrict, without impacting existing district customers. The Plum Valley Heights Subdistrict of the Roxborough Water and Sanitation District is the sponsor for the proposed project.

*Number of customers, taps, water usage, future growth plans:*

The District currently provides water service to approximately 3,400 EQRs, with a planned buildout of 3,800 EQRs. It is anticipated that the remaining 400 EQRs will be infill units located within the existing district boundary. The average raw water demand of existing District customers is approximately 0.34 AF/yr.

Ultimately, the proposed project will provide service to 251 EQRs in the PVH Subdistrict, 228 of which are existing. Initially, the project will provide service to the 228 existing EQRs. The remaining project capacity will be utilized to serve infill lots within the existing developments, or potentially adjacent existing development. Water demand in the PVH Subdistrict is expected to be similar to the demand of existing District customers.

*Identification of revenue sources:*

The Subdistrict's authorized sources of revenue include ad valorem taxes, user charges, rates, fees, and tolls. In order to ensure adequate revenues, the Subdistrict will review rates on an annual basis using similar rate methodology to that used by the District. Revenues generated by ad valorem taxes, rates, and other fees and charges, will be the source of funds for repayment of the loan.

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

The District's current water supply is based entirely on renewable water delivered under the 2010 water supply agreement with Aurora. Water from the South Platte River is delivered to the

District's water treatment facility through water supply facilities owned and operated by Aurora. Water supply for the proposed project will be delivered to the treatment facility along with the existing RWSD supply.

### 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 did not acquire ownership of water rights; rather, Aurora agreed to provide a permanent raw water supply to the District using Aurora's existing and future raw water supplies and facilities. The 2010 agreement does not provide the District with an adequate supply to serve the Plum Valley Heights Subdistrict. In order to provide an adequate supply for PVHSD, RWSD and Aurora entered into an agreement under which Aurora will provide an additional 150 AF/yr supply to the District.

##### Aurora Water 150 IGA

The 150 AF Water Supply Agreement between Aurora Water and the Roxborough Water and Sanitation District (ref. Appendix B) provides an additional supply of up to 150 AF/yr to be used as the water supply for the proposed project. The complete 150 IGA is presented in Appendix B. Key provisions of the 150 IGA include:

1. Aurora will deliver a maximum of 150 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 316 units located within the PVH Subdistrict.
3. The District will pay Aurora the then current connection fee for each EQR connected to the District's system. Payment is due at the time each new unit is connected, or within 5 years of the date of the agreement, whichever comes first.
4. 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.

##### 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 150 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:

According to District water use records, the average raw water demand for the District's existing potable water customers is approximately 0.34 ac-ft/yr/EQR. Demand in the PVH Subdistrict is expected to be similar. Both of the District's water supply agreements provide a supply of 0.4737 ac-ft/yr/EQR, which 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

Alternatives were developed based on the geographic area to be served and the level of service to be provided. The Basic Service Alternative includes only domestic service to existing developments. The Basic Service Alternative does not include fire flow service or provide for expanded capacity to serve future development. The Extended Service Alternative increased the level of service to include fire flow service, and increased the area to be served to include other existing developments as well as future development in the area.

Under both the action alternatives, RWSD would provide treatment service using its existing treatment facility. Except for the treatment facility, service to the proposed project area would not utilize the existing RWSD system. Service to the project area would be accomplished using new transmission, distribution, and storage facilities.

#### Evaluation Factors:

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

1. Replacement of supply – Alternatives were evaluated based on the ability to replace the failing groundwater supply and provide a permanent, renewable water supply to the PVH Subdistrict service area.
2. Economic analysis and feasibility – In comparing alternative projects, economic analyses normally include both initial capital cost and the present value of annual operating and maintenance costs. For this analysis, it was determined that annual operating and maintenance costs for the action alternatives would be directly proportional to the number of customers served. As a result, a present value analysis would provide no meaningful distinction between the alternatives, the economic analysis was based on the initial capital cost of each alternative.
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 Alternative 1 - No Action

Under the No Action Alternative, no new facilities would be constructed, and for the immediate future, existing developments would continue to utilize individual non-tributary wells. Well failures due to declining water levels could be expected to continue, with the only immediate

remedies being, drilling new wells or hauling water. Drilling new wells would be considered a temporary solution due to declining water levels in the aquifer. Permanent solutions could include committing permanently to hauling water, or developing another project to receive service from another service provider.

#### 4.1.2 Alternative 2 - Basic Service to Existing Development

The Basic Service Alternative provides for a domestic supply from RWSD to the existing developments. The service area for this alternative would be limited to the existing developments of Chatfield Acres, Chatfield East, Plum Valley Heights and Titan Road Industrial Park. The system would not be designed for future expansion with respect to either level of service or service area.

New infrastructure required for the Basic Service Alternative includes new pumping capacity at the RWSD water treatment facility; a transmission pipeline to convey treated water from the water treatment facility to storage and distribution; a potable water storage tank; internal distribution systems for each of the residential developments; and connection to the existing TRIP system. The new system would be designed to deliver peak hour flow to the four development areas. The proposed layout for new infrastructure under Alternative 2 is presented in Figure 2.

Raw water would be delivered to the RWSD water treatment facility through Aurora's existing raw water delivery system. Since the source of water for the proposed project is the same as RWSD's existing water supply delivery of raw water and treatment would occur in conjunction with RWSD's normal water supply and treatment activities. New pumping capacity would be added to the treatment facility to convey treated water to the new water storage tank. Except for raw water delivery and water treatment, the proposed infrastructure would not be connected to RWSD's existing system.

#### 4.1.3 Alternative 3 – Extended Service

Alternative 3 increased both the level of service and the service area. The level of service was increased to include a 1,500 gpm fire flow in addition to the domestic service provided by Alternative 2. Under Alternative 3, the proposed service area was also expanded to include additional existing and future development areas located to the south of the service area proposed under Alternative 2. The proposed layout for new infrastructure under Alternative 3 is presented in Figure 3.

Alternative 3 would be developed in phases, based on the rate of development within the proposed service area. The initial phase would provide service to the four existing developments served under Alternative 2. The second phase would provide service to existing developments such as the Louviers community, as well as future developments, all located to the south of the initial phase service area. Timing for the second phase would likely be dependent on the rate of future development.

Under Alternative 3, new infrastructure would be sized to provide both peak hour flow and maximum day plus a 1,500 gpm fire flow. The 1,500 gpm fire flow would provide adequate flow in the existing residential areas, but could potentially cause some limitations in future commercial development such as limits on type and size of construction, or requirements for installation of sprinkler systems.

Douglas County previously evaluated an increased level of service that provided for domestic flow and a 3,500 gpm fire flow. The increased fire flow capability would eliminate the potential restrictions on future development associated with a lower fire flow. Infrastructure requirements were similar to those under Alternative 3, but with increased capacity to accommodate the increased fire flow. The County's evaluation indicated that increasing fire flow capacity would significantly increase the cost of the project. It was determined that under current development conditions, the project was not feasible at the increased cost. As a result, this option was not considered to be a viable alternative and was not included in this report.

New infrastructure required for the initial phase of Alternative 3 includes similar components to those identified for Alternative 2 including new pumping capacity at the RWSD water treatment facility; a transmission pipeline to convey treated water from the water treatment facility to storage and distribution; a potable water storage tank; internal distribution systems for each of the residential developments; and connection to the existing TRIP system. The new system would be designed to provide domestic service and fire flows to the four development areas. Certain components of the initial phase would be oversized to facilitate expansion of the system during the second phase.

New infrastructure for the second phase of Alternative 3 would include additional pipelines to serve additional development areas, as well as increased pumping capacity at the water treatment facility. Storage capacity for the second phase would be constructed during the initial phase.

System operations under Alternative 3 would be the same as under Alternative 2. Raw water would be delivered to the RWSD water treatment facility through Aurora's existing raw water delivery system. Since the source of water for the proposed project is the same as RWSD's existing water supply delivery of raw water and treatment would occur in conjunction with RWSD's normal water supply and treatment activities. New pumping capacity would be added to the treatment facility to convey treated water to the new water storage tank. Except for raw water delivery and water treatment, the proposed infrastructure would not be connected to RWSD's existing system.

It should be noted that the water supply available under the Aurora 150 IGA provides an adequate supply for the initial phase only. Implementation of the second phase would require acquisition of additional water supply. It is unknown whether the additional supply could be obtained from the same source, and investigation of other sources may be required.

#### 4.1.4 Environmental Impacts

The primary impact of the No Action Alternative would be continued use of a non-renewable resource. The Denver Basin aquifers are considered to be non-recharging and continued use of these aquifers will ultimately result in loss of the resource. In addition, prior to the permanent loss of the resource, it is anticipated that extracting water from these aquifers will become increasingly difficult as water levels recede. More wells will be required to extract the same quantity of water, resulting in more drilling activity. As an alternative to drilling additional wells, users may elect to haul water, resulting in traffic and fuel burning impacts.

Environmental impacts would be similar for all of the action alternatives. Implementation of the action alternatives will require construction of new pipelines and a new water storage tank. A general impact associated with construction activities is expected to be the potential for erosion and sediment impacts. These potential impacts will be managed by compliance with Douglas County's Grading, Erosion and Sediment Control program.

In addition to general construction impacts, potential impacts of construction of the action alternatives could include impacts to burrowing owl habitat to the east of the RWSD treatment facility, and a pipeline crossing of the wetland areas associated with Plum Creek. A survey will be required to determine whether burrowing owls are present in the vicinity of the proposed construction. If the survey determines that burrowing owls are present, pipeline routes may be adjusted to avoid the identified habitat, or construction activities may be initiated during the winter months when the owls are not present. Impacts to wetland and riparian areas near Plum Creek will be avoided by boring the pipeline under the creek.

#### 4.1.5 Land Requirements

Easements will be required for new pipelines and the new water storage tank. The District will attempt to acquire all easements through negotiation, using its condemnation authority only if negotiations are unsuccessful.

Pipelines generally require a 30' wide easement, and less than 5 acres will be required for construction of the water tank, depending on the configuration of the site.

#### 4.1.6 Construction Issues

The project is based on standard pipeline and tank construction, and no unusual construction problems are anticipated. To the extent possible, pipelines will be routed to reduce conflicts with existing natural features and existing facilities and infrastructure. When required, boring techniques will be used to further reduce conflicts between the proposed pipelines and existing facilities.

#### 4.1.7 Operational Aspects

The proposed project is expected to have minimal impacts on system operations. Water will be treated as part of RWSDs normal treatment process, and due to the relatively low demand of the proposed project, few if any operational changes are expected at the water treatment facility.

The proposed project will be served by new pumping, transmission, distribution, and storage facilities, which will not be directly connected to the existing RWSD transmission and distribution systems. RWSD will be required to operate and maintain additional pumping, pipeline, and storage facilities, however due to the limited scope of the proposed project, the increase in operational demands are expected to be minimal

#### 4.1.8 Cost Estimates

No immediate cost can be identified for the No Action alternative, since the failure rate for the existing wells cannot be predicted. No new infrastructure would be constructed and no fees would be required. Long term cost impacts could include the costs associated with redrilling existing wells, hauling water, potential loss of property value due to inadequate water supply and the cost to develop an alternate supply project.

The estimated total project cost for Alternative 2 is \$14.96M, which includes the following:

Water Supply	\$2.47M
Infrastructure	\$8.32M
Fees	\$3.03M
Engineering	\$1.14M
Total	\$14.96M

Detailed cost estimates for Alternative 2 are presented in Appendix C.

The estimated total project cost for Alternative 3, to serve the 4 existing developments is \$29.3M, which includes the following:

Water Supply	\$5.6M
Infrastructure	\$14.90M
Fees	\$6.13M
Engineering	\$2.73M
Total	\$29.3M

Detailed cost estimates for Alternative 3 are presented in Appendix D.

#### 4.1.9 Advantages/Disadvantages

##### Alternative 1

The only potential advantages to the No Action Alternative would include no immediate cost to the existing developments and no immediate environmental impacts due to construction of new infrastructure. In both cases, these advantages would be temporary.

The primary disadvantage of the No Action Alternative is that it does not accomplish the goal of providing a renewable water supply to existing development. In addition to not accomplishing the primary goal, the No Action Alternative also results in the following immediate and future negative impacts:

- Continued demand on a non-renewable resource that will eventually be lost.
- Increased future expense to existing development to replace the groundwater supply. Any future solution is likely to cost more than one of the current potential solutions.
- Loss of property value due to inadequate water supply.

##### Alternative 2

Alternative 2 is the lower cost of the action alternatives and can be accomplished for a per EQR cost that appears to be acceptable to the customers to be served based on the voting results of the November 2014 ballot questions where approx.. 90% or the voters approved all of the ballot questions.

##### Alternative 3

Alternative 3 also accomplishes the primary goal of providing a renewable water supply to existing development, reducing the demand on a limited resource. Like Alternative 2, Alternative 3 uses existing infrastructure including raw water delivery systems and treatment to the maximum extent possible, which increases the efficiency of the existing systems and reduces the new construction required.

Environmental impacts under Alternative 3 are expected to be similar to the potential impacts under Alternative 2. Again, impacts are expected to be relatively minor due to limited infrastructure requirements and the areas to be disturbed. The area to be disturbed under the first phase of Alternative 3 would be slightly larger due to construction of a larger water storage tank. Phase 2 of Alternative 3 would result in a significant increase in disturbed area due the larger service area. In both phases unavoidable impacts could be easily mitigated using standard construction techniques and controls.

Alternative 3 is the higher cost of the action alternatives due to the larger capacity required for most of the project components. As compared to Alternative 2, the majority of the pipelines

would be upsized to carry fire flow, and the capacity of the water storage tank would be increased significant to provide the required fire storage.

To accommodate future growth, certain portions of the initial phase of Alternative 3 including the water storage tank and transmission pipelines would require oversizing. The cost of oversized components attributable to future growth is \$3.4M. This cost would have to be carried by project participants, most likely Douglas County, until the costs could be recovered from future development.

The water supply could be obtained from Aurora for the proposed project is limited to 150 AF, which provides an adequate supply for the initial phase of Alternative 3, but additional supply would have to be acquired for the second phase.

#### 4.1.10 Comparison of Alternatives

A summary comparison of project features and costs is presented below in Table 1.

Table 1 – Summary of Alternative Analysis and Evaluation Considerations

<b>Evaluation Factors</b>	<b>Alternative 1 – No Action</b>	<b>Alternative 2 – Basic Service</b>	<b>Alternative 3 – Expanded Service</b>
Level of Service	None	Basic	Basic plus Fire Flow
Capital Costs	\$0	\$15.0M	\$29.3M
Impacts	Significant	Low	Low
Institutional Requirements	None	Low	Low
Special Considerations	Does not provide renewable supply	Does not provide Fire Flow	No water supply currently available for Phase 2

#### 4.2 Selected Alternative

The selected alternative for this project is Alternative 2.

Alternative 2 accomplishes the primary goal of providing a renewable water supply to existing developments at the lowest cost of the alternatives considered. Alternative 2 also minimizes impacts by limiting the scope of the project to serve only existing development.

The No Action alternative was eliminated because it did not address the primary goal of the project, to provide a renewable water supply. This was viewed as deferring the problem, and in all likelihood making it more difficult to resolve in the future. The current opportunity provide a solution through the cooperative efforts of the City of Aurora, Douglas County, and Roxborough

Water and Sanitation District which has not previously existed and is not likely to again in the future.

Alternative 3 was eliminated due to cost considerations and limited available water supply. It was recognized that providing a higher level of service in the form of fire flows would be a benefit to the existing developments, however the increased cost made it more likely that the project would lose support from customers, and from Douglas County who would likely have had to subsidize or carry at least a portion of the added cost. In addition, complete development of Alternative 3 would require acquisition of additional water supply, which could be difficult.

The infrastructure required to provide service to the added units included in the selected alternative include both existing and new facilities. A map of major infrastructure requirements is presented in Figure 2. Preliminary pipeline sizes were developed based on hydraulic modeling of the backbone system.

#### Raw water delivery

The water supply for the proposed project will be provided by the City of Aurora. The City has extensive infrastructure for collecting and conveying its water supply, and the water supply for the Selected Alternative will be delivered through that system along with RWSDs water supply. Raw water is diverted from the South Platte River at Strontia Springs Reservoir and conveyed by tunnel to Aurora's Rampart Reservoir. Water is conveyed from Rampart Reservoir to the RWSD treatment plant by existing 42" and 54" transmission pipelines owned by Aurora.

The City of Aurora recently completed hydraulic modeling of its transmission pipelines to confirm that the pipelines have sufficient capacity to convey raw water to the RWSD water treatment facility.

#### Water Treatment

The existing treatment facility has an overall capacity of 2.8 MGD based on the capacity of the existing filters. The maximum day demand on the facility by RWSD's existing customers is approximately 2.211MGD. The remaining capacity is adequate to serve the proposed project.

The existing treatment facility was originally constructed in 1958, and has been modified and upgraded numerous times. Due to its age, RWSD has determined that the facility is reaching its useful life and should be replaced. RWSD is currently designing a new treatment facility to replace the existing facility, and the design for the new facility has been submitted to CDPHE for design approval. The new facility will provide RWSD with 4 MGD of treatment capacity which will provide sufficient capacity for RWSD at buildout, including the proposed project.

Based the anticipated schedules for the proposed project and the new water treatment facility, it is anticipated that the existing facility may be used for the proposed project for a short period of

time until completion of the new treatment facility. However if the new treatment facility is completed prior to the proposed project, the proposed project would be served from the new facility.

#### Transmission Pipeline

A 6" transmission pipeline is planned to convey water from the water treatment facility to the proposed storage tank. In general, the transmission pipeline was sized to carry maximum day flow. Certain portions of the transmission pipeline will also be required to carry peak hour flows for a portion of the service area.

Easements or licenses will be required from a variety of owners for the transmission line. Based on the evaluation of the preliminary alignment of the pipeline, a tentative list of ownerships requiring easements/licenses includes Sterling Ranch, Douglas County, Union Pacific Railroad, Burlington Northern Santa Fe Railroad, Backcountry Association, Inc and the Colorado Department of Transportation. The final list of ownerships will be developed when the final pipeline alignment has been established.

The transmission pipeline will cross Plum Creek at a single location, currently planned near the intersection of Titan and Moore Roads. For ease of construction and to minimize disturbance of the creek, it is anticipated that pipeline will be installed in this area using directional drilling techniques.

The transmission pipeline will also cross South Santa Fe Drive and two existing railroad tracks. Crossings of these major transportation facilities will be bored, to eliminate disruption of these major transportation facilities.

#### Distribution Pipelines

Distribution pipelines will be constructed in each of the three residential developments. Pipeline sizes for distribution pipelines will be determined by hydraulic modeling performed as part of the design process.

It is anticipated that the majority of the distribution pipelines will be located in road Right-of-Way (ROW), adjacent to the pavement. Permits will be required for construction in the ROW. In some cases, existing facilities in the ROW may necessitate crossing private property with pipelines, in which case easements will be required.

#### Storage Tank

The storage tank capacity of 260,000 gallons provides storage for the estimated maximum day flow for the 251 EQRs to be served by the proposed project. If feasible, based on site considerations, the tank will be buried in accordance with Douglas County development guidelines. It is anticipated that the tank construction will be post-tensioned concrete.

The proposed location for the storage tank is to the east of the Chatfield East development, on open space property owned by Backcountry Association, Inc. An easement or ownership transfer will be required for the proposed site.

#### 4.3 Cost Estimate

The estimated overall capital cost of the project of the selected alternative is \$15M, including infrastructure, water supply, RWSD Fees, engineering, and financing fees. A summary of capital costs is presented in Table 2. Detailed cost estimates for the project are presented in Appendix C.

Table 2 – Alternative 2 Overall Project Cost

Shared Infrastructure	\$4,322,100
Internal Infrastructure	\$3,992,361
Financing Fees and Debt Reserve	\$300,000
RWSD Fees	\$2,698,250
Water Supply	\$2,473,605
Election	\$30,000
Engineering	\$1,144,000
<b>Total</b>	<b>\$14,906,316</b>

An estimated schedule of cash flow for the proposed capital improvements is presented in Appendix E. The estimated capital costs are based on the overall project costs summarized in Table 2. Estimated revenues are based on user charges, fees and taxes presented in Table 4. The schedule projects a positive balance through the year 2036.

Addition of the 251 EQRs to be served by the proposed project is not expected to have an appreciable impact on the District's O&M costs. Service to the additional units will be accomplished using the District's existing staff, management, and institutional infrastructure. Water treatment for the additional units will be accomplished in conjunction with RWSDs normal water treatment operations, and the additional infrastructure will be added to the District's routine maintenance. As compared to the District's existing operations and maintenance activities, the increased operational requirements related to the added units are expected to be negligible. No significant increase in the operational budget is anticipated and no increase in rates for O&M activities is planned as a result of the proposed project.

#### 4.4 Implementation Schedule

Implementation of the proposed project involves a number of entities including Roxborough Water and Sanitation District, Douglas County, the City of Aurora, as well as the existing entities to be served. Some of the institutional arrangements required for the project have been completed, while other required actions are in progress, or are upcoming. The following list summarizes the

status of the project and outlines the steps necessary for the project to proceed. All of the items listed must be completed in order for the project to proceed. If any one item cannot be completed, the project will not proceed.

- Water Supply - The water supply agreement between RWSD and the City of Aurora has been completed (Ref. Appendix B).
- Participation Agreement – The project participation agreement between RWSD and Douglas County is complete and is included in Appendix F.
- Funding of certain items by Douglas County per the Agreement. This item is complete. RWSD has received the required funding from Douglas County.
- Inclusion of properties and authorization of debt
  - An election was held on November 4, 2014 to authorize the inclusion of properties into the District and authorize the necessary debt including the method of repayment. Specific ballot questions address:
    - Authorization of inclusion of properties into the Roxborough Water and Sanitation District.
    - Authorization of inclusion of the properties into the Plum Valley Heights Subdistrict, which is required for financing and repayment of debt.
    - Authorization to incur debt.
    - Authorization for increased mill levy to repay debt.
  - Passage of all ballot questions was required for the project to proceed.
  - All ballot questions passed. Election results are included in Appendix G.
- Approval of CWRPDA loan for infrastructure. This item is complete. The requested loan of \$5.2M was approved by the CWRPDA board on March 6, 2015.
- Approval of CWCB loan for water supply
- Acquisition of all required easements and ROW.
- Receipt of acceptable bids for construction of the project

A preliminary schedule for completion of the proposed project is presented in Figure 4. Design, Right of Way acquisition, approvals would commence early in 2015, with completion in the fall of 2015. Construction is expected to begin late in 2015 and continue into the early part of 2017.

Upon completion of the main project infrastructure, customers in the project area will have a maximum of 2 years to connect to the system.

The completed infrastructure improvements will initially be owned by the PVH Subdistrict, but will be operated and maintained by RWSD. Upon retirement of the CWRPDA loan, ownership of the infrastructure will be conveyed to RWSD. Specifics regarding financing, ownership, and operation of the PVH Subdistrict system are provided in the RWSD – PVH IGA (Ref. Appendix H).

## 4.5 Environmental Impacts

### General Construction Impacts

Implementation of the selected alternative will require construction of new pipelines and a new water storage tank. A general impact associated with construction activities is expected to be the potential for erosion and sediment impacts. These potential impacts will be managed by compliance with Douglas County's Grading, Erosion and Sediment Control (GESC) program. GESC requirements will be included in the construction documents, and initial and ongoing inspections of GESC items will be performed by both Douglas County and RWSD.

### Specific Construction Impacts

In addition to general construction impacts, potential impacts resulting from construction of the selected alternative could include impacts to burrowing owl habitat to the east of the RWSD treatment facility, and the transmission pipeline crossing of the wetland areas associated with Plum Creek.

A survey will be required to determine whether burrowing owls are present in the vicinity of the proposed construction. If the survey determines that burrowing owls are present, pipeline routes may be adjusted to avoid the identified habitat, or construction activities may be initiated during the winter months (November 1 through March 14) when the owls are not present.

The area in and adjacent to Plum Creek is generally characterized as wetlands. In addition, the Plum Creek riparian area is presumed to be habitat for the endangered Preble's Meadow Jumping Mouse. The transmission pipeline will cross Plum Creek at a single location, currently planned near the intersection of Titan and Moore Roads. It is anticipated that directional drilling techniques will be utilized to cross under the creek, eliminating the need to disturb the majority of the riparian area and sensitive habitats.

Construction of the distribution system piping will occur in developed areas, primarily adjacent to roadways. No significant environmental issues are anticipated during construction of the distribution system piping.

The water storage tank site will be located at an elevation well away from flood plains and riparian areas and environmental issues are expected to be negligible. During the design process, the proposed tank site will be evaluated for other potential environmental issues.

## 4.6 Institutional Feasibility

RWSD has provided water service to customers within the district boundary for over 40 years. During that time, the District has demonstrated a high level of Technical, Managerial and Financial capacity.

Technical – The district has a highly qualified and experienced staff that has consistently demonstrated the ability to operate a system that meets all Safe Drinking Water Act (SDWA) requirements.

Managerial – RWSD is a Title 32 District authorized to provide water service to its customers. The District is managed by a full time manager under the direction of its board of directors.

Financial – the District prepares annual budgets and audits in accordance with state statutes and performs an annual rate review. In addition, the district regularly updates its planning documents including Master Plan, Asset Management Plan, and Capital Improvement Plan. These planning documents enable the District to develop a financial plan that addresses all of the District’s needs, without shortfalls or unexpected financial requirements.

The system additions required to provide service under the proposed project would be operated and maintained by the District as part of its routine system operations and maintenance activities. The District currently provides water service to approximately 3,400 EQRs. The addition of 251 EQRs under the proposed project is not expected to create any TMF issues of concern.

The PVHSD is governed by the same board of directors as the RWSD, and day to day operation of the Subdistrict will be accomplished by the existing RWSD staff. All of the TMF requirements associated with the proposed project will be handled by RWSD/PVHSD Board, and the existing RWSD staff. No new TMF capacity for either RWSD or PVHSD is required to support the proposed project.

## 5 FINANCIAL FEASIBILITY ANALYSIS

The project will be paid for using a combination of loans, cash contributions by Douglas County, and direct payment of fees by the customers to be served by the project. Table 3 presents a breakdown of the sources of funds to be used for the project.

Table 3-Financing or Payment Responsibility

	<b>Project Costs</b>	<b>CWPRDA Loan</b>	<b>CWCB Loan</b>	<b>Douglas County</b>	<b>RWSD</b>
Shared Infrastructure	\$4,322,100	\$4,322,100			
Internal Infrastructure	\$3,992,361	\$877,900		\$3,114,461	
Financing Fees and Debt Reserve	\$300,000			\$300,000	
RWSD Fees	\$2,698,250				\$2,698,250
Water Supply	\$2,473,605		\$2,226,245	\$247,361	
Election	\$30,000			\$15,000	\$15,000
Engineering	\$1,144,000			\$1,144,000	
<b>Totals</b>	<b>\$14,960,316</b>	<b>\$5,200,000</b>	<b>\$2,226,245</b>	<b>\$4,820,822</b>	<b>\$2,713,250</b>

A loan from the Colorado Water Resources and Power Development Authority (CWRPDA) will be used to pay for a portion of the infrastructure to be constructed. The requested loan from the Colorado Water Conservation Board (CWCB) will be used to pay for the required water supply. Both loans will be taken out by the Plum Valley Heights Subdistrict of the Roxborough Water and Sanitation District. The CWRPDA loan will be repaid through property taxes. The CWCB loan will be repaid with a combination of property taxes and user surcharges. Douglas County has advanced funds to pay for engineering and a portion of the infrastructure construction. That portion of the funds associated with construction will be repaid out of connection fees. The portion of Douglas County fees associated with engineering will not be repaid. RWSD will initially defer the majority of its inclusion fees which would normally be due shortly after the vote to include, and allow those fees to be paid with user surcharges.

The cost of construction and all required fees will be paid for by the customers of the Plum Valley Heights Subdistrict. Table 4 presents the fees to be paid by PVHSD customers:

Table 4-Property Owner Impact

Description	Amount
RWSD Inclusion Fees (Partial, within 60 days of inclusion)-One Time Fee	\$500.00
Tap Fees Upon Connection- One Time Fee	
RWSD	\$7550.00
Douglas County	\$14,649.00
Estimated Monthly Property Tax Increase	\$126.00
Estimated Monthly User Fee Surcharge	\$68.00
Service Line (Curb Stop to House)- One Time Fee	\$2,000.00

The costs presented in Table 4 are specific to the project, and are in addition to the normal user charges applicable to all RWSD customers. Current RWSD user charges include a flat fee of \$32.14/mo., consumption charge of \$5.18/1000 gallons, and capital reserve surcharge of \$2.00/mo.

Financial Impacts:

The increased user charges required for debt service will have an impact on existing and future customers. The 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. The estimated annual cost of water service under the proposed project is \$3181 including user charges, and user surcharges and property taxes for debt service, or 3.1% of MHI. The estimated charges, which are somewhat above EPA guidelines, are not expected to cause undue hardship to customers because the MHI in the proposed service area is substantially above the national average. In addition, the residents of the proposed service area voted overwhelmingly in favor of the proposed project, including the estimated charges.

TABOR Issues:

Entering into the loan to finance the project will not result in any TABOR issues for the District. As a part of the election, service area residents voted to exempt the Subdistrict from TABOR's annual spending and revenue limitations.

Collateral:

The loan will be secured by a pledge of user charge and property tax revenue. User charges and the debt service mill levy will be established when actual project costs are known.

*Sponsor Creditworthiness:*

As a newly formed entity, the project sponsor, Plum Valley Heights Subdistrict of the Roxborough Water and Sanitation District, has not yet conducted an audit of its financial statements. Annual auditing of the Subdistrict's financial statements will begin as soon as the proposed project is under way, resulting in significant financial transactions. The creditworthiness of the Subdistrict was viewed favorably by the CWRPDA in their approval of a \$5.2M loan to the Subdistrict.

Since PVH is a Subdistrict of the Roxborough Water and Sanitation District, and will be controlled by the same Board of Directors using similar financial policies, it is useful to review the financial status of the District. The District's financial audits 2011, 2012, and 2013 are included in Appendix I. In addition, the District's unaudited financial statement, dated December 31, 2014, is included in Appendix J.

## 6 CONCLUSIONS AND RECOMMENDATION

### Overall feasibility of project:

The proposed project addresses a significant need to provide a permanent, renewable water supply to customers in the PVH Subdistrict. The project has the support of numerous public/private entities including Douglas County, the City of Aurora, Roxborough Water and Sanitation District, and the Associations in the developments to be served by the PVH Subdistrict. In addition, residents in the area to be served voted overwhelmingly in favor of the project.

No significant barriers to the proposed project have been identified. The project is expected to include only normal project activities such as acquisition of right-of-way, construction and financing.

### Feasibility of Loan Repayment:

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

1. The Subdistrict has sufficient existing customer base to support debt service in a relatively affordable manner. Successful financial performance is not dependent on growth.
2. The Subdistrict has already taken steps towards financing the project in the form of obtaining financing from Douglas County, Roxborough Water and Sanitation District and the Colorado Water Resource and Power Development Authority.
3. The Subdistrict will be controlled by the same Board of Directors that has a proven financial track record with the Roxborough Water and Sanitation District.

## LIST OF FIGURES

Figure 1 – Existing Water Service Area

Figure 2 – Alternative 2 – Basic Service

Figure 3 – Alternative 3 – Extended Service

Figure 4 – Project Schedule

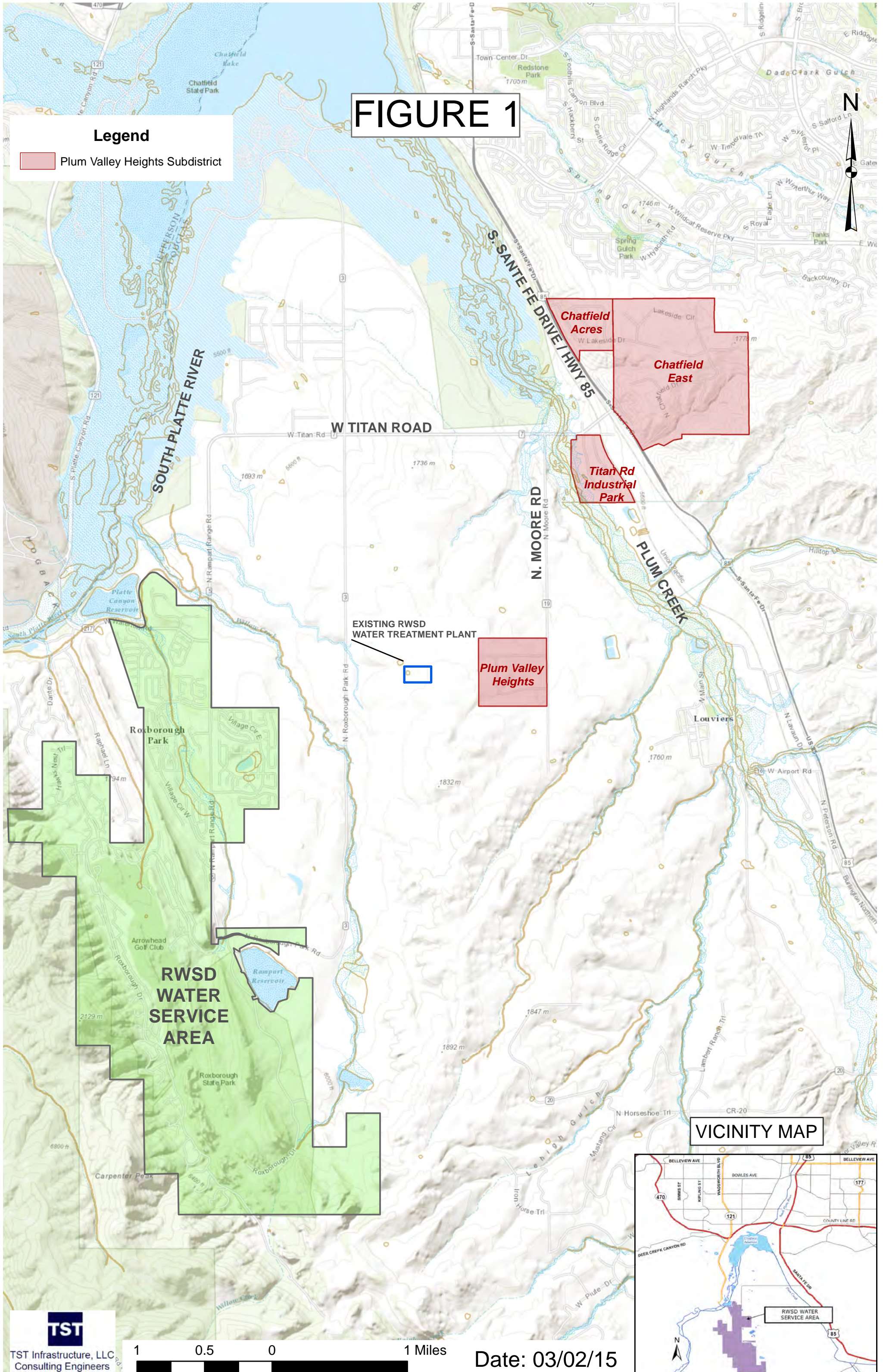
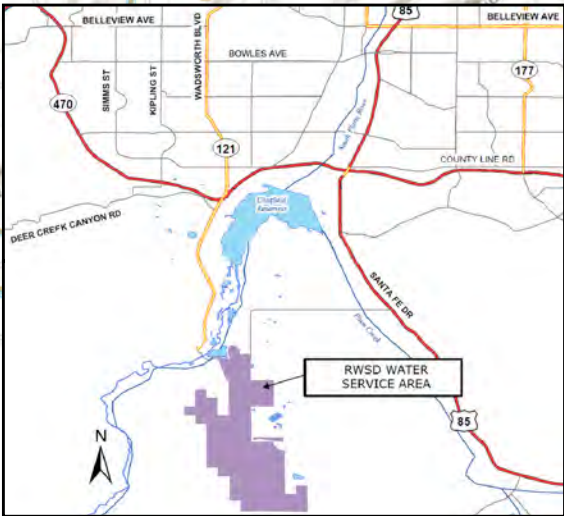


FIGURE 1

Legend

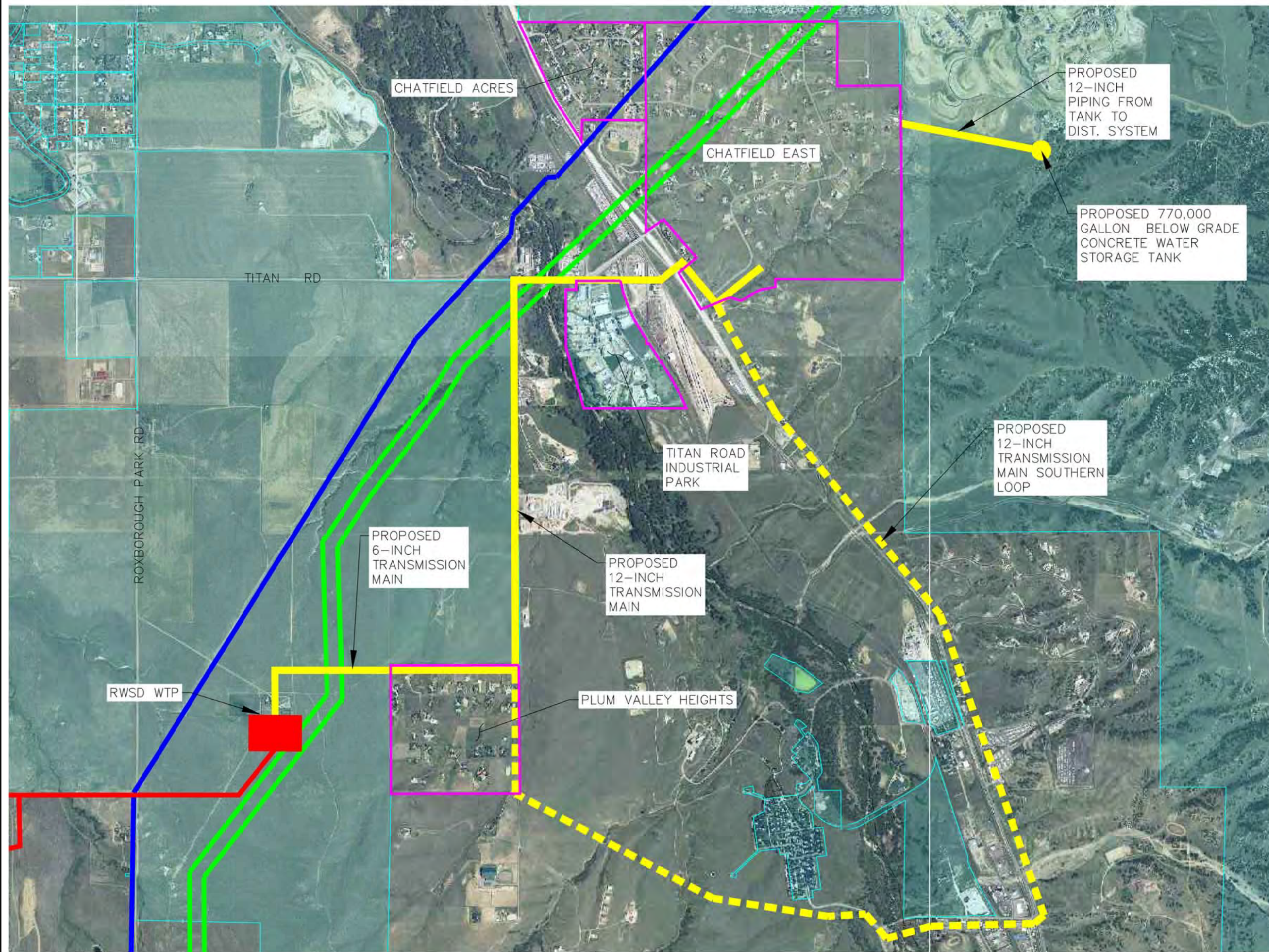
Plum Valley Heights Subdistrict

VICINITY MAP





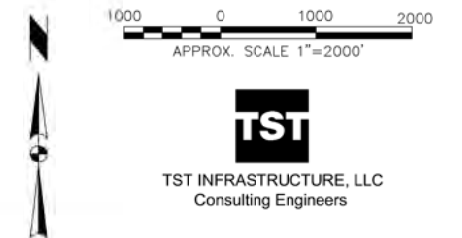
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LEGEND	
<span style="color: blue;">—</span>	DENVER WATER CONDUITS
<span style="color: green;">—</span>	AURORA WATER RAW WATER TRANSMISSION MAIN
<span style="color: red;">—</span>	RWSD TREATED WATER MAIN
<span style="color: yellow;">—</span>	PROPOSED TRANSMISSION MAIN AND WATER STORAGE TANK (INITIAL PHASE)
<span style="color: yellow;">- - -</span>	PROPOSED TRANSMISSION MAIN SOUTHERN LOOP (2ND PHASE)
<span style="color: cyan;">—</span>	WATER SERVICE PROVIDER BOUNDARY
<span style="color: magenta;">—</span>	ADDED WATER SERVICE AREA

**FIGURE 3**  
**ALTERNATIVE 3**  
**EXTENDED SERVICES**

- SERVICE TO CHATFIELD EAST, CHATFIELD ACRES, PLUM VALLEY HEIGHTS (PVH), TITAN ROAD INDUSTRIAL PARK (TRIP), AND FUTURE CUSTOMERS ALONG HWY 85
- TOTAL 570 EQRs
- FIRE FLOW FOR ALL 570 EQRs (1500 GPM)
- 6" DIA. TRANSMISSION MAIN FROM RWSD TO PVH
- 12" DIA TRANSMISSION MAIN FROM PVH TO CHATFIELD EAST
- 12" DIA TRANSMISSION MAIN LOOP COMPLETED (FROM CHATFIELD EAST AND CHATFIELD ACRES, SOUTH ON HWY 85, AND AROUND TO PLUM VALLEY HEIGHTS)
- 8" DIA PIPING FOR CHATFIELD EAST, CHATFIELD ACRES, AND NEW PIPING AT TITAN ROAD INDUSTRIAL PARK
- PROPOSED 770,000 GALLON BELOW GRADE CONCRETE WATER STORAGE TANK



DATE: 5/6/14

## FIGURE 4

## Plum Valey Heights Subdistrict

## Water Service to Chatfield East/Acres, Titan Road Industrial Park, and Plum Valley Heights

Tuesday, June 17, 2014

## Project Schedule

[illegible]

## LIST OF APPENDICES

Appendix A – Formation of Plum Valley Heights Subdistrict of the  
Roxborough Water and Sanitation District

Appendix B – RWSD/City of Aurora 150 IGA

Appendix C – Alternative 2 Cost Estimates

Appendix D – Alternative 3 Cost Estimates

Appendix E – Cash Flow Projections

Appendix F – RWSD/Douglas County Water Treatment IGA

Appendix G – Election Results

Appendix H – RWSD/Plum Valley Heights Subdistrict IGA

Appendix I – Financial Audits (2011, 2012, 2013)

Appendix J – 2014 Unaudited Financials

## Appendix A

### Formation of Plum Valley Heights Subdistrict of the Roxborough Water and Sanitation District

**RESOLUTION NO. 13-08-03**  
**OF**  
**THE BOARD OF DIRECTORS OF**  
**ROXBOROUGH WATER & SANITATION DISTRICT**

A RESOLUTION APPROVING THE FORMATION OF THE PLUM VALLEY HEIGHTS  
SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT

**WHEREAS**, the Roxborough Water and Sanitation District (the "District") was organized as a special district in Douglas County, Colorado, in accordance with Article 1 of Title 32, C.R.S. and is authorized, pursuant to its Service Plan, as amended ("Service Plan"), to provide water and wastewater improvements, facilities, and services within and without its boundaries; and

**WHEREAS**, twenty-eight (28) lots (the "Property") in the Plum Valley Heights development in Douglas County, Colorado, were included into the boundaries of the District by Order of the District Court in and for Douglas County, Colorado, as recorded in the Douglas County Clerk and Recorder's Office on March 15, 2013 at Reception No. 2013021272 ("Order"); and

**WHEREAS**, as provided in the Order, the inclusion of the Property is to permit the District to provide water to serve the Property; and

**WHEREAS**, in order for the District to provide water to serve the Property, certain public improvements (the "Improvements") must be financed and constructed to connect the Property to the District's municipal water system, and thereafter, the Improvements must be operated and maintained; and

**WHEREAS**, pursuant to Section 32-1-1101(1)(f)(I), C.R.S. the District is authorized to divide the District into one or more subdistricts consistent with the services, programs and facilities to be furnished therein; and

**WHEREAS**, pursuant to Section 32-1-1101(1.5)(a), C.R.S., the determination by the Board of Directors of the District (the "District Board") to form the Subdistrict shall be made by a resolution adopted at a regular or special meeting of the District Board after publication of notice of the purpose of the public meeting and the place, time and date of such meeting; and

**WHEREAS**, via this Resolution, the District Board desires to form a subdistrict of the District, such subdistrict to be known as the "Plum Valley Heights Subdistrict of the Roxborough Water and Sanitation District" and shall include the Property as more particularly described and shown in **Exhibit A** attached hereto and incorporated herein by this reference (the "Subdistrict"), for purposes of financing and constructing the Improvements to connect the Property to the District's municipal water system and funding ongoing operations and maintenance of the Improvements; and

**WHEREAS**, notice of the purpose, place, time and date of this public meeting of the District Board was published in *The Columbine Courier* on August 14, 2013, and in the *Douglas County News-Press* on August 15, 2013, in accordance with Section 32-1-1101(1.5)(a), C.R.S. The original publisher's Affidavits of Publication are attached hereto as **Exhibit B** and incorporated herein by this reference; and

**WHEREAS**, pursuant to Section 32-1-1101(1)(f)(I), C.R.S. the District Board is required to provide notification of the formation of the Subdistrict to the Douglas County Board of County Commissioners (the "BOCC"), and within thirty (30) days of such notice, the BOCC may elect to treat the action as a material modification of the District's Service Plan in accordance with Section 32-1-207(2), C.R.S.; and

**WHEREAS**, the District notified the BOCC of its intent to consider the formation of the Subdistrict at a public meeting to be held on August 21, 2013, and on August 6, 2013, at a meeting with County Attorney staff, the BOCC, by motion, determined that the formation of the Subdistrict does not constitute a material modification of the District's Service Plan; and

**WHEREAS**, pursuant to Section 32-1-1101(1.5)(b), C.R.S., the resolution forming the Subdistrict shall not be adopted by the District Board if a petition objecting to the creation of the Subdistrict is signed by the owners of taxable and real property, which property equals more than fifty percent (50%) of the total valuation for assessment of all taxable real and personal property within the boundaries of the Subdistrict, and is filed with the District no later than five (5) days prior to the public meeting ("Petition"); and

**WHEREAS**, no such Petition objecting to the formation of the Subdistrict was filed with the District; and

**WHEREAS**, pursuant to Section 32-1-1101(1.5)(c), C.R.S., written consent to include certain land in the Subdistrict is required from a property owner if the property owner of a single parcel of land having a valuation for assessment constituting twenty-five percent (25%) or more of the total valuation of assessment of all the real property within the proposed boundaries of the Subdistrict, or if a corporate entity property owner of a single parcel of land having a valuation for assessment constituting five percent (5%) or more of the total valuation of assessment of all the real property within the proposed boundaries of the Subdistrict; and

**WHEREAS**, no single parcel of land within the proposed boundaries of the Subdistrict has a valuation for assessment that meets or exceeds the statutory percentage of the total valuation of assessment of all the Property within the proposed boundaries of the Subdistrict that would require written consent from the owners thereof; and

**WHEREAS**, pursuant to Section 32-1-1101(1)(f)(II), C.R.S. upon formation, the Subdistrict shall be an independent quasi-municipal corporation, act in accordance with the provisions of the Special District Act, Sections 32-1-101 *et seq.*, C.R.S. ("Special District Act"), possess all of the rights, privileges and immunities of a District, and be subject to the District's Service Plan; and

**WHEREAS**, in accordance with Section 32-1-1101(1)(f)(III), C.R.S., the District Board shall constitute *ex officio* the board of directors of the Subdistrict ("Subdistrict Board"), and the presiding officers of the District Board shall be *ex officio* the presiding officers of the Subdistrict Board; and

**WHEREAS**, pursuant to Section 32-1-1101(1)(f)(III), C.R.S., for purposes of complying with Section 32-1-1101(6), C.R.S. and Article 59 of Title 11, C.R.S., the debt of the Subdistrict shall be treated separately from the debt of the District and shall not be treated as debt of the District, and the total debt of District and the Subdistrict shall not exceed any debt limitations in the District's Service Plan; and

**WHEREAS**, the District Board has determined that the formation of the Subdistrict will be in the best interests of the owners of the Property, the residents of the proposed Subdistrict, and the Property proposed to be served.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF ROXBOROUGH WATER AND SANITATION DISTRICT AS FOLLOWS:**

1. The District Board hereby forms the "Plum Valley Heights Subdistrict of the Roxborough Water and Sanitation District". The Subdistrict shall be an independent quasi-municipal corporation, act pursuant to the Special District Act, possess all of the rights, privileges and immunities of the District, and be subject to the District's Service Plan. The legal description of the Subdistrict is set forth in **Exhibit A** attached hereto and incorporated by reference.

2. The purpose of the Subdistrict is to facilitate the financing, construction, operations, and maintenance of the Improvements necessary to connect the Property to the District's municipal water system. In addition, the Subdistrict may facilitate the financing, construction, operations, and maintenance of any public improvements necessary for the District to provide wastewater services within the boundaries of the Subdistrict if the owners of the Property within the Subdistrict agree, at some point in the future and in their discretion, to receive wastewater services from the District and to pay all such costs associated with providing such wastewater services including, but not limited to, infrastructure costs.

3. The District Board and officers shall at all times constitute the *ex officio* Subdistrict Board and officers. The initial directors and officers of the Subdistrict are as follows:

David Bane:	President
Dave Thomas:	Vice President
Tim Moore:	Secretary-Treasurer
John Dillon:	Assistant Secretary
Dave Heldt:	Assistant Secretary

Any changes to the District Board or officers shall automatically constitute a change to the Subdistrict Board or officers without any further action required by the District or Subdistrict.

4. Subject to voter authorization, the Subdistrict may incur debt and levy taxes to finance the construction, operation and maintenance of the Improvements and any future public improvements contemplated by the Subdistrict.

5. The District Board hereby directs the District staff and legal counsel to take all necessary actions to effect the formation of the Subdistrict.

6. This Resolution shall be recorded in the Douglas County Clerk and Recorder's Office and, in accordance with Section 32-1-105, C.R.S., the formation of the Plum Valley Heights Subdistrict of the Roxborough Water and Sanitation District shall be effective on the date and at the time of the recording of this Resolution.

(Signatures Begin on Next Page.)

ADOPTED AND APPROVED THIS 21<sup>st</sup> DAY OF AUGUST, 2013.

**ROXBOROUGH WATER & SANITATION  
DISTRICT**



By: David Bane

Its: President

ATTEST:



By: Jim Moore DAVE THOMAS

Its: Secretary-Treasurer VICE-PRESIDENT

**EXHIBIT A**  
**(to Resolution)**

Plum Valley Heights Subdistrict  
Legal Description

LOT 1 BLK 3 PLUM VALLEY HEIGHTS SECOND FILING, COUNTY OF DOUGLAS, STATE OF COLORADO  
Also known as: 8312 W. Trail South Drive, Littleton, CO

LOT 3 BLK 2 PLUM VALLEY HEIGHTS FIRST FILING, COUNTY OF DOUGLAS, STATE OF COLORADO  
Also known as: 7652 Trail North Drive, Littleton, CO

LOT 11 BLK 2 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO  
Also known as: 7583 W. Trail South Drive, Littleton, CO

LOT 12 BLK 2 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO  
Also known as: 7537 W. Trail South Drive, Littleton, CO

LOT 9 BLK 2 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO  
Also known as: 7735 W. Trail South Drive, Littleton, CO

LOT 4 BLK 2 PLUM VALLEY HEIGHTS FIRST FILING, COUNTY OF DOUGLAS, STATE OF COLORADO  
Also known as: 7712 Trail North Drive, Littleton, CO

LOT 5 BLK 1 PLUM VALLEY HEIGHTS SECOND FILING, COUNTY OF DOUGLAS, STATE OF COLORADO  
Also known as: 7779 Trail North Drive, Littleton, CO

LOT 3 BLK 3 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO  
Also known as: 8224 W. Trail South Drive, Littleton, CO

LOT 1 BLK 2 PLUM VALLEY HEIGHTS FIRST FILING, COUNTY OF DOUGLAS, STATE OF COLORADO  
Also known as: 7536 Trail North Drive, Littleton, CO

LOT 3 BLK 1 PLUM VALLEY HEIGHTS FIRST FILING, COUNTY OF DOUGLAS, STATE OF COLORADO  
Also known as: 7651 Trail North Drive, Littleton, CO

LOT 2 BLK 1 PLUM VALLEY HEIGHTS FIRST FILING, COUNTY OF DOUGLAS, STATE OF COLORADO  
Also known as: 7595 Trail North Drive, Littleton, CO

LOT 2 BLK 3 PLUM VALLEY HEIGHTS SECOND FILING, COUNTY OF DOUGLAS, STATE OF COLORADO  
Also known as: 7964 Trail North Drive, Littleton, CO

LOT 8 BLK 3 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO  
Also known as: 7708 W. Trail South Drive, Littleton, CO

LOT 9 BLK 3 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO  
Also known as: 7648 W. Trail South Drive, Littleton, CO

LOT 4 BLK 3 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO  
Also known as: 8168 W. Trail South Drive, Littleton, CO

LOT 4 BLK 1 PLUM VALLEY HEIGHTS FIRST FILING, COUNTY OF DOUGLAS, STATE OF COLORADO  
Also known as: 7711 Trail North Drive, Littleton, CO

LOT 7 BLK 3 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO  
Also known as: 7774 W. Trail South Drive, Littleton, CO

LOT 6 BLK 3 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO  
Also known as: 7832 W. Trail South Drive, Littleton, CO

LOT 5 BLK 3 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO  
Also known as: 8116 W. Trail South Drive, Littleton, CO

LOT 5 BLK 2 PLUM VALLEY HEIGHTS SECOND FILING, COUNTY OF DOUGLAS, STATE OF COLORADO  
Also known as: 7812 Trail North Drive, Littleton, CO

LOT 10 BLK 2 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO  
Also known as: 7601 W. Trail South Drive, Littleton, CO

LOT 6 BLK 2 PLUM VALLEY HEIGHTS SECOND FILING, COUNTY OF DOUGLAS, STATE OF COLORADO  
Also known as: 8337 W. Trail South Drive, Littleton, CO

LOT 2 BLK 2 PLUM VALLEY HEIGHTS FIRST FILING, COUNTY OF DOUGLAS, STATE OF COLORADO  
Also known as: 7598 Trail North Drive, Littleton, CO

LOT 1 BLK 1 PLUM VALLEY HEIGHTS FIRST FILING, COUNTY OF DOUGLAS, STATE OF COLORADO  
Also known as: 7535 Trail North Drive, Littleton, CO

LOT 6 BLK 1 PLUM VALLEY HEIGHTS SECOND FILING, COUNTY OF DOUGLAS, STATE OF COLORADO  
Also known as: 7841 Trail North Drive, Littleton, CO

LOT 8 BLK 1 PLUM VALLEY HEIGHTS SECOND FILING, COUNTY OF DOUGLAS, STATE OF COLORADO  
Also known as: 7965 Trail North Drive, Littleton, CO

LOT 7 BLK 2 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO  
Also known as: 8225 W. Trail South Drive, Littleton, CO

LOT 8 BLK 2 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO  
Also known as: 8143 W. Trail South Drive, Littleton, CO

**EXHIBIT B**  
**(to Resolution)**

Affidavits of Publication

## AFFIDAVIT OF PUBLICATION

State of Colorado )ss  
County of Douglas

This Affidavit of Publication for the Douglas County News Press, a weekly newspaper, printed and published for the County of Douglas, State of Colorado, hereby certifies that the attached legal notice was published in said newspaper once in each week, for 1 successive week(s), the last of which publication was made the 15th day of August A.D., 2013, and that copies of each number of said paper in which said Public Notice was published were delivered by carriers or transmitted by mail to each of the subscribers of said paper, according to their accustomed mode of business in this office.



for the Douglas County News Press  
State of Colorado )  
County of Douglas )ss

The above Affidavit and Certificate of Publication was subscribed and sworn to before me by the above named Gerard Healey, publisher of said newspaper, who is personally known to me to be the identical person in the above certificate on this 15th day of August A.D., 2013.



My Commission Expires 06/11/16

Notary Public,

### NOTICE OF PUBLIC MEETING REGARDING FORMATION OF A SUBDISTRICT OF ROXBOROUGH WATER AND SANITATION DISTRICT

NOTICE IS HEREBY GIVEN that the Board of Directors of the ROXBOROUGH WATER AND SANITATION DISTRICT will consider the formation of a subdistrict of the Roxborough Water and Sanitation District, consistent with the services, programs and facilities to be furnished therein, in accordance with C.R.S. §§ 32-1-1101(1)(f) and 32-1-1101(1.5)(a), at a regular public meeting to be held on August 21, 2013, at 8:00 A.M., at 6222 N. Roxborough Park Road, Littleton, Colorado 80125. The proposed boundaries of the subdistrict are described below and are on file and available for inspection at the offices of Roxborough Water and Sanitation District located at 6222 N. Roxborough Park Road, Littleton, Colorado 80125, during regular business hours from 8:00A.M. to 5:00P.M. Notice is further given that, pursuant to C.R.S. § 32-1-1101(1.5)(b), owners of taxable real and personal property that equals more than fifty percent (50%) of the total valuation for assessment of all taxable real and personal property within the proposed boundaries of the subdistrict may file a petition, at the District's office, objecting to the formation of the subdistrict no later than five days prior to the public meeting, or by August 16, 2013.

#### PROPERTY DESCRIPTION:

LOT 1 BLK 3 PLUM VALLEY HEIGHTS SECOND FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 3 BLK 2 PLUM VALLEY HEIGHTS FIRST FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 11 BLK 2 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 12 BLK 2 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 9 BLK 2 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 4 BLK 2 PLUM VALLEY HEIGHTS FIRST FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 5 BLK 1 PLUM VALLEY HEIGHTS SECOND FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 3 BLK 3 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 1 BLK 2 PLUM VALLEY HEIGHTS FIRST FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 3 BLK 1 PLUM VALLEY HEIGHTS FIRST FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 2 BLK 1 PLUM VALLEY HEIGHTS FIRST FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 2 BLK 3 PLUM VALLEY HEIGHTS SECOND FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 8 BLK 3 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 9 BLK 3 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 4 BLK 3 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 4 BLK 1 PLUM VALLEY HEIGHTS FIRST FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 7 BLK 3 PLUM

VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 6 BLK 3 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 5 BLK 3 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 5 BLK 2 PLUM VALLEY HEIGHTS SECOND FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 10 BLK 2 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 6 BLK 2 PLUM VALLEY HEIGHTS SECOND FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 2 BLK 2 PLUM VALLEY HEIGHTS FIRST FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 1 BLK 1 PLUM VALLEY HEIGHTS FIRST FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 6 BLK 1 PLUM VALLEY HEIGHTS SECOND FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 8 BLK 1 PLUM VALLEY HEIGHTS SECOND FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 7 BLK 2 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 8 BLK 2 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO.

BY ORDER OF THE BOARD  
OF DIRECTORS:  
ROXBOROUGH WATER  
AND SANITATION DISTRICT  
By: /s/ ICENOGLE SEAVER POGUE, P.C.

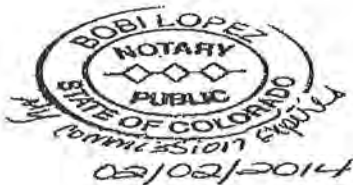
Legal Notice No.: 921930  
First Publication: August 15, 2013  
Last Publication: August 15, 2013  
Publisher: Douglas County News-Press

**PROOF OF PUBLICATION  
COLUMBINE COURIER  
COUNTY OF JEFFERSON SS.  
STATE OF COLORADO**

I, Tim Zeman, do solemnly swear that I am the Publisher of the **Canyon Courier** the same is a weekly newspaper printed and published in the County of Jefferson, State of Colorado, and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said county of Jefferson for a period of more than fifty-two consecutive weeks prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the act of March 3, 1879, or any amendments thereof, and that said newspaper is a weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado. That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said weekly newspaper for the period of **ONE consecutive insertion(s)** and that the first publication of said notice was in the issue of newspaper, dated **14th day of August 2013** and the last on the **14th day of August 2013**

Publisher, Subscribed and sworn before me, this  
**14th day of August 2013**

*Bobi Lopez*  
Notary Public.



**NOTICE OF PUBLIC MEETING  
REGARDING FORMATION OF A  
SUBDISTRICT  
OF ROXBOROUGH WATER AND  
SANITATION DISTRICT**

NOTICE IS HEREBY GIVEN that the Board of Directors of the **ROXBOROUGH WATER AND SANITATION DISTRICT** will consider the formation of a subdistrict of the Roxborough Water and Sanitation District, consistent with the services, programs and facilities to be furnished therein, in accordance with C.R.S. §§ 32-1-1101(1)(f) and 32-1-1101(1.5)(a), at a regular public meeting to be held on August 21, 2013, at 8:00 A.M., at 6222 N. Roxborough Park Road, Littleton, Colorado 80125. The proposed boundaries of the subdistrict are described below and are on file and available for inspection at the offices of Roxborough Water and Sanitation District located at 6222 N. Roxborough Park Road, Littleton, Colorado 80125, during regular business hours from 8:00A.M. to 5:00P.M. Notice is further given that, pursuant to C.R.S. § 32-1-1101(1.5)(b), owners of taxable real and personal property that equals more than fifty percent (50%) of the total valuation for assessment of all taxable real and personal property within the proposed boundaries of the subdistrict may file a petition, at the District's office, objecting to the formation of the subdistrict no later than five days prior to the public meeting, or by August 16, 2013.

**PROPERTY DESCRIPTION:**

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STATE OF COLORADO; LOT 5 BLK 1 PLUM VALLEY HEIGHTS SECOND FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 3 BLK 3 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 1 BLK 2 PLUM VALLEY HEIGHTS FIRST FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 3 BLK 1 PLUM VALLEY HEIGHTS FIRST FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 2 BLK 1 PLUM VALLEY HEIGHTS FIRST FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 2 BLK 3 PLUM VALLEY HEIGHTS SECOND FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 8 BLK 3 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 9 BLK 3 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 4 BLK 3 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 4 BLK 1 PLUM VALLEY HEIGHTS FIRST FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 7 BLK 3 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 6 BLK 3 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 5 BLK 3 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 5 BLK 2 PLUM VALLEY HEIGHTS SECOND FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 10 BLK 2 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 6 BLK 2 PLUM VALLEY HEIGHTS SECOND FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 2 BLK 2 PLUM VALLEY HEIGHTS FIRST FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 1 BLK 1 PLUM VALLEY HEIGHTS FIRST FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 6 BLK 1 PLUM VALLEY HEIGHTS SECOND FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 8 BLK 1 PLUM VALLEY HEIGHTS SECOND FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 7 BLK 2 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO; LOT 8 BLK 2 PLUM VALLEY HEIGHTS THIRD FILING, COUNTY OF DOUGLAS, STATE OF COLORADO.

BY ORDER OF THE BOARD OF  
DIRECTORS:

ROXBOROUGH WATER AND  
SANITATION DISTRICT  
By: /s/ ICENOGLE SEAVER  
POGUE, P.C.

Published in the Columbine  
Courier August 14, 2013

**MEMORANDUM**

TO : Larry Moore, General Manager  
Roxborough Water and Sanitation District

FROM : Icenogle Seaver Pogue, P.C.

RE : Subdistrict Creation and Financing

DATE : January 7, 2015

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This memorandum summarizes the process for the creation of a subdistrict by, and within the boundaries of, a special district and the financing mechanisms available for a subdistrict to finance services, programs, and facilities to be furnished within the boundaries of the subdistrict.

**I. Creation of a Subdistrict**

The Special District Act (“Act”), specifically C.R.S. § 32-1-1101(1)(f)(I) of the Act, provides the board of directors (“Board”) of a special district with the power to divide the special district into one or more areas, each area to be known as a subdistrict, consistent with the services, programs, and facilities to be furnished within the area. A subdistrict is established within the boundaries of a special district via resolution of the Board adopted at a regular or special meeting of the Board and after publication of notice of the purpose, place, time and date of the public meeting. C.R.S. § 32-1-1101(1.5)(a).

A resolution to create a subdistrict may not be adopted if a petition objecting to the creation of the subdistrict is signed by the owners of taxable real and personal property that equals more than fifty percent of the total assessed valuation of all taxable real and person property within the proposed boundaries of the subdistrict and is filed with the special district no later than five days prior to the Board’s public meeting. C.R.S. § 32-1-1101(1.5)(b). Furthermore, written consent is required from the owner or owners of any single parcel of land within the proposed boundaries of the subdistrict having an assessed valuation constituting twenty-five percent or more of the total assessed valuation of all real property within the boundaries of the proposed subdistrict, and from a corporate entity owning a single parcel of land within the proposed boundaries of the subdistrict having an assessed valuation constituting five percent or more of the total assessed valuation of all real property within the boundaries of the proposed subdistrict. C.R.S. § 32-1-1101(1.5)(c).

Upon the adoption of a resolution approving the establishment of a subdistrict, the Board is required to provide notice to the board of county commissioners (“BOCC”) of each county

that has territory included with the special district and the governing body of any municipality (“Municipality”) that has adopted a resolution of approval of the special district. C.R.S. § 32-1-1101(1)(f)(I). The BOCC or Municipality may elect, within thirty days after such notification, to treat the action as a material modification of the special district’s service plan pursuant to the Act. Id.

Upon establishment, the subdistrict shall be an independent quasi-municipal corporation, shall have all rights, privileges, and immunities of the special district, and shall be subject to the service plan of the special district. C.R.S. § 32-1-1101(1)(f)(II). The special district’s Board serves as the *ex officio* board of directors of the subdistrict and the presiding officers of the special district’s Board are the *ex officio* officers of the subdistrict. C.R.S. § 32-1-1101(1)(f)(III).

Upon voter authorization from the eligible electors of the subdistrict, the subdistrict may levy taxes on property within its boundaries and incur debt. C.R.S. § 32-1-1101(1.5)(d). Taxes levied by the subdistrict are in addition to any other taxes imposed by the special district. Id. The Subdistrict may finance its activities from the proceeds of general obligation bonds issued by the subdistrict, and repay debt from legally available revenues of the subdistrict including fees, rates, tolls, charges, and tax revenues. Any debt issued by the subdistrict is treated separately from the debt of the special district and is not treated as debt of the special district. C.R.S. § 32-1-1101(1)(f)(III). However, the total debt of the special district and all subdistricts cannot exceed any debt limits set forth in the special district’s service plan. Id.

In addition, the subdistrict may establish, via resolution, a water activity enterprise (“Enterprise”), which may be used for pursuing and financing water activities, such as the construction, operation, repair and replacement of water or wastewater facilities. C.R.S. § 37-45.1-103(1). The Board of the subdistrict is also the board of the Enterprise. C.R.S. § 37-45.1-103(3). The Enterprise may finance its activities from the proceeds of revenue bonds, notes, or other obligations issued by the Enterprise and payable from the revenues derived or to be derived from the function, service, benefits, or facility or the combined functions, services, benefits, or facilities of the Enterprise or from any other available funds of the Enterprise, including fees, rates, tolls and other charges imposed by the Enterprise on the property within the subdistrict. C.R.S. § 37-45.1-104(2), C.R.S. The Enterprise may also contract with Colorado Water Conservation Board, the Colorado Water Resources and Power Development Authority, or any other governmental source of funding for loans, grants or other financial assistance related to water activity enterprise functions. C.R.S. § 37-45.1-106(1).

## Appendix B

RWSD/City of Aurora 150 IGA

**INTERGOVERNMENTAL AGREEMENT FOR SUPPLY OF UP TO 150 ACRE-FEET OF WATER BETWEEN 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 for the supply of up to 150 acre-feet of raw water ("150 IGA") is executed this 15<sup>th</sup> day of OCTOBER, 2014, by and between the Roxborough Water and Sanitation District (previously known as Roxborough Park Metropolitan District), acting by and through its Water Enterprise ("District" or "Roxborough"), and the City of Aurora, acting by and through its Utility Enterprise ("Aurora"), jointly ("Parties"). The Execution Date of this 150 IGA, is the date inserted above. 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 January 1, 2015.

**WITNESSETH**

WHEREAS, the Parties have previously entered into various agreements concerning water and water supply and as a result of the performance thereof, the Parties have determined that it is in their best interest to enter into the following agreement; and

WHEREAS, this 150 IGA is entered into pursuant to C.R.S. 29-1-201 *et seq.* with each of the Parties a Political Subdivision in the State 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 through its Utility Enterprise; and

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 and 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 leasing of water and infrastructure to be used within a regional water supply project in forming the Water, Infrastructure and Supply Efficiency Partnership, which Agreement acknowledges that Aurora and Roxborough may conduct other discussions and conclude other agreements; and

WHEREAS, Douglas County has established a water activity enterprise to assist in facilitating development of renewable water in that County for the propose of reducing its inhabitants dependence on nonrenewable groundwater supplies; and

WHEREAS, Roxborough wishes to use the water it may obtain under this 150 IGA to help a small discrete portion of Douglas County to assist in alleviating perceived emergency circumstances concerning water supply to certain specific properties identified herein that are proximate to Roxborough known as Plum Valley Heights, Chatfield East, Chatfield Estates, Titan Road Industrial Park, and the areas generally adjacent (collectively referred to herein as the "150 Service Area") which 150 Service Area is specifically described in the attached **Exhibit 2**.

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

1. Term. The primary term of this 150 IGA shall be ninety (90) years from the Effective Date hereof, January 1, 2015, and this 150 IGA shall automatically and continuously renew thereafter for an additional ninety (90) years on the same terms and conditions as contained herein.
2. Time Within Which to Initiate Operations by Payment of the Development and Connection Fee or Otherwise Terminate this 150 IGA. The Parties agree that Roxborough will have until five (5) years following the Effective Date of this 150 IGA, January 1, 2015, in which to initiate operations for up to a total amount of 150 acre-feet of raw water per year from Aurora per the terms described in this 150 IGA. Any such initiation will require the payment of the Development and Connection Fee (described in Paragraph 10 hereinafter) that is required therefor. If Roxborough does not initiate operations by paying the required Development and Connection Fee for a requested portion of the raw water made available by Aurora pursuant to this 150 IGA before the expiration of the aforesaid five (5) year period (i.e. midnight on December 31, 2020), then its rights to receive any raw water hereunder shall expire and this 150 IGA shall be null and void. Any decision by Roxborough to initiate operations by paying the Development and Connection Fee for any requested amount of raw water shall be pursuant to the notice provisions hereinafter set forth. Any portion of the raw water that may be available to Roxborough pursuant to this 150 IGA for which operations are not initiated by the payment of the required Development and Connection Fee within the five (5) year period shall not be available to Roxborough following such five (5) year period. The Parties however acknowledge that upon timely payment of the Development and Connection Fee within the five (5) year period, the actual physical delivery of the water for that portion so paid may commence at any time in the future (either within or beyond the five (5) year period) as may be convenient and agreed upon by the Parties.
3. Total Water Delivery, Location of Use and Rate of Delivery. Aurora agrees to deliver raw water to Roxborough pursuant to the terms and conditions set forth in this 150 IGA. Roxborough acknowledges and agrees that only up to a total of 150 acre-feet of raw water per year will be delivered by Aurora to Roxborough and the only parties that may receive this water by or through Roxborough are those parties whose property both 1) lies within the boundaries of the 150 Service Area, which area is within Douglas County, Colorado, and 2) is included within Roxborough's district boundaries. The amount of raw water supplied to Roxborough pursuant to this 150 IGA by Aurora will be limited for all time to a maximum of 150 acre-feet per year, provided the full rate of such raw water delivery in combination with

the flow rate of any water delivered pursuant to any other agreement between Roxborough and Aurora does not exceed 6 MGD. Roxborough further agrees that raw water supplied by Aurora pursuant to this 150 IGA is supplied exclusively for use only within the 150 Service Area as set forth on **Exhibit 2**. No additional land may be included within the boundaries of the 150 Service Area. The total raw water delivery by Aurora pursuant to this 150 IGA shall never exceed 150 acre-feet per year and this maximum 150 acre-foot annual cap on deliveries applies in all circumstances regardless of any need or excess demand by Roxborough or the 150 Service Area.

4. Water Quality. Aurora makes no representation or warranty as to the quality of water delivered under this 150 IGA; provided that any raw water delivered under this 150 IGA is deliverable at the South Platte River above the Chatfield Reservoir.
5. Declaration of Restrictions. This 150 IGA contemplates the furnishing of raw 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 or future 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 150 IGA including the 150 Service Area. 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 Aurora Water Management Plan, which is adopted from time to time by Aurora's City Council. The Aurora Water Management 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 Aurora Water Management Plan and those modifications may result in more stringent restrictions.
6. No Reuse of Delivered Water. It is agreed that all raw water provided to Roxborough by Aurora pursuant to this 150 IGA will be treated as single-use only by Roxborough and/ or the 150 Service Area. Any and all rights for successive use, re-use, and use to extinction are reserved by Aurora. If Aurora pursuant to this 150 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 use by the 150 Service Area. Further Roxborough agrees that as a condition of water service to the 150 Service Area the property owners will be required to provide reasonable access to their property as may be required for Aurora to obtain this reusable water if said reusable water can be reasonably recovered. In no instance shall Roxborough, including the 150 Service Area, be allowed multiple use of any raw water supplied under this 150 IGA.
7. Delivery. Aurora agrees to deliver to the District, on the terms and conditions herein contained, up to the maximum specified amount of raw water to a tap that is currently located within the Roxborough Water Treatment Plant site and to a tap currently located at a location near the existing Rampart Reservoir, from which the District may serve the 150 Service Area. Aurora will maintain raw water meters at these taps within existing vaults or facilities that have been

or will be supplied by the District. Aurora will continue to maintain these meters and Aurora shall have permanent access to such vaults or facilities and meters.

8. Payment Rate. It is agreed that the initial rate to be paid by Roxborough to Aurora will be \$3.77 per 1,000 gallons of raw water delivered to the aforementioned meter by Aurora. This rate is based upon the 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 Effective Date of this 150 IGA, January 1, 2015, 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 execution of this 150 IGA will be the 2010 baseline of \$3.77 per thousand gallons. The District will be notified of such increase no later than December 15 and any increases will take effect on January 1 of the year immediately following.
9. Billing. Aurora shall read the meters described in Paragraph 7 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 of billing.
10. Development and Connection Fee. Upon the date Roxborough notifies Aurora pursuant to Paragraph 2 hereinabove that it wishes to begin taking raw water deliveries under this 150 IGA, the District will pay Aurora a Development and Connection Fee. Per the terms of this 150 IGA, Roxborough may not pay the Development and Connection Fee prior to January 1, 2015. Aurora will provide to Roxborough by December 15, 2014, the amount for this Development and Connection Fee on a per residential equivalent unit ("REU") basis; this amount will not exceed \$9,855.00 per each REU to be served within the boundaries of the 150 Service Area. The amount of the Development and Connection Fee will escalate in subsequent years by the cumulative percentage increases in the City of Aurora's water fund development fee during that time between Aurora's December 15, 2014, initial notification of the amount of the Development and Connection Fee and the subsequent periodic initiation of operations by payment of the Development and Connection Fee by Roxborough. The Parties agree there will be a maximum of three hundred sixteen (316) REUs at full build-out of the 150 Service Area. For every year after the year 2015, the District will report to Aurora all additional REUs developed in the 150 Service Area that year, on or before February 1 of the following year. The District will pay the Development and Connection Fee, on or before March 1 of such year, for each additional REU up to the maximum build-out number of three hundred sixteen (316) at the then applicable rate as adjusted for any additional increases in the City of Aurora's water fund development fee since Aurora's December 15, 2014, initial notification of the amount for the Development and Connection Fee. Regardless of the number of REUs existing at any particular time, the additional Development and Connection Fee for the build-out maximum of three hundred sixteen (316) REUs must be paid to Aurora in total if in any year Aurora delivers a total 150 acre-feet per year of raw water to Roxborough pursuant to this 150 IGA. 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. Regardless of the number of actual REUs connected to the District's system within the 150 Service Area, the District shall only be permitted to pay the applicable Development and Connection Fee for up to three hundred

sixteen (300) REUs and only during the five (5) year period following January 1, 2015, as described in Paragraph 2 hereinabove.

11. Notice. For purposes of notice pursuant to this 150 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:            Director of Water Resources  
City of Aurora  
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.

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

13. 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 150 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 150 IGA by means of any water carriage facilities or existing or future infrastructure. No provision of this 150 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.

14. Amendments. Amendments to this 150 IGA shall only be effective if entered into with the same formality as this 150 IGA.

15. Venue and Governing Law. The forum for resolution of any dispute resulting in litigation regarding this 150 IGA shall be the District Court for the County of Arapahoe. This 150 IGA shall be governed by and construed under the laws of the State of Colorado.

16. Waiver of Rights. The failure of either party to exercise any right under this 150 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 150 IGA.

17. Headings and Captions. The headings and captions in this 150 IGA are for convenience of reference only, are not part of this 150 IGA and shall not define or limit any of the terms or provisions hereof.

18. Failure to Perform Due to Force Majeure. Subject to the terms and conditions in this Paragraph, no party to this 150 IGA shall be liable for any delay or failure to perform under this 150 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 150 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, (f) 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.
19. Enforcement. This 150 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.
20. Defense Against Third Parties. In the event of litigation by any third party concerning this 150 IGA, and to the extent permitted by law, the Parties agree to jointly defend any such third party action.
21. No Third Party Beneficiaries. Except as otherwise explicitly provided for herein, there are no third party beneficiaries of this 150 IGA. No third party, including the 150 Service Area or property owners therein has any right to enforce this 150 IGA.
22. Sole Obligation of Utility Enterprise.
1. This 150 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.

2. In the event of a default by Aurora's Utility Enterprise of any of its obligations under this 150 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 150 IGA shall be construed as creating a lien upon any revenues of the Utility Enterprise or the City of Aurora.

3. Aurora represents that this 150 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.

23. No Transfer of Ownership. Except as specifically stated herein nothing in this 150 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.

24. Binding Agreement. This 150 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.

25. Entire Agreement. This 150 IGA represents the entire agreement of the Parties and neither party has relied upon any fact or representation not expressly set forth herein.

26. Multiple Originals. This 150 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.

27. Non-severability and Affect of Invalidity. Each provision of this 150 IGA is intertwined with and integral to the others and is not severable from the others. If any portion of this 150 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.

28. No Attorney's Fees and Costs. In the event of any litigation arising out of this 150 IGA, the Parties agree that each will be responsible for their own attorney's fees and costs associated with any such legal action.

29. Joint Draft. The Parties agree they drafted this 150 IGA jointly with each having the advice of legal counsel and an equal opportunity to contribute to its content. Therefore, this 150 IGA shall not be construed for or against a party on the basis of authorship.

30. Intent of 150 IGA. This 150 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.

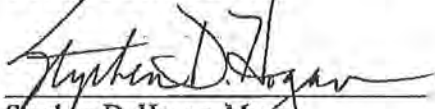
31. Non-Business Days. If any date for any action under this 150 IGA falls on a Saturday, Sunday or a day that is a "holiday" as such term is defined in Rule 6 of the Colorado Rules of Civil Procedure, then the relevant date shall be extended automatically until the next business day.

32. Prohibition on Sale or Transfer. During this 150 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, including those within the 150 Service Area will not be considered a violation of this prohibition.

33. No Amendments of Any Previous Agreements. This 150 IGA and nothing herein amends or modifies any previous agreement, contract or intergovernmental agreement between these parties, including but not limited to any agreements, contract or intergovernmental agreements mentioned or described herein and that 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 with Execution Date of December 20, 2010.


IN WITNESS WHEREOF, the Parties hereby have hereunto placed their hands and seals on the dates written below.

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

  
Stephen D. Hogan, Mayor

10-6-14  
Date

ATTEST:

  
Janice Napper, City Clerk

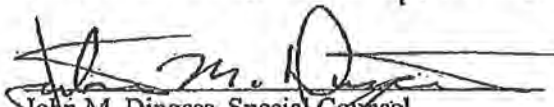
10-6-14  
Date

APPROVED AS TO FORM FOR AURORA:

  
Christine McKenney, Assistant City Attorney

7/30/2014  
Date

14031842  
ACS#

  
John M. Dingess, Special Counsel

July 30, 2014  
Date

STATE OF COLORADO     )  
                                          ) ss  
COUNTY OF ARAPAHOE    )

The foregoing instrument was acknowledged before me this 6<sup>th</sup> day of October 2014, by Stephen D. Hogan, Mayor acting on behalf of the Utility Enterprise of the City of Aurora, Colorado.

Witness my hand and official seal.

My commission expires: 04/20/2016

  
Notary Public

JEAN M. RUSSELL  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20004011854  
MY COMMISSION EXPIRES 04/20/2016

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

David Bane  
David Bane, President

10/15/14  
Date

Attest:  
David H. Thomas  
Tim Moore, Secretary  
DAVE THOMAS, VICE-PRESIDENT

10/15/14  
Date

APPROVED AS TO FORM FOR ROXBOROUGH:

Alan D. Pogue  
Alan D. Pogue, General Counsel

15 OCTOBER 2014  
Date

STATE OF COLORADO     )  
                                      ) ss  
COUNTY OF DOUGLAS    )

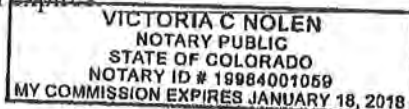
The foregoing instrument was acknowledged before me this 15th day of October, 2014, by David Bane, President, and attested to by Tim Moore, as Secretary, acting on behalf of the Roxborough Water and Sanitation District acting by and through its Water Activity Enterprise.

Witness my hand and official seal.

Victoria C. Nolen  
Notary Public

vice-president

My commission expires:



(SEAL)

Exhibit 1

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

Exhibit 2

Description (not depiction) of 150 Service Area Property

## Appendix C

### Alternative 2 Cost Estimates

**Plum Valley Heights Subdistrict  
Alternative 2 - Basic Service**

**Summary of Project Costs  
From Service Study Cost Estimate 7/7/2014**

***SHARED INFRASTRUCTURE***

<b>Description</b>	<b>Project Cost</b>
Transmission Main	\$ 2,566,500
Water Storage Tank	\$ 1,755,600
<b>Total</b>	<b>\$ 4,322,100</b>

***INTERNAL INFRASTRUCTURE***

<b>Description</b>	<b>Project Cost</b>
Chatfield Acres	\$ 658,500
Chatfield East	\$ 1,902,000
TRIP	\$ 662,100
Plum Valley Heights	\$ 769,761
<b>Total</b>	<b>\$ 3,992,361</b>

***ENGINEERING / ADMINISTRATIVE FEES***

<b>Description</b>	<b>Project Cost</b>
Shared Infrastructure	\$ 531,000
Chatfield Acres	\$ 101,000
Chatfield East	\$ 292,000
TRIP	\$ 101,000
Plum Valley Heights	\$ 119,000
<b>Total</b>	<b>\$ 1,144,000</b>

***RWSD FEES***

<b>Description</b>	<b>Project Cost</b>
Chatfield Acres	\$ 483,750
Chatfield East	\$ 1,107,250
TRIP	\$ 795,500
Plum Valley Heights	\$ 311,750
<b>Total</b>	<b>\$ 2,698,250</b>

***WATER SUPPLY***

<b>Description</b>	<b>Project Cost</b>
Chatfield Acres	\$ 443,475
Chatfield East	\$ 1,015,065
TRIP	\$ 729,270
Plum Valley Heights	\$ 285,795
<b>Total</b>	<b>\$ 2,473,605</b>

***TOTALS***

<b>Description</b>	<b>Project Cost</b>
Shared Infrastructure	\$ 4,322,100
Internal Infrastructure	\$ 3,992,361
Financing and Election	\$ 330,000
Engineering Fees	\$ 1,144,000
RWSD Fees	\$ 2,698,250
Water Supply	\$ 2,473,605
<b>Total</b>	<b>\$ 14,960,316</b>

Plum Valley Heights Subdistrict  
Alternative 2 - Basic Service

Detailed Project Costs  
From Service Study Cost Estimate 7/7/2014

Shared Infrastructure

Description	Quantity	Units	Unit Price	Cost
<b>Transmission Main from RWSD WTP</b>				
6-inch Pipeline	20,000	lf	\$ 65	\$ 1,300,000
Railroad Bore	150	lf	\$ 390	\$ 58,500
Highway 85 Bore	300	lf	\$ 390	\$ 117,000
Plum Creek Crossing	600	lf	\$ 130	\$ 78,000
Construction Subtotal				\$ 1,553,500
Contingency (25%)				\$ 389,000
<b>Transmission Main from RWSD WTP Construction Total</b>				<b>\$ 1,942,500</b>
Easements / Land Acquisition	600,000	sf	\$ 1.04	\$ 624,000
<b>Transmission Main from RWSD WTP Total</b>				<b>\$ 2,566,500</b>
<b>Water Storage Tank</b>				
260,000 gallon buried concrete water storage tank	260,000	gal	\$ 4	\$ 1,134,000
6-inch pipeline from tank to Dist. System	3,000	lf	\$ 65	\$ 195,000
Construction Subtotal				\$ 1,329,000
Contingency (25%)				\$ 333,000
<b>Water Storage Tank Construction Total</b>				<b>\$ 1,662,000</b>
Easements / Land Acquisition	90,000	sf	\$ 1.04	\$ 93,600
<b>Water Storage Tank Total</b>				<b>\$ 1,755,600</b>
Design & Construction Inspection Engineering	14.7	%		\$ 531,000
<b>Shared Infrastructure Engineering Total</b>				<b>\$ 531,000</b>
<b>Shared Infrastructure Total</b>				<b>\$ 4,853,100</b>
<b>Internal Infrastructure</b>				
<b>Chatfield Acres Internal Infrastructure</b>				
8,100 LF of 6-inch plus appurtenances*	1	ls	\$ 526,500	\$ 526,500
Construction Subtotal				\$ 526,500
Contingency (25%)				\$ 132,000
<b>Chatfield Acres Internal Infrastructure Construction Total</b>				<b>\$ 658,500</b>
Design & Construction Inspection Engineering	15.3	%		\$ 101,000
<b>Chatfield Acres Internal Infrastructure Engineering Total</b>				<b>\$ 101,000</b>
<b>Chatfield Acres Internal Infrastructure Total</b>				<b>\$ 759,500</b>
<b>Chatfield East Internal Infrastructure</b>				
23,400 LF of 6-inch plus appurtenances*	1	ls	\$ 1,521,000	\$ 1,521,000
Construction Subtotal				\$ 1,521,000
Contingency (25%)				\$ 381,000
<b>Chatfield East Internal Infrastructure Construction Total</b>				<b>\$ 1,902,000</b>
Design & Construction Inspection Engineering	15.4	%		\$ 292,000
<b>Chatfield East Internal Infrastructure Engineering Total</b>				<b>\$ 292,000</b>
<b>Chatfield East Internal Infrastructure Total</b>				<b>\$ 2,194,000</b>

\* K/J 2013 Report quantity of piping used and the pricing for 8-inch to 6-inch was adjusted.

<b>Titan Road Industrial Park Internal Infrastructure</b>						
6" Pipes	2,000	lf	\$	65	\$	130,000
PRV Vault	2	ea	\$	32,500	\$	65,000
8" Valves	10	ea	\$	6,500	\$	65,000
Fire Hydrant Replacement	7	ea	\$	7,800	\$	54,600
Meter /Service Lines	33	ea	\$	6,500	\$	214,500
Construction Subtotal					\$	529,100
Contingency (25%)					\$	133,000
<b>Titan Road Industrial Park Internal Infrastructure Construction Total</b>						<b>\$ 662,100</b>
Design & Construction Inspection Engineering	15.3	%			\$	101,000
<b>Titan Road Industrial Park Internal Infrastructure Engineering Total</b>						<b>\$ 101,000</b>
<b>Titan Road Industrial Park Internal Infrastructure Total</b>						<b>\$ 763,100</b>
<b>Plum Valley Heights Internal Infrastructure (Using Modified Cost and Quantities from Mulhern MRE Report from Aug 2012)</b>						
Pothole Maintenance	10	ea	\$	415	\$	4,147
4" PVC (C900 Class 150, DR 18) w/ bedding, backfill, etc.	8000	lf	\$	59	\$	468,000
4" Valve w/ epoxy coating, bedding, etc. (PVH S. Trail Rd.)	20	ea	\$	1,463	\$	29,250
Tie into existing 16" line at RWSD WTP	1	ea	\$	10,400	\$	10,400
2" Air Relief Valve	1	ea	\$	2,981	\$	2,981
2" Blowoff assembly	1	ea	\$	2,981	\$	2,981
12x8" Tee w/ Epoxy Coating	2	ea	\$	1,105	\$	2,210
6" 45 degree bend w/ Epoxy Coating	17	ea	\$	520	\$	8,840
6" 11.25 degree bend with Epoxy Coating	9	ea	\$	520	\$	4,680
Street Cut and Repair (15% of PVH Roads)	330	ton	\$	130	\$	42,900
Vehicle Construction Entrance	2	ea	\$	3,250	\$	6,500
Stabilized Staging Area	2500	sy	\$	3.3	\$	8,125
Silt Fence	4624	lf	\$	2.0	\$	9,017
Reinforced Rock Berm	250	lf	\$	26	\$	6,500
Concrete Washout Area	2	ea	\$	715	\$	1,430
Street Maintenance	1.5	lm	\$	5,200	\$	7,800
Construction Subtotal					\$	615,761
Contingency (25%)					\$	154,000
<b>Plum Valley Heights Internal Infrastructure Construction Total</b>						<b>\$ 769,761</b>
Design & Construction Inspection Engineering	15.5	%			\$	119,000
<b>Plum Valley Heights Internal Infrastructure Engineering Total</b>						<b>\$ 119,000</b>
<b>Plum Valley Heights Internal Infrastructure Total</b>						<b>\$ 888,761</b>

**RWSD Fees**

Description	Quantity	Units	Unit Price	Cost
<b>Chatfield Acres Fees</b>				
Inclusion Fee (RWSD)	45	EQR	\$ 3,200	\$ 144,000
RWSD System Development Charge*	45	EQR	\$ 5,900	\$ 265,500
Water Cost**	45	EQR	\$ -	\$ -
Permit Fee	45	EQR	\$ 1,650	\$ 74,250
<b>Chatfield Acres Fees Total</b>				<b>\$ 483,750</b>
<b>Chatfield East Fees</b>				
Inclusion Fee (RWSD)	103	EQR	\$ 3,200	\$ 329,600
RWSD System Development Charge*	103	EQR	\$ 5,900	\$ 607,700
Water Cost**	103	EQR	\$ -	\$ -
Permit Fee	103	EQR	\$ 1,650	\$ 169,950
<b>Chatfield East Fees Total</b>				<b>\$ 1,107,250</b>
<b>Titan Road Industrial Park Fees</b>				
Inclusion Fee (RWSD)	74	EQR	\$ 3,200	\$ 236,800
RWSD System Development Charge*	74	EQR	\$ 5,900	\$ 436,600
Water Cost**	74	EQR	\$ -	\$ -
Permit Fee	74	EQR	\$ 1,650	\$ 122,100
<b>Titan Road Industrial Park Fees Total</b>				<b>\$ 795,500</b>
<b>Plum Valley Heights Fees</b>				
Inclusion Fee (RWSD)	29	EQR	\$ 3,200	\$ 92,800
RWSD System Development Charge*	29	EQR	\$ 5,900	\$ 171,100
Water Cost**	29	EQR	\$ -	\$ -
Permit Fee	29	EQR	\$ 1,650	\$ 47,850
<b>Plum Valley Heights Fees Total</b>				<b>\$ 311,750</b>
<b>RWSD FEES TOTAL</b>				<b>\$ 2,698,250</b>

\*Note: Use of RWSD System Limited to WTP only.

\*\*Note: Assumes costs associated with water supply paid by Douglas County

**Water Supply Costs**

Description	Quantity	Units	Unit Price	Cost
<b>Chatfield Acres</b>				
Water Supply	45	EQR	\$ 9,855	\$ 443,475
<b>Chatfield Acres Water Supply Cost Total</b>				<b>\$ 443,475</b>
<b>Chatfield East</b>				
Water Supply	103	EQR	\$ 9,855	\$ 1,015,065
<b>Chatfield East Water Supply Cost Total</b>				<b>\$ 1,015,065</b>
<b>Titan Road Industrial Park</b>				
Water Supply	74	EQR	\$ 9,855	\$ 729,270
<b>Titan Road Industrial Park Water Supply Total</b>				<b>\$ 729,270</b>
<b>Plum Valley Heights</b>				
Water Supply	29	EQR	\$ 9,855	\$ 285,795
<b>Plum Valley Heights Water Supply Total</b>				<b>\$ 285,795</b>
<b>WATER SUPPLY TOTAL</b>				<b>\$ 2,473,605</b>

References:

Chatfield East/Chatfield Acres Internal Infrastructure data from "Chatfield Acres and Chatfield East Subdivisions: Water System Study" (2012, Kennedy-Jenks)

Plum Valley Heights Internal Infrastructure data from "Northwest Douglas County Rural Water Alternatives" (2012, Mulhern MRE, Inc.)

Titan Road Industrial Complex data from "Titan Road Industrial Park Water System Study" (2000, Carroll & Lange, Inc.)

## Appendix D

### Alternative 3 Cost Estimates

**Plum Valley Heights Subdistrict  
Alternative 3 - Extended Service**

**Summary of Project Costs  
From Service Study Cost Estimate 06/06/14**

**SHARED INFRASTRUCTURE**

<b>Description</b>	<b>Project Cost</b>
Transmission Main from RWSD WTP	\$ 3,137,000
Transmission Main : Southern Loop	\$ 5,202,000
Water Storage Tank	\$ 3,372,000
<b>Total</b>	<b>\$ 11,711,000</b>

**INTERNAL INFRASTRUCTURE**

<b>Description</b>	<b>Project Cost</b>
Chatfield Acres	\$ 632,980
Chatfield East	\$ 1,619,620
TRIP	\$ 597,000
Plum Valley Heights	\$ 347,288
<b>Total</b>	<b>\$ 3,196,888</b>

**ENGINEERING / ADMINISTRATIVE FEES**

<b>Description</b>	<b>Project Cost</b>
Shared Infrastructure	\$ 2,088,000
Chatfield Acres	\$ 127,000
Chatfield East	\$ 324,000
TRIP	\$ 120,000
Plum Valley Heights	\$ 69,000
<b>Total</b>	<b>\$ 2,728,000</b>

**RWSD FEES**

<b>Description</b>	<b>Project Cost</b>
Chatfield Acres	\$ 483,750
Chatfield East	\$ 1,107,250
TRIP	\$ 795,500
Plum Valley Heights	\$ 311,750
Future Customers	\$ 3,429,250
<b>Total</b>	<b>\$ 6,127,500</b>

**WATER SUPPLY**

<b>Description</b>	<b>Project Cost</b>
Chatfield Acres	\$ 443,475
Chatfield East	\$ 1,015,065
TRIP	\$ 729,270
Plum Valley Heights	\$ 285,795
Future Customers	\$ 3,143,745
<b>Total</b>	<b>\$ 5,617,350</b>

**TOTALS**

<b>Description</b>	<b>Project Cost</b>
Shared Infrastructure	\$ 11,711,000
Internal Infrastructure	\$ 3,196,888
Engineering Fees	\$ 2,728,000
RWSD Fees	\$ 6,127,500
Water Supply	\$ 5,617,350
<b>Total</b>	<b>\$ 29,380,738</b>

Plum Valley Heights Subdistrict  
Alternative 3 - Extended Service

Detailed Project Costs  
From Service Study Cost Estimate 06/06/14

Shared Infrastructure

Description	Quantity	Units	Unit Price	Cost
<b>Transmission Main from RWSD WTP</b>				
12-inch Pipeline from PVH to Chatfields	14,000	lf	\$ 110	\$ 1,540,000
6-inch Pipeline from RWSD WTP to PVH	6,000	lf	\$ 50	\$ 300,000
Railroad Bore	150	lf	\$ 500	\$ 75,000
Highway 85 Bore	300	lf	\$ 500	\$ 150,000
Plum Creek Crossing	600	lf	\$ 100	\$ 60,000
Construction Subtotal				\$ 2,125,000
Contingency (25%)				\$ 532,000
<b>Transmission Main from RWSD WTP Construction Total</b>				<b>\$ 2,657,000</b>
Easements / Land Acquisition	600,000	sf	\$ 0.80	\$ 480,000
<b>Transmission Main from RWSD WTP Total</b>				<b>\$ 3,137,000</b>
<b>Transmission Main - Southern Loop</b>				
12-inch Pipeline Southern Loop	30,000	lf	\$ 110	\$ 3,300,000
Railroad Bore	150	lf	\$ 500	\$ 75,000
Highway 85 Bore	300	lf	\$ 500	\$ 150,000
Plum Creek Crossing	600	lf	\$ 100	\$ 60,000
Construction Subtotal				\$ 3,585,000
Contingency (25%)				\$ 897,000
<b>Transmission Main - Southern Loop Construction Total</b>				<b>\$ 4,482,000</b>
Easements / Land Acquisition	900,000	sf	\$ 0.80	\$ 720,000
<b>Transmission Main - Southern Loop Total</b>				<b>\$ 5,202,000</b>
<b>Water Storage Tank</b>				
770,000 gallon buried concrete water storage tank	770,000	tank	\$ 3	\$ 2,310,000
12-inch pipeline from tank to Dist. System	3,000	lf	\$ 110	\$ 330,000
Construction Subtotal				\$ 2,640,000
Contingency (25%)				\$ 660,000
<b>Water Storage Tank Construction Total</b>				<b>\$ 3,300,000</b>
Easements / Land Acquisition	90,000	sf	\$ 0.80	\$ 72,000
<b>Water Storage Tank Total</b>				<b>\$ 3,372,000</b>
Design & Construction Inspection Engineering	19.1	%		\$ 2,088,000
<b>Shared Infrastructure Engineering Total</b>				<b>\$ 2,088,000</b>
<b>Shared Infrastructure Grand Total</b>				<b>\$ 13,799,000</b>
<b>Internal Infrastructure</b>				
Description	Quantity	Units	Unit Price	Cost
<b>Chatfield Acres Internal Infrastructure</b>				
8,100 LF of 8-inch plus appurtenances	1	ls	\$ 505,980	\$ 505,980
Construction Subtotal				\$ 505,980
Contingency (25%)				\$ 127,000
<b>Chatfield Acres Internal Infrastructure Construction Total</b>				<b>\$ 632,980</b>
Design & Construction Inspection Engineering	20.1	%		\$ 127,000
<b>Chatfield Acres Internal Infrastructure Engineering Total</b>				<b>\$ 127,000</b>
<b>Chatfield Acres Internal Infrastructure Total</b>				<b>\$ 759,980</b>
<b>Chatfield East Internal Infrastructure</b>				
23,400 LF of 8-inch plus appurtenances	1	ls	\$ 1,295,620	\$ 1,295,620
Construction Subtotal				\$ 1,295,620
Contingency (25%)				\$ 324,000
<b>Chatfield East Internal Infrastructure Construction Total</b>				<b>\$ 1,619,620</b>
Design & Construction Inspection Engineering	20	%		\$ 324,000
<b>Chatfield East Internal Infrastructure Engineering Total</b>				<b>\$ 324,000</b>
<b>Chatfield East Internal Infrastructure Total</b>				<b>\$ 1,943,620</b>

<b>Titan Road Industrial Park Internal Infrastructure</b>						
8" Pipes	2,000	lf	\$	85	\$	170,000
PRV Vault	2	ea	\$	25,000	\$	50,000
8" Valves	10	ea	\$	5,000	\$	50,000
Fire Hydrant Replacement	7	ea	\$	6,000	\$	42,000
Meter /Service Lines	33	ea	\$	5,000	\$	165,000
Construction Subtotal					\$	477,000
Contingency (25%)					\$	120,000
<b>Titan Road Industrial Park Internal Infrastructure Construction Total</b>						<b>\$ 597,000</b>
Design & Construction Inspection Engineering	20.1	%			\$	120,000
<b>Titan Road Industrial Park Internal Infrastructure Engineering Total</b>						<b>\$ 120,000</b>
<b>Titan Road Industrial Park Internal Infrastructure Total</b>						<b>\$ 717,000</b>
<b>Plum Valley Heights Internal Infrastructure (Using Cost and Quantities from Mulhern MRE Report from Aug 2012)</b>						
Pothole Maintenance	10	ea	\$	319	\$	3,190
4" PVC (C900 Class 150, DR 18) w/ bedding, backfill, etc.	8000	lf	\$	20	\$	160,000
4" Valve w/ epoxy coating, bedding, etc. (PVH S. Trail Rd.)	20	ea	\$	750	\$	15,000
Tie into existing 16" line at RWSD WTP	1	ea	\$	8,000	\$	8,000
3/4" Service Taps (up to 100' LF)	29	ea	\$	750	\$	21,750
2" Air Relief Valve	1	ea	\$	2,293	\$	2,293
2" Blowoff assembly	1	ea	\$	2,293	\$	2,293
12x8" Tee w/ Epoxy Coating	2	ea	\$	300	\$	600
6" 45 degree bend w/ Epoxy Coating	17	ea	\$	225	\$	3,825
6" 11.25 degree bend with Epoxy Coating	9	ea	\$	225	\$	2,025
Street Cut and Repair (15% of PVH Roads)	330	ton	\$	85	\$	28,050
Vehicle Construction Entrance	2	ea	\$	2,488	\$	4,976
Stabilized Staging Area	2500	sy	\$	2.5	\$	6,250
Silt Fence	4624	lf	\$	1.5	\$	6,936
Reinforced Rock Berm	250	lf	\$	20	\$	5,000
Concrete Washout Area	2	ea	\$	550	\$	1,100
Street Maintenance	1.5	lm	\$	4,000	\$	6,000
Construction Subtotal					\$	277,288
Contingency (25%)					\$	70,000
<b>Plum Valley Heights Internal Infrastructure Construction Total</b>						<b>\$ 347,288</b>
Design & Construction Inspection Engineering	19.9	%			\$	69,000
<b>Plum Valley Heights Internal Infrastructure Engineering Total</b>						<b>\$ 69,000</b>
<b>Project Phase Grand Total</b>						<b>\$ 416,288</b>

**RWSD Fees**

Description	Quantity	Units	Unit Price	Cost
<b>Titan Road Industrial Park Fees</b>				
Inclusion Fee (RWSD)	45	EQR	\$ 3,200	\$ 144,000
RWSD System Development Charge*	45	EQR	\$ 5,900	\$ 265,500
Water Cost**	45	EQR	\$ -	\$ -
Permit Fee	45	EQR	\$ 1,650	\$ 74,250
<b>Titan Road Industrial Park Fees Total</b>				<b>\$ 483,750</b>
<b>Chatfield East Fees</b>				
Inclusion Fee (RWSD)	103	EQR	\$ 3,200	\$ 329,600
RWSD System Development Charge*	103	EQR	\$ 5,900	\$ 607,700
Water Cost**	103	EQR	\$ -	\$ -
Permit Fee	103	EQR	\$ 1,650	\$ 169,950
<b>Chatfield East Fees Total</b>				<b>\$ 1,107,250</b>
<b>Titan Road Industrial Park Fees</b>				
Inclusion Fee (RWSD)	74	EQR	\$ 3,200	\$ 236,800
RWSD System Development Charge*	74	EQR	\$ 5,900	\$ 436,600
Water Cost**	74	EQR	\$ -	\$ -
Permit Fee	74	EQR	\$ 1,650	\$ 122,100
<b>Titan Road Industrial Park Fees Total</b>				<b>\$ 795,500</b>
<b>Plum Valley Heights Fees</b>				
Inclusion Fee (RWSD)	29	EQR	\$ 3,200	\$ 92,800
RWSD System Development Charge*	29	EQR	\$ 5,900	\$ 171,100
Water Cost**	29	EQR	\$ -	\$ -
Permit Fee	29	EQR	\$ 1,650	\$ 47,850
<b>Plum Valley Heights Fees Total</b>				<b>\$ 311,750</b>
<b>Future Customers Fees</b>				
Inclusion Fee (RWSD)	319	EQR	\$ 3,200	\$ 1,020,800
RWSD System Development Charge*	319	EQR	\$ 5,900	\$ 1,882,100
Water Cost**	319	EQR	\$ -	\$ -
Permit Fee	319	EQR	\$ 1,650	\$ 526,350
<b>Future Customers Fees Total</b>				<b>\$ 3,429,250</b>
<b>TOTAL</b>				<b>\$ 6,127,500</b>

\*Note: Use of RWSD System Limited to WTP only.

\*\*Note: Assumes costs associated with water supply paid by Douglas County

**Water Supply Costs**

Description	Quantity	Units	Unit Price	Cost
<b>Chatfield Acres</b>				
Water Supply	45	EQR	\$ 9,855	\$ 443,475
<b>Chatfield Acres Water Supply Cost Total</b>				<b>\$ 443,475</b>
<b>Chatfield East</b>				
Water Supply	103	EQR	\$ 9,855	\$ 1,015,065
<b>Chatfield East Water Supply Cost Total</b>				<b>\$ 1,015,065</b>
<b>Titan Road Industrial Park</b>				
Water Supply	74	EQR	\$ 9,855	\$ 729,270
<b>Titan Road Industrial Park Water Supply Total Total</b>				<b>\$ 729,270</b>
<b>Plum Valley Heights</b>				
Water Supply	29	EQR	\$ 9,855	\$ 285,795
<b>Plum Valley Heights Water Supply Total</b>				<b>\$ 285,795</b>
<b>Future Customers</b>				
Water Supply	319	EQR	\$ 9,855	\$ 3,143,745
<b>Future Customers Water Supply Cost Total</b>				<b>\$ 3,143,745</b>
<b>TOTAL</b>				<b>\$ 5,617,350</b>

**References:**

Chatfield East/Chatfield Acres Internal Infrastructure data from "Chatfield Acres and Chatfield East Subdivisions: Water System Study" (2012, Kennedy-Jenks)

Plum Valley Heights Internal Infrastructure data from "Northwest Douglas County Rural Water Alternatives" (2012, Mulhern MRE, Inc.)

Titan Road Industrial Complex data from "Titan Road Industrial Park Water System Study" (2000, Carroll & Lange, Inc.)

## Appendix E

### Cash Flow Projections

Plum Valley Heights Subdistrict of the Roxborough Water and Sanitation District  
Estimated Cash Flow 2014-2036

Estimated Revenue	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Total
PVHSD Grant			50,000																					50,000
RWSD Transfer of Funds	50,000																							50,000
Loan Financing Fees (DC)	50,000	250,000																						300,000
Douglas County Costs Advanced			1,688,411	1,688,411																				3,376,822
Tap Fees PVHSD				2,219,869	1,687,100	1,664,902																		5,571,871
Inclusion Fees PVHSD			125,500																					125,500
CWCB Loan Proceeds PVHSD			2,226,245																					2,226,245
CWPDRA Loan Proceeds PVHSD			5,200,000																					5,200,000
Douglas County Engineering Subsidy	70,000	574,000	250,000	250,000																				1,144,000
Property Taxes PVHSD				380,952	384,762	388,609	392,495	396,420	400,384	404,388	408,432	412,516	416,642	420,808	425,016	429,266	433,559	437,895	442,273	446,696	451,163	455,675	460,232	8,388,184
PVHSD Surcharge			188,250	225,900	228,159	230,441	232,745	235,072	237,423	239,797	242,195	244,617	247,064	249,534	252,029	254,550	257,095	259,666	262,263	264,886	267,534	204,564	204,564	5,028,349
Total Estimated Revenue	170,000	824,000	9,728,406	4,765,132	2,300,021	2,283,952	625,240	631,493	637,808	644,186	650,627	657,134	663,705	670,342	677,046	683,816	690,654	697,561	704,536	711,582	718,698	660,239	664,796	31,460,971
Estimated Expenses																								
Douglas County Tap Fees				1,464,869	1,113,300	1,098,652																		3,676,821
RWSD Fees			125,500	755,000	573,800	566,250																		2,020,550
Loan Financing Fees	50,000	250,000																						300,000
Engineering Fees	70,000	574,000	250,000	250,000																				1,144,000
Election Costs	30,000																							30,000
Water Supply			1,236,803	1,236,802																				2,473,605
PVHSD Construction Project			4,157,231	4,157,231																				8,314,462
CWPDRA PVHSD Debt Service				380,952	380,952	380,952	380,952	380,952	380,952	380,952	380,952	380,952	380,952	380,952	380,952	380,952	380,952	380,952	380,952	380,952	380,952	380,952	380,952	7,619,040
CWCB- PVHSD Debt Service				133,272	133,272	133,272	133,272	133,272	133,272	133,272	133,272	133,272	133,272	133,272	133,272	133,272	133,272	133,272	133,272	133,272	133,272	133,272	133,272	2,665,440
Total Estimated Expenses	150,000	824,000	5,769,534	8,378,126	2,201,324	2,179,126	514,224	514,224	514,224	514,224	514,224	514,224	514,224	514,224	514,224	514,224	514,224	514,224	514,224	514,224	514,224	514,224	514,224	28,243,918
Estimated Annual Cash Flow	20,000	0	3,958,872	-3,612,994	98,697	104,826	111,016	117,269	123,584	129,962	136,403	142,910	149,481	156,118	162,822	169,592	176,430	183,337	190,312	197,358	204,474	146,015	150,572	3,217,053
Cumulative	20,000	20,000	3,978,872	365,878	464,575	569,400	680,416	797,685	921,269	1,051,230	1,187,634	1,330,544	1,480,025	1,636,143	1,798,964	1,968,556	2,144,987	2,328,323	2,518,636	2,715,993	2,920,467	3,066,482	3,217,053	

## Appendix F

RWSD/Douglas County Water Treatment IGA

**INTERGOVERNMENTAL AGREEMENT FOR WATER TREATMENT SERVICES  
BETWEEN ROXBOROUGH WATER AND SANITATION DISTRICT AND THE  
BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF DOUGLAS**

THIS INTERGOVERNMENTAL AGREEMENT FOR WATER TREATMENT SERVICES ("IGA") is made and entered into this 26<sup>th</sup> day of August, 2014, by and between Roxborough Water and Sanitation District, a quasi-municipal and political subdivision of the State of Colorado ("RWSD"), and the Board of County Commissioners of the County of Douglas, a body politic organized under and existing by virtue of the laws of the State of Colorado (the "County"), collectively, the "Parties."

**Definitions**

The following terms, when used in this IGA, shall have the meaning set forth below:

**150 IGA:** That certain proposed intergovernmental agreement for the acquisition of up to 150 acre-feet of water between RWSD, acting by and through its Water Activity Enterprise, and Aurora, acting by and through its Utility Enterprise, to provide RWSD additional water supplies to serve the 150 IGA Area. The 150 IGA is anticipated to be approved and executed no later than October 20, 2014.

**150 IGA Area:** The existing developments of Plum Valley Heights, Titan Road Industrial Park, Chatfield East, and Chatfield Acres in addition to those areas in the general vicinity of such existing developments, as more particularly depicted on **Exhibit A**, attached hereto and incorporated herein.

**Actual Project Cost:** The actual and final total cost of completing the Project.

**Contract Amount:** The amount of the contract for the construction of the Project, as awarded and executed by the RWSD Board. The Contract Amount may be adjusted by the approval of change orders, the costs of which shall be addressed as provided in Paragraph 3.4.1.

**County's Estimated Project Cost:** The County's share of the Project Cost, which amount is estimated to be \$4,820,822.

**County's Maximum Project Cost:** The maximum amount to be paid by the County for the County's share of the Actual Project Cost, which amount shall not exceed \$5,000,000, unless otherwise increased upon the agreement of the Parties.

**County Tap Fee:** The fee imposed by the County and collected by RWSD at the time the property owner in the Project Area connects his or her property to the Project, as further described in Paragraph 3.6.3 hereof.

**Court:** The District Court in and for Douglas County, Colorado.

**Election:** The election to be held on November 4, 2014, at which the eligible electors of Inclusion Area shall vote on the questions of inclusion, as described in Paragraph 4.1 hereof, and the eligible electors of Project Area shall vote on certain ballot issues, as described in Paragraph 4.2 hereof.

**Escrow:** The escrow account into which the County shall deposit all amounts required by this IGA at the times set forth herein. The escrow will be administered by a third party agent acceptable to the Parties.

**Estimated Project Cost:** The total estimated cost to complete the Project as contemplated by this IGA, which amount is estimated to be \$14,960,316.

**Fire Flow:** The capacity in a water system necessary to deliver water at a pressure and flow rate adequate for fire suppression.

**Inclusion Area:** The existing developments of Titan Road Industrial Park, Chatfield East, and Chatfield Acres.

**Inclusion Effective Date:** The date the order for inclusion of the Inclusion Area into RWSD and the PVH Subdistrict is recorded with the Douglas County Clerk and Recorder as provided in Paragraph 4.4 hereof.

**Inclusion Order:** An order of the Court to include the Inclusion Area into RWSD and the PVH Subdistrict.

**Project:** The design, installation and construction of water infrastructure and facilities to connect the Project Area to RWSD's municipal water system, together with the acquisition of raw water supply sufficient for RWSD to provide treated water service to the Project Area. The Project generally includes the acquisition of up to 150 acre-feet of raw water pursuant to the 150 IGA, and a main water distribution line extension, storage facility, internal water distribution lines (not including service lines to individual homes or structures), and all related and necessary appurtenances.

**Project Area:** The existing developments of Plum Valley Heights, Titan Road Industrial Park, Chatfield East, and Chatfield Acres, as depicted on **Exhibit A**.

**Project Cost:** Costs associated with the Project as further defined in Paragraph 3.1.

**PVH Area:** That portion of the Plum Valley Heights subdivision, located in northwestern Douglas County, which was included into the boundaries of RWSD pursuant to the PVH Order for Inclusion.

**PVH Board of Directors:** The Board of Directors for the PVH Subdistrict.

***PVH Order for Inclusion:*** That certain Order of the District Court in and for Douglas County, Colorado for the inclusion of the PVH Area into the boundaries of RWSD, as recorded in the Douglas County Clerk and Recorder's Office on March 15, 2013 at Reception No. 2013021272.

***PVH Subdistrict:*** The Plum Valley Heights Subdistrict of the Roxborough Water and Sanitation District.

***RWSD Board:*** The Board of Directors for Roxborough Water and Sanitation District.

***RWSD's Estimated Project Cost:*** RWSD's share of the Project Cost, which amount is estimated to be \$10,139,494.

***Special District Act:*** Part 1 of Title 32 of the Colorado Revised Statutes.

***Water Supply IGA:*** That certain Intergovernmental Agreement for Water Supply, dated December 20, 2010, entered into between RWSD and the City of Aurora ("Aurora") pursuant to which Aurora agreed to provide a permanent water supply to RWSD, subject to the specific terms, conditions, and limitations contained therein.

### **1. Recitals**

WHEREAS, RWSD is a quasi-municipal corporation and political subdivision of the State of Colorado formed and organized pursuant to the Special District Act; and

WHEREAS, the County is a body corporate and politic of the State of Colorado and subject to Title 30, C.R.S.; and

WHEREAS, pursuant to the Colorado Constitution, Article XIV, Section 18(2)(a) and Section 29-1-203, C.R.S., local governments may cooperate or contract with each other to provide any function, service or facility lawfully authorized to each, and any such contract may provide for the sharing of costs, the imposition of taxes, and the incurring of debt notwithstanding any provision of law limiting the length of the financial contracts or obligations of government; and

WHEREAS, RWSD is authorized, pursuant to its service plan and the Special District Act, to provide treated water services to customers located both within and outside of its boundaries; and

WHEREAS, the County is authorized pursuant to Sections 30-20-402(1)(a) and (b), C.R.S., to construct, improve, and extend water facilities and operate and maintain the same; and

WHEREAS, RWSD and the City of Aurora entered into that certain Water Supply IGA, pursuant to which Aurora agreed to provide a permanent water supply to RWSD, subject to the specific terms, conditions, and limitations contained therein; and

WHEREAS, RWSD and the County have been collectively working on a plan to provide a renewable treated water supply to certain areas located in northwest Douglas County; and

WHEREAS, the County and RWSD have determined that RWSD could provide water service to the Project Area upon satisfaction of certain conditions; and

WHEREAS, RWSD does not have a sufficient water supply to provide treated water service to the Project Area from the water supply provided pursuant to the Water Supply IGA; and

WHEREAS, Aurora and RWSD, with input from the County, have determined that Aurora is able to assist RWSD and the County in providing service to the 150 IGA Area by making additional raw water supplies available to RWSD and the County pursuant to the 150 IGA; and

WHEREAS, the PVH Area was included into the boundaries of RWSD pursuant to the PVH Order for Inclusion; and

WHEREAS, on August 13, 2013, via Resolution No. 13-08-03, as recorded in the Douglas County Clerk and Recorder's Office on August 22, 2013 at Reception No. 2013070670, the RWSD Board approved the formation of the PVH Subdistrict, which includes the PVH Area, for purposes of financing and constructing necessary public improvements to connect the PVH Area to RWSD's municipal water system and to fund ongoing operations and maintenance of those public improvements; and

WHEREAS, the Parties believe that the most effective and efficient means to connect the Project Area to RWSD's municipal water system and for RWSD to provide treated water to the Project Area is to include the existing developments of Chatfield East, Chatfield Acres, and Titan Road Industrial Park into the boundaries of RWSD and the PVH Subdistrict; and

WHEREAS, including the Inclusion Area into the boundaries of RWSD and the PVH Subdistrict will permit the properties within the Project Area to share in the overall costs associated with acquisition of raw water and the installation and construction of the public infrastructure to connect the Project Area to RWSD's municipal water system and for RWSD to supply treated water to the Project Area; and

WHEREAS, RWSD does not currently have sufficient funds to pay for the costs associated with the acquisition of raw water pursuant to the 150 IGA and the construction and installation of infrastructure to connect the Project Area to the RWSD's municipal water system and to provide treated water service to the Project Area; and

WHEREAS, the Parties have engaged in negotiations associated with the financing, construction, operations, and maintenance of the Project, and desire to enter into this IGA to set forth the commitments and responsibilities of the Parties related to the financing, construction, operations, and maintenance of the Project.

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

## **2. Design and Construction of the Project; 150 IGA**

2.1 RWSD will be solely responsible for the design and construction of the Project, subject to the terms and conditions set forth in this IGA. Following the completion of design, RWSD will advertise for public bids or otherwise seek proposals to construct the Project. Commencement of construction of the Project will be contingent upon satisfaction of all conditions set forth in Paragraph 4.3 hereof. The County has determined that the provision of Fire Flow to the Project Area would be cost prohibitive to the inhabitants of the Project Area. Therefore, RWSD and the County acknowledge and agree that the Project will not be designed to provide Fire Flow initially or at any point in the future to the Project Area.

2.2. RWSD shall make good faith efforts to accomplish the 150 IGA by not later than December 31, 2014.

## **3. Project Cost and Financing**

3.1 RWSD and the County hereby agree to share the Project Cost as set forth in this Part 3 of the IGA. The Parties acknowledge and agree that the Estimated Project Cost is \$14,960,316 based on the following estimated costs:

Project Engineering and Design Cost: <sup>1</sup>	\$1,144,000
Shared Infrastructure Cost: <sup>2</sup>	\$4,322,100
Local Infrastructure Cost: <sup>3</sup>	\$3,992,361
Water Supply Cost: <sup>4</sup>	\$2,473,605
RWSD Water Customer Cost: <sup>5</sup>	\$2,698,250
Financing Fees and Debt Reserve Cost: <sup>6</sup>	\$ 300,000
Election Cost: <sup>7</sup>	\$ 30,000
Estimated Project Cost:	\$14,960,316

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<sup>1</sup> All costs of engineering and designing the Project including construction oversight, materials, testing and analysis, and all costs related thereto.

<sup>2</sup> All costs associated with the main water distribution line extension and storage facility.

<sup>3</sup> All costs associated with the construction of the local water distribution lines (does not include service line extensions to a home or structure).

<sup>4</sup> All costs associated with the acquisition of raw water to serve 251 residential equivalent units pursuant to the 150 IGA.

<sup>5</sup> Costs recovered through Water Customer Fees, including System Development Charge (\$5,900), Permit/Meter Charge (\$1,650) and, Inclusion Fee (\$3,200). All estimates based on current fees and charges and are subject to change by the RWSD Board.

<sup>6</sup> Cost of application and for loans and related fees for loans contemplated herein and reserve requirements related thereto.

<sup>7</sup> The cost of conducting the Election.

3.2 The Estimated Project Cost, based on estimates described in Paragraph 3.1 above, will be allocated, paid, and subsequently recovered, if at all, by and to RWSD and the County as set forth below in Paragraphs 3.2.1 through 3.2.7.

3.2.1 Project Engineering and Design Cost: All Project Engineering and Design Costs shall be paid by the County. The County hereby agrees to deposit \$1,144,000 into the Escrow for payment of such cost on or before January 15, 2015, as further provided in Paragraph 3.3 hereof. RWSD is not responsible for the payment of any portion of the Project Engineering and Design Costs. The County acknowledges that it has no expectation of recovery of any portion of the Project Engineering and Design Costs from revenues generated in the Project Area.

3.2.2 Shared Infrastructure Cost: The Shared Infrastructure Cost shall be the responsibility of RWSD. RWSD expects that the Shared Infrastructure Cost of the Project will be financed through a loan made by the Colorado Water Resources and Power Development Authority to either RWSD or the PVH Subdistrict and that the proceeds from such loan will be received by RWSD or the PVH Subdistrict in May or June 2015.

3.2.3 Local Infrastructure Cost: The Local Infrastructure Cost will be allocated between RWSD and the County as follows:

(i) RWSD shall be responsible for a portion of the Local Infrastructure Cost estimated to be in the amount of \$877,900. RWSD or the PVH Subdistrict expect to pay such costs from a portion of the proceeds of the loan described in 3.2.2 hereof.

(ii) The County shall be responsible for a portion of the Local Infrastructure Cost estimated to be in the amount of \$3,114,461. The County hereby agrees to deposit its estimated share of the Local Infrastructure Cost into the Escrow on or before January 15, 2015, as further provided in Paragraph 3.3 hereof. The County anticipates the recovery of all or a portion of its share of the Local Infrastructure Cost as described in Paragraph 3.6 hereof.

3.2.4 Water Supply Costs: The Water Supply Costs will be allocated between RWSD and the County as follows:

(i) RWSD shall be responsible for a portion of the Water Supply Costs to serve 251 residential equivalent units estimated to be in the amount of \$2,226,244. RWSD expects that the Water Supply Costs of the Project will be financed through a loan made by the Colorado Water Conservation Board to either RWSD or the PVH Subdistrict and that the proceeds from such loan will be received by RWSD or the PVH Subdistrict in the first quarter of 2015. The County shall be responsible for the remaining amount of the Water Supply Costs that is not financed through the loan made by the Colorado Water Conservation Board to either RWSD or the PVH Subdistrict.

(ii) Pursuant to the 150 IGA, up to 150 acre-feet of raw water may be acquired, which would permit service to 316 residential equivalent units. The Parties anticipate approximately 251 residential equivalent units will be located in the Project Area. As a result,

water to service an additional 65 residential equivalent units within the 150 IGA Area may be acquired pursuant to the 150 IGA by separate agreement of the Parties.

3.2.5 Financing Fees and Debt Reserve Cost: All Financing Fees and Debt Reserve Costs of the Project shall be paid by the County. The County shall deposit an amount equal to \$300,000 into the Escrow, as further discussed in Paragraph 3.3 hereof, immediately upon mutual execution of this IGA. RWSD is not responsible for the payment of any portion of any Financing Fees and Debt Reserve Costs. The County anticipates the recovery of all or a portion of the Financing Fees and Debt Reserve Cost as described in Paragraph 3.6 hereof.

3.2.6 Election Costs: Costs associated with the Election shall be allocated between RWSD and the County as follows: The County shall be responsible for the first \$15,000 in Election Costs and RWSD shall be responsible for all Election Costs in excess of \$15,000. In December 2014, RWSD will invoice the County for its portion of Election Costs. The County hereby agrees to remit payment to RWSD within thirty (30) days of receipt of said invoice. The County acknowledges that it has no expectation of recovering any portion of the Election Costs from revenues generated in the Project Area.

3.2.7 RWSD Water Customer Fees: All RWSD Water Customer Fees shall be imposed and collected as provided in RWSD's Rules and Regulations and as described in Paragraph 3.6 hereof.

3.3 As set forth in Paragraph 3.2.5, the County hereby agrees to deposit into the Escrow the amount of \$300,000 in order to pay the Finance Fees and Debt Reserve Costs upon mutual execution of this IGA and an amount equal to the County's Estimated Project Cost, less the \$300,000 deposited to pay the Finance Fees and Debt Reserve Costs, on or before January 15, 2015, as set forth in Paragraphs 3.2.1, 3.2.3, 3.2.4, and 3.2.5 above. The County shall adjust the amount on deposit in the Escrow based on the contract bids tabulated for the Project, as set forth in Paragraph 3.4 below, provided that any adjustment shall not cause the County's share of the Actual Project Costs to exceed the County's Maximum Project Cost. RWSD shall draw amounts from the Escrow as needed to pay invoices for the Project as such invoices become due. Prior to the withdrawal of any amounts from the Escrow, RWSD shall provide copies of invoices and contractor pay applications to the County for review and a statement with regard to the amount RWSD intends to withdraw from the Escrow. The County may not object to any withdrawals made by RWSD, provided that RWSD has provided copies of all invoices to the County as set forth in this Paragraph 3.3 and such invoices are related to the Project consistent with this IGA.

3.4 The Parties acknowledge and agree that the Project Cost set forth in Paragraph 3.1 hereof is an estimate only and is subject to change. Upon the tabulation of bids for the construction of the Project, RWSD will advise the County of the bid amounts and the County shall adjust the amount of funds escrowed, pursuant to Paragraph 3.3 hereof, as necessary, provided that any adjustment shall not cause the County's Actual Project Cost to exceed the County's Maximum Project Cost. Provided that: (1) all funds necessary to award the construction contract have been provided and obtained as contemplated herein, and (2) RWSD receives an acceptable responsive bidder as determined by the RWSD Board or the PVH Subdistrict Board, then the RWSD Board

or the PVH Subdistrict Board will determine whether to award a construction contract for the Project and will immediately notify the County of such determination.

3.4.1 In the event adjustments are necessary to the Project Cost due to change orders impacting the Contract Amount, RWSD shall notify the County of such adjustments and the Parties will determine if additional funding of the Escrow is necessary by the County, provided that the County's share of the Project Cost shall not cause the County's Actual Project Cost to exceed the County's Maximum Project Cost.

3.4.2 Following determination of the Actual Project Cost and release of final retainage for final payment on the construction contract for the Project, RWSD will provide the County with a summary of total costs and amounts paid by each party, to determine if each party's payments are consistent with the allocations set forth in this IGA. In the event, following review of such summary, the Parties determine that an adjustment or true-up to the amounts paid by each party is required, provided that any adjustment for the County shall not cause the County's Actual Project Cost to exceed the County's Maximum Project Cost. Such review shall be completed within sixty (60) days of RWSD's delivery of the summary of costs and payments to the County. Any funds remaining on deposit in the Escrow upon completion of the Project shall be released to the County.

3.5 RWSD hereby agrees to work with the County in obtaining a grant from the Colorado Water Conservation Board to assist in the payment of the Project Cost. Any funds received from the successful award of a grant will be applied to the County's share of the Project Cost, which shall reduce the County's overall share of the Project Cost. In the event the County and/or RWSD are successful in obtaining other sources of payment of the Project Cost, such funds will be applied to the County's share of the Project Cost first and the remainder, if any, to RWSD's share of the Project Cost.

3.6 A portion of the Project Cost is anticipated to be recovered by the Parties as follows:

3.6.1 RWSD Inclusion Fee. Each property within the Project Area will be obligated to pay \$500 of the RWSD Inclusion Fee within sixty (60) days of the Inclusion Effective Date. The balance of the RWSD Inclusion Fee due from each property owner in the Project Area, totaling \$2,700 per property, shall be prorated over ten years, including interest, and such pro-rated amounts shall be included in each property's monthly water service bill from RWSD.

3.6.2 RWSD System Development Charge and Permit Fee. The System Development Charge and Permit Fee shall be payable at the time the property owner connects his or her property to the Project, as further described in Paragraph 3.6.6 hereof. The RWSD System Development Charge and Permit Fee shall be payable at the then-current RWSD rates, at the time the property connects to the Project.

3.6.3 County Tap Fee. The County Tap Fee shall be payable at the time the property owner connects his or her property to the Project, as further described in Paragraph 3.6.6 hereof. The County Tap Fee will be established by the County in an amount currently estimated to total

\$14,645 per residential equivalent unit. The County Tap Fee is calculated based on an anticipated 251 residential equivalent units within the Project Area. RWSD will collect the County Tap Fee on the County's behalf and remit the proceeds from the County Tap Fee to the County on a quarterly basis, free of any collection or remittance charges.

3.6.4 Monthly Charges. RWSD or the PVH Subdistrict will impose and collect as part of its monthly water bill a surcharge in an amount adequate to collect the balance of the RWSD Inclusion Fee as described in Paragraph 3.6.1 hereof, and in an amount adequate to make principal and interest payments on the loan from the Colorado Water Conservation Board described in Paragraph 3.2.4(i) hereof. The surcharge described herein will be imposed on each property as further described in Paragraph 3.6.6 hereof. The amount of the surcharge will be determined annually by the RWSD Board or PVH Subdistrict Board, as applicable, and is subject to change from year to year. Based on current estimates, the surcharge is initially anticipated to be \$65 to \$75 per month per residential equivalent unit.

3.6.5 Property Taxes. The PVH Subdistrict will impose a mill levy on each property within the PVH Subdistrict boundary, in an amount adequate to make principal and interest payments on the loan from the Colorado Water Resources and Power Development Authority described in Paragraph 3.2.2 hereof. The amount of the mill levy will be determined annually by the PVH Subdistrict Board and is subject to change from year to year subject to the authority provided by the electors at the Election. Based on current estimates, the mill levy is initially anticipated to be 36 mills. This mill levy will be in addition to any other mill levies imposed by the RWSD Board within the RWSD boundaries. The PVH Subdistrict mill levy will be imposed as further described in Paragraph 3.6.6 hereof.

#### 3.6.6 Timing of Charges and Mill Levy Imposition.

(i) The RWSD System Development Charge and Permit Fee as described in Paragraph 3.6.2 hereof and the County Tap Fee described in Paragraph 3.6.3 hereof, shall be due and payable by each property owner at the time the property owner's property is connected to the Project. All property owners within the Project Area will be required to connect their property to the Project no later than two years following substantial completion of the Project.

(ii) The monthly charges described in Paragraph 3.6.4 hereof shall commence in the month immediately following the Inclusion Effective Date.

(iii) The property taxes described in Paragraph 3.6.5 hereof will be imposed in the year of closing the loan from the Colorado Water Resources and Power Development Authority described in Paragraph 3.2.2 hereof, for collection beginning the immediately following year. By way of example, if the loan closes in May 2015, the mill levy will be imposed by the PVH Subdistrict Board in December 2015 and will be payable by the taxpayers commencing in 2016.

(iv) All fees and charges imposed by RWSD or the PVH Subdistrict shall be immediately secured until paid in full by the statutory lien set forth in Section 32-1-1001(1)(j), C.R.S.

#### **4. Inclusion into RWSD**

4.1 As a condition precedent to construction of the Project, the property within the Inclusion Area must be included into the boundaries of RWSD and the PVH Subdistrict. On September 17, 2014, the RWSD Board shall consider the adoption of a resolution to include the Inclusion Area into the boundaries of RWSD and the PVH Subdistrict. If adopted, the RWSD Board will file its resolution and order with the clerk of Court and, as required by § 32-1-401(2)(d), C.R.S., the Court shall direct that the questions of inclusion of the Inclusion Area within the RWSD and PVH Subdistrict be submitted to the eligible electors of the Inclusion Area together with a summary of any conditions, at the Election.

4.2 In addition to the question of inclusion submitted to the eligible electors of the Inclusion Area at the Election as set forth in Paragraph 4.1 above, ballot issues seeking voter authorization for the PVH Subdistrict to increase debt, increase ad valorem property taxes, and to maintain revenues from the imposition of tap fees and other charges on the property within the Project Area, shall be submitted to the eligible electors of the Project Area at the Election. All ballot questions and ballot issues are required to receive a majority of the votes cast at the Election in order for RWSD to complete the inclusion of the Inclusion Area into RWSD and the PVH Subdistrict. If any ballot question or ballot issue is not approved at the Election, the inclusion of the Inclusion Area shall not be consummated, and this IGA shall immediately terminate; provided, however, the County's obligation for its share of the Election Costs, as set forth in Paragraph 3.2.6, hereof shall survive such termination.

4.3 If the majority of the votes cast at the Election are in favor of the inclusion (as set forth in Paragraph 4.1 hereof) and if the majority of the votes cast at the Election are in favor of the ballot issues (as set forth in Paragraph 4.2 hereof), the Court shall enter an order including the Inclusion Area into RWSD and the PVH Subdistrict. Prior to RWSD recording the Inclusion Order, the following must occur: a) execution of the 150 IGA; b) execution of this IGA; c) deposit by the County of the County's Estimated Project Cost into the Escrow (as set forth in Paragraph 3.3 hereof); d) successful closings of the financings described in Paragraphs 3.2.2 and 3.2.4(i) hereof; and e) the award of a construction contract for the Project by the RWSD Board or the PVH Subdistrict Board.

4.4 When all conditions set forth in Section 4.3 are met, RWSD shall record the Inclusion Area order for inclusion in the office of the Douglas County Clerk and Recorder. The Inclusion Area shall be deemed included into RWSD and the PVH Subdistrict upon the date of recording of the Inclusion Order.

## **5. Water Service**

5.1 RWSD agrees to provide treated domestic water service to the Project Area upon completion of the Project, subject to the terms and conditions of the 150 IGA. Following connection to the Project, and in addition to the charges described in Paragraph 3.6 hereof, property owners in the Project Area will be charged for treated water service at RWSD's then existing rates. Treated water service rates and charges are set by the RWSD Board and adjusted by the RWSD Board as it deems necessary.

## **6. Ownership and Operation of the Project**

6.1 The Project will be owned by RWSD and the County on a pro-rata basis determined by the relative amounts of the Project Cost paid for by each party, as set forth in Paragraph 3 hereof. The County shall transfer its pro-rata ownership in the Project to RWSD upon the recovery by the County of costs paid by the County for Local Infrastructure and Financing Fees and Debt Reserve from County Tap Fees. The County may, in its discretion, transfer its pro-rata ownership of the Project, or any portion thereof, to RWSD at any time prior to the recovery by the County of Local Infrastructure Costs and Financing Fees and Debt Reserve Costs from County Tap Fees; provided, however, that the County shall be obligated to transfer all of its pro-rata ownership of the Project to RWSD no later than the fifth anniversary of the effective date of the 150 IGA.

6.2 Operation of the Project and delivery of treated domestic water to the Project Area will be the sole obligation of RWSD.

6.3 In the event future upgrades, major repairs, or replacements to the Project are mandated by any State, Federal or other law, rule or regulation, RWSD shall be responsible for making such upgrade, repair or replacement.

6.3.1 Prior to the County's transfer of its ownership in the Project to RWSD, the costs of any upgrades, major repairs, or replacements to the Project contemplated by Paragraph 6.3 shall be shared between RWSD and the County based on each party's pro-rata share of ownership in the Project. RWSD will provide the County with plans for any future changes or upgrades to the Project. Nothing in this Paragraph 6.3.1 shall obligate the County for any costs associated with routine repairs to the Project or for any costs associated with routine maintenance or operation of the Project.

6.3.2 Prior to the transfer of the County's pro-rata ownership in the Project to RWSD, the Project shall be the sole responsibility of RWSD, including any and all costs associated with the operation, maintenance, routine repair and replacement of the Project, including all infrastructure necessary for RWSD to deliver treated domestic water to the Project Area. Upon the transfer of the County's pro-rata ownership in the Project to RWSD, all aspects of operating, maintaining, repairing, replacing and upgrading the Project shall be the sole obligation of RWSD and each party shall have no obligation to the other pursuant to this IGA.

## 7. General Provisions

7.1 Term. The term of this IGA shall commence on the date it is mutually executed by the Parties, and shall terminate as set forth in Paragraph 7.18.

7.2 Amendment. Except as otherwise provided herein, this IGA may be modified, amended, changed, or terminated, in whole or in part, only by an agreement in writing duly authorized and executed by both Parties.

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

For RWSD: Roxborough Water and Sanitation District  
Attn: Larry Moore, General Manager  
6222 N Roxborough Park Rd  
Littleton, CO 80125

*With a copy to:* Icenogle Seaver Pogue, P.C.  
Attn: Alan Pogue  
4725 South Monaco Street, Suite 225  
Denver, CO 80237

For the County: County of Douglas:  
Attn: County Manager  
Douglas County  
100 Third Street  
Castle Rock, Colorado 80104

*With a copy to:* County of Douglas  
Attn: County Attorney  
100 Third Street  
Castle Rock, Colorado 80104

All notices, demands, requests or other communications required hereunder shall be in writing and shall be given when given personally or sent by registered or certified mail, return receipt requested, postage prepaid. Either party hereto may designate a new address for purposes of notices sent pursuant to this IGA, which may include an electronic mail address, by giving written notice thereof to the other party as provided herein.

7.4 Assignment. This IGA shall not be assignable by either party unless the other party consents in its sole discretion.

7.5 Successors and Assigns. The terms, conditions, and provisions of this IGA shall be binding upon and inure to the benefit of the Parties hereto and their permitted successors and assigns.

7.6 Governing Law. The terms, conditions, and provisions of this IGA shall be governed by and construed in accordance with the laws of the State of Colorado.

7.7 Failure to Perform Due to Force Majeure. Subject to the terms and conditions of 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 all necessary 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, or tornadoes, (c) sabotage, (d) vandalism beyond that which can be reasonably prevented by the party, (e) terrorism, (f) war, (g) riots, (h) fire, (i) explosion, (j) severe and unusually cold or hot weather, (k) extreme snow, (l) blockades, (m) insurrection, (n) strike, slowdown or other labor disruptions, (o) changes of law relating to financial obligations, revenues and budgetary matters concerning Colorado local governments and their enterprises, (p) actions by federal, state, municipal, county or other government or agency but only if such requirements, actions or failures to act prevent or delay performance, (q) changes in state or federal law or administrative practice concerning water rights administration, water storage, water quality or stream flow requirements that prevent or delay performance, and (r) inability, despite good faith efforts, to obtain required licenses, permits or approval, which prevents or delays performance.

7.8 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.

7.9 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.

7.10 No Third Party Beneficiaries. Unless otherwise explicitly provided for herein, this IGA shall not grant any status or right to any third party, specifically any owner of any property, to make any claim as a third party beneficiary, or for deprivation of any right, violation of any vesting or rights, or inverse or other condemnation. This IGA is for the benefit of the Parties only to resolve issues between the Parties.

7.11 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.

7.12 Counterparts. This IGA may be executed in any number of counterparts, each of which shall be deemed original, but all of which constitute one and the same agreement.

7.13 Non-severability and Effect of Invalidity. Each provision of this IGA is 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.

7.14 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 its own attorney's fees and costs associated with any such legal action.

7.15 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.

7.16 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.

7.17 Non-Business Days. If any date for any action under this IGA falls on a Saturday, Sunday or 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.

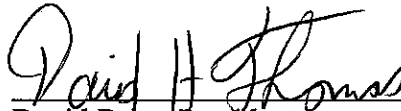
7.18 Termination. This IGA will terminate in the event: (i) the County fails to deposit the appropriate funds in the Escrow by the deadlines set forth in Paragraph 3.3 hereof; (ii) the Election is unsuccessful as set forth in Paragraph 4.2 hereof; (iii) RWSD provides notice to the County by or before August 30, 2015, that RWSD will be unable to close on the loan from the Colorado Water Resources and Power Development Authority and/or the Colorado Water Conservation Board, as set forth in Paragraphs 3.2.2 and 3.2.4(i) hereof; (iv) 150 IGA is not approved and executed by RWSD and Aurora by December 31, 2014; or (v) upon mutual written agreement of the Parties.

7.19 Appropriation. The obligations of each party to the other, described in this IGA, do not constitute multiple year fiscal obligations of either party. As such, this IGA is not to be considered or construed as a multiple year fiscal obligation of either party and any obligations described in this IGA running from one party to the other are subject to annual appropriation by the applicable party's board. The failure of either party to annually appropriate funds owed to the other as required by this IGA shall result in the immediate termination of this IGA. The amount of funds appropriated for this IGA by the County is \$5,000,000. In no event shall the County be liable for payment under this IGA for any amount in excess thereof.

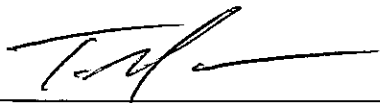
7.20 Recitals. All recitals are incorporated herein.

IN WITNESS WHEREOF, this Intergovernmental Agreement is executed by the Roxborough Water and Sanitation District and the Board of County Commissioners of Douglas County as of the date first above written.


**ROXBOROUGH WATER AND SANITATION DISTRICT**

  
David Bane, President

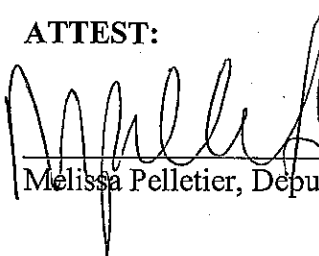
ATTEST:

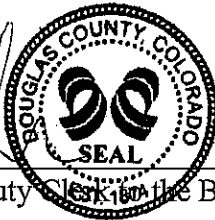
  
Tim Moore, Secretary

**BOARD OF COUNTY COMMISSIONERS OF  
THE COUNTY OF DOUGLAS, COLORADO**


BY:   
Roger Partridge, Chair  
Board of County Commissioners

ATTEST:

  
Melissa Pelletier, Deputy Clerk of the Board



APPROVED AS TO FORM:

  
Kristin Decker, Sr. Asst. County Attorney

APPROVED AS TO FISCAL CONTENT:

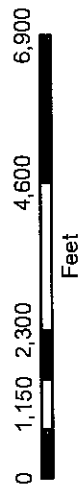
 8/26/14  
Andrew Copland, Director of Finance

# EXHIBIT A - 150 IGA AREA

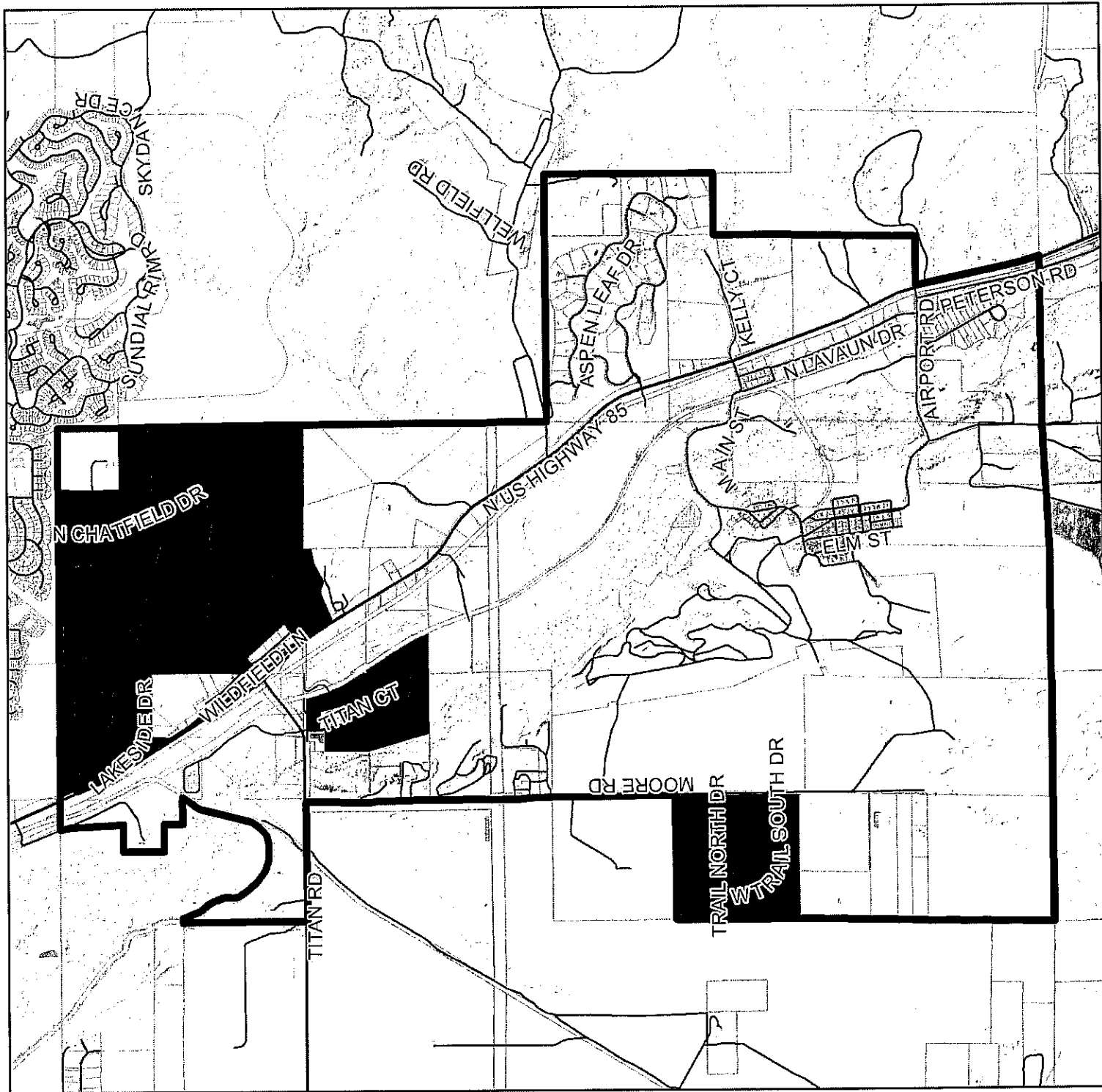


## Legend

- Project Area
- 150 IGA Area
- Roads
- Major Roads
- Other Roads



August 2014  
Douglas County  
Department of  
Community Development



## Appendix G

### PVHSD & RWSD Election Results

**CANVASSERS**  
**ABSTRACT OF RETURNS**  
§1-13.5-1305(1), C.R.S.

For an election held for **Plum Valley Heights Subdistrict of Roxborough Water and Sanitation District** on November 4, 2014.

Ballots counted for and against the ballot issues and ballot questions as follows:

**PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT ISSUE A: OPERATIONS AND MAINTENANCE MILL LEVY**

SHALL PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT TAXES BE INCREASED \$100,000 ANNUALLY (FIRST FULL FISCAL YEAR DOLLAR INCREASE) OR BY SUCH OTHER LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE SUBDISTRICT'S OPERATIONS, MAINTENANCE, AND OTHER EXPENSES, SUCH TAXES TO BE IN ADDITION TO ANY OTHER TAXES IMPOSED BY ROXBOROUGH WATER AND SANITATION DISTRICT, AND SHALL SUCH TAX INCREASE CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE SUBDISTRICT BOARD, AND IN AMOUNTS SUFFICIENT TO GENERATE NOT MORE THAN \$100,000 ANNUALLY TO BE USED FOR THE PURPOSE OF PAYING OPERATIONS, MAINTENANCE, AND OTHER EXPENSES OF THE SUBDISTRICT; AND SHALL THE PROCEEDS OF SUCH TAXES AND ANY INVESTMENT INCOME THEREON BE COLLECTED, RETAINED, AND SPENT BY THE SUBDISTRICT IN FISCAL YEAR 2014 AND IN EACH YEAR THEREAFTER FOR AS LONG AS THE SUBDISTRICT CONTINUES IN EXISTENCE, WITHOUT LIMITATION BY THE REVENUE AND SPENDING LIMITS OF ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION AND WITHOUT REGARD TO THE PROPERTY TAX REVENUE LIMITATION IN SECTION 29-1-301 C.R.S., WHICH GENERALLY PROVIDES THAT THE REVENUES MAY INCREASE BY NO MORE THAN FIVE AND ONE HALF PERCENT ABOVE THE PRECEDING YEARS REVENUE, OR ANY OTHER STATUTORY OR CONSTITUTIONAL PROVISION?

YES

273 / Two Hundred Seventy-Three  
(Numeric & Spelled Out)

NO

53 / Fifty-Three  
(Numeric & Spelled Out)

**PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND  
SANITATION DISTRICT BALLOT ISSUE B: DE-BRUCING**

SHALL PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT BE AUTHORIZED TO COLLECT, RETAIN, AND SPEND THE FULL AMOUNT OF ALL TAXES, TAX INCREMENT REVENUES, TAP FEES, FACILITY FEES, DEVELOPMENT FEES, IMPACT FEES, SERVICE CHARGES, INSPECTION CHARGES, ADMINISTRATIVE CHARGES, GRANTS OR ANY OTHER FEE, RATE, TOLL, PENALTY, OR CHARGE AUTHORIZED BY LAW OR CONTRACT TO BE IMPOSED, COLLECTED OR RECEIVED BY THE SUBDISTRICT DURING FISCAL YEAR 2014 AND EACH FISCAL YEAR THEREAFTER, SUCH AMOUNTS TO CONSTITUTE A VOTER-APPROVED REVENUE CHANGE AND BE COLLECTED, RETAINED, AND SPENT BY THE SUBDISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S. IN ANY SUBSEQUENT YEAR, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE REVENUES OR EXPENDITURES OF THE SUBDISTRICT AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED, AND SPENT BY THE SUBDISTRICT?

YES

272 / Two Hundred Seventy-Two  
(Numeric & Spelled Out)

NO

52 / Fifty-Two  
(Numeric & Spelled Out)

**PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND  
SANITATION DISTRICT BALLOT ISSUE C: WATER**

SHALL PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT DEBT BE INCREASED \$8,500,000 WITH A REPAYMENT COST OF \$14,500,000, AND SHALL PLUM VALLEY HEIGHTS SUBDISTRICT TAXES BE INCREASED \$450,000 ANNUALLY OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, SUCH INCREASED TAXES TO BE IN ADDITION TO ANY OTHER TAXES IMPOSED BY ROXBOROUGH WATER AND SANITATION DISTRICT, FOR THE PURPOSE OF PAYING, LEASING, FINANCING OR REIMBURSING ALL OR ANY PART OF THE COSTS OF ACQUIRING, DESIGNING, INSTALLING, CONSTRUCTING, RELOCATING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE SUBDISTRICT, A POTABLE AND NON-POTABLE WATER SUPPLY, STORAGE, TRANSMISSION AND DISTRIBUTION SYSTEM FOR DOMESTIC AND OTHER PUBLIC AND PRIVATE PURPOSES BY ANY AVAILABLE MEANS, AND TO PROVIDE ALL NECESSARY OR PROPER TREATMENT WORKS AND FACILITIES, EQUIPMENT, AND APPURTENANCES INCIDENT THERETO INCLUDING, BUT NOT

LIMITED TO, WELLS, WATER PUMPS, WATER TANKS, WATER LINES, WATER FEATURES, PURIFICATION PLANTS, PUMP STATIONS, TRANSMISSION LINES, DISTRIBUTION MAINS AND LATERALS, FIRE HYDRANTS, METERS, WATER TAPS, IRRIGATION FACILITIES, CANALS, DITCHES, WATER RIGHTS, FLUMES, PARTIAL FLUMES, HEADGATES, DROP STRUCTURES, STORAGE RESERVOIRS AND FACILITIES TOGETHER WITH ALL NECESSARY, INCIDENTAL AND APPURTENANT FACILITIES, EQUIPMENT, LAND, EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES, AND, AS NECESSARY AND CONVENIENT THEREFOR, THE ACQUISITION OF PROPERTY AND EASEMENTS ACQUIRED BY CONDEMNATION OR OTHERWISE, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE SUBDISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; AND SHALL THE MILL LEVY BE INCREASED IN ANY YEAR, WITHOUT LIMITATION OF RATE AND IN AN AMOUNT SUFFICIENT TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON SUCH DEBT OR ANY REFUNDING DEBT (OR TO CREATE A RESERVE FOR SUCH PAYMENT), SUCH DEBT TO BE EVIDENCED BY THE ISSUANCE OF GENERAL OBLIGATION BONDS, REVENUE BONDS, NOTES, CERTIFICATES, DEBENTURES, OR OTHER MULTIPLE-FISCAL YEAR FINANCIAL OBLIGATIONS INCLUDING, BUT NOT LIMITED TO, LOANS, CONTRACTS, LEASES, AND INTERGOVERNMENTAL AGREEMENTS; SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE, FOR A PRICE ABOVE OR BELOW THE PRINCIPAL AMOUNT OF SUCH SERIES, ON TERMS AND CONDITIONS, AND WITH SUCH MATURITIES AS PERMITTED BY LAW AND AS THE SUBDISTRICT MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE BONDS PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF THE PREMIUM, PROVIDED THAT THE NET EFFECTIVE INTEREST RATE SHALL NOT EXCEED 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY; AND SHALL THE SUBDISTRICT BE AUTHORIZED TO ISSUE DEBT TO REFUND THE DEBT AUTHORIZED IN THIS QUESTION, PROVIDED THAT AFTER THE ISSUANCE OF SUCH REFUNDING DEBT THE TOTAL OUTSTANDING PRINCIPAL AMOUNT OF ALL DEBT ISSUED PURSUANT TO THIS QUESTION DOES NOT EXCEED THE MAXIMUM PRINCIPAL AMOUNT SET FORTH ABOVE, AND PROVIDED FURTHER THAT ALL DEBT ISSUED BY THE SUBDISTRICT PURSUANT TO THIS QUESTION IS ISSUED ON TERMS THAT DO NOT EXCEED THE REPAYMENT COSTS AUTHORIZED IN THIS QUESTION; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON, BE COLLECTED, RETAINED AND SPENT BY THE SUBDISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

YES      272 / Two Hundred Seventy-Two  
(Numeric & Spelled Out)

NO      54 / Fifty-Four  
(Numeric & Spelled Out)

**PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND  
SANITATION DISTRICT BALLOT ISSUE D: REFUNDING BONDS**

SHALL PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT DEBT BE INCREASED \$8,500,000 WITH A REPAYMENT COST OF \$14,500,000 AND SHALL PLUM VALLEY HEIGHTS SUBDISTRICT TAXES BE INCREASED \$450,000 ANNUALLY OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, SUCH INCREASED TAXES TO BE IN ADDITION TO ANY OTHER TAXES IMPOSED BY ROXBOROUGH WATER AND SANITATION DISTRICT, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, FOR THE PURPOSE OF REFUNDING, REFINANCING OR DEFEASING ANY OR ALL OF THE DEBT OF THE SUBDISTRICT, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE SUBDISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; AND SHALL THE MILL LEVY BE INCREASED IN ANY YEAR, WITHOUT LIMITATION OF RATE AND IN AN AMOUNT SUFFICIENT TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON SUCH DEBT OR ANY REFUNDING DEBT (OR TO CREATE A RESERVE FOR SUCH PAYMENT), SUCH DEBT TO BE EVIDENCED BY THE ISSUANCE OF GENERAL OBLIGATION BONDS, REVENUE BONDS, NOTES, CERTIFICATES, DEBENTURES, OR OTHER MULTIPLE-FISCAL YEAR FINANCIAL OBLIGATIONS INCLUDING, BUT NOT LIMITED TO, LOANS, CONTRACTS, LEASES, AND INTERGOVERNMENTAL AGREEMENTS; SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE, FOR A PRICE ABOVE OR BELOW THE PRINCIPAL AMOUNT OF SUCH SERIES, ON TERMS AND CONDITIONS, AND WITH SUCH MATURITIES AS PERMITTED BY LAW AND AS THE SUBDISTRICT MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE BONDS PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF THE PREMIUM, PROVIDED THAT THE NET EFFECTIVE INTEREST RATE SHALL NOT EXCEED 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY; AND SHALL THE SUBDISTRICT BE AUTHORIZED TO ISSUE DEBT TO REFUND THE DEBT AUTHORIZED IN THIS QUESTION, PROVIDED THAT AFTER THE ISSUANCE OF SUCH REFUNDING DEBT THE TOTAL OUTSTANDING PRINCIPAL AMOUNT OF ALL DEBT ISSUED PURSUANT TO THIS QUESTION DOES NOT EXCEED THE MAXIMUM PRINCIPAL AMOUNT SET FORTH ABOVE, AND PROVIDED FURTHER THAT ALL DEBT ISSUED BY THE SUBDISTRICT PURSUANT TO THIS QUESTION IS ISSUED ON TERMS THAT DO NOT EXCEED THE REPAYMENT COSTS AUTHORIZED IN THIS QUESTION; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND

INVESTMENT EARNINGS THEREON, BE COLLECTED, RETAINED AND SPENT BY THE SUBDISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

YES 272 / Two Hundred Seventy-Two  
(Numeric & Spelled Out)

NO 51 / Fifty-One  
(Numeric & Spelled Out)

**PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT ISSUE E: MULTIPLE FISCAL YEAR IGA**

SHALL PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT BE AUTHORIZED TO ENTER INTO ONE OR MORE INTERGOVERNMENTAL AGREEMENTS WITH THE STATE OR ONE OR MORE POLITICAL SUBDIVISIONS OF THE STATE FOR THE PURPOSE OF JOINTLY FINANCING THE COSTS OF ANY PUBLIC IMPROVEMENTS, FACILITIES, SYSTEMS, PROGRAMS, OR PROJECTS WHICH THE SUBDISTRICT MAY LAWFULLY PROVIDE, OR FOR THE PURPOSE OF PROVIDING FOR THE OPERATIONS AND MAINTENANCE OF THE SUBDISTRICT AND ITS FACILITIES AND PROPERTIES, WHICH AGREEMENT MAY CONSTITUTE A MULTIPLE FISCAL YEAR FINANCIAL OBLIGATION OF THE SUBDISTRICT TO THE EXTENT PROVIDED THEREIN AND OTHERWISE AUTHORIZED BY LAW, AND IN CONNECTION THEREWITH SHALL THE SUBDISTRICT BE AUTHORIZED TO MAKE COVENANTS REGARDING THE ESTABLISHMENT AND USE OF AD VALOREM TAXES, RATES, FEES, TOLLS, PENALTIES, AND OTHER CHARGES OR REVENUES OF THE SUBDISTRICT, AND COVENANTS, REPRESENTATIONS, AND WARRANTIES AS TO OTHER MATTERS ARISING UNDER THE AGREEMENTS, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE SUBDISTRICT?

YES 278 / Two Hundred Seventy-Eight  
(Numeric & Spelled Out)

NO 48 / Forty-Eight  
(Numeric & Spelled Out)

By:

Stacie L. Pacheco, Designated Election Official

[Signature], Canvasser

Daniel H. Thomas, Canvasser

Dated: 11/7/2014

**No later than seven days after the election, the canvassers shall survey the returns, issue a certified statement of results, and make out this abstract of votes for each office. The purpose of this canvass is to verify the returns. DO NOT RECOUNT THE BALLOTS.**

**BOARD OF CANVASSERS CERTIFICATE OF ELECTION RESULTS  
FOR THE SPECIAL ELECTION  
HELD NOVEMBER 4, 2014  
§1-13.5-1305(1), C.R.S.**

**PLUM VALLEY HEIGHTS SUBDISTRICT OF  
ROXBOROUGH WATER AND SANITATION DISTRICT**

Each of the undersigned members of the board of canvassers of the District certifies that the following is a true and correct statement of the results of the Special Election for the above-named District, at which time the eligible electors of the District voted as indicated on the attached Judges' Certificate of Election Returns.

Ballots counted for and against the ballot issues as follows:

	YES	NO
Issue A:	<u>273</u>	<u>53</u>
Issue B:	<u>272</u>	<u>52</u>
Issue C:	<u>272</u>	<u>54</u>
Issue D:	<u>272</u>	<u>51</u>
Issue E:	<u>278</u>	<u>48</u>

(Signed) <u>Stacie L. Pacheco</u>	<u>11/7/14</u>
Designated Election Official	Dated
(Signed) <u>[Signature]</u>	<u>11/7/14</u>
Canvasser	Dated
(Signed) <u>David H. Thorne</u>	<u>11/7/2014</u>
Canvasser	Dated

**CONTACT PERSON FOR THE DISTRICT:**

Alan D. Pogue, Esq.  
Icenogle Seaver Pogue, P.C.  
4725 South Monaco Street, Suite 225  
Denver, Colorado 80202  
(303) 292-9100

Prepare and Certificate of Election and deposit one copy with the Clerk and Recorder of each county in which the special district is located. This must be available for public inspection in the office of the Designated Election Official.

**Send one copy of this certificate to:**

**Division of Local Government  
1313 Sherman Street, Room 521  
Denver, CO 80203**

**Provide a list of all current directors to the division, including addresses, within 45 days after the election.**

**(Attach copy of Judges' Certificate of Election Returns)**

**FOR PLUM VALLEY HEIGHTS SUBDISTRICT OF  
ROXBOROUGH WATER AND SANITATION DISTRICT**

**That the votes cast for and against the ballot questions and ballot issues submitted were as follows:**

**PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND  
SANITATION DISTRICT BALLOT ISSUE A: OPERATIONS AND MAINTENANCE MILL  
LEVY**

SHALL PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT TAXES BE INCREASED \$100,000 ANNUALLY (FIRST FULL FISCAL YEAR DOLLAR INCREASE) OR BY SUCH OTHER LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE SUBDISTRICT'S OPERATIONS, MAINTENANCE, AND OTHER EXPENSES, SUCH TAXES TO BE IN ADDITION TO ANY OTHER TAXES IMPOSED BY ROXBOROUGH WATER AND SANITATION DISTRICT, AND SHALL SUCH TAX INCREASE CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE SUBDISTRICT BOARD, AND IN AMOUNTS SUFFICIENT TO GENERATE NOT MORE THAN \$100,000 ANNUALLY TO BE USED FOR THE PURPOSE OF PAYING OPERATIONS, MAINTENANCE, AND OTHER EXPENSES OF THE SUBDISTRICT; AND SHALL THE PROCEEDS OF SUCH TAXES AND ANY INVESTMENT INCOME THEREON BE COLLECTED, RETAINED, AND SPENT BY THE SUBDISTRICT IN FISCAL YEAR 2014 AND IN EACH YEAR THEREAFTER FOR AS LONG AS THE SUBDISTRICT CONTINUES IN EXISTENCE, WITHOUT LIMITATION BY THE REVENUE AND SPENDING LIMITS OF ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION AND WITHOUT REGARD TO THE PROPERTY TAX REVENUE LIMITATION IN SECTION 29-1-301 C.R.S., WHICH GENERALLY PROVIDES THAT THE REVENUES MAY INCREASE BY NO MORE THAN FIVE AND ONE HALF PERCENT ABOVE THE PRECEDING YEARS REVENUE, OR ANY OTHER STATUTORY OR CONSTITUTIONAL PROVISION?

YES 273 / Two Hundred Seventy-Three  
(Numeric & Spelled Out)

NO <sup>500</sup>  
~~272~~ 53 / Fifty-Three  
(Numeric & Spelled Out)

**PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND  
SANITATION DISTRICT BALLOT ISSUE B: DE-BRUCING**

SHALL PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT BE AUTHORIZED TO COLLECT, RETAIN, AND SPEND THE FULL AMOUNT OF ALL TAXES, TAX INCREMENT REVENUES, TAP FEES, FACILITY FEES, DEVELOPMENT FEES, IMPACT FEES, SERVICE CHARGES, INSPECTION CHARGES, ADMINISTRATIVE CHARGES, GRANTS OR ANY OTHER FEE, RATE, TOLL, PENALTY, OR CHARGE AUTHORIZED BY LAW OR CONTRACT TO BE IMPOSED, COLLECTED OR RECEIVED BY THE SUBDISTRICT DURING FISCAL YEAR 2014 AND EACH FISCAL YEAR THEREAFTER, SUCH AMOUNTS TO CONSTITUTE A VOTER-APPROVED REVENUE CHANGE AND BE COLLECTED, RETAINED, AND SPENT BY THE SUBDISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S. IN ANY SUBSEQUENT YEAR, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE REVENUES OR EXPENDITURES OF THE SUBDISTRICT AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED, AND SPENT BY THE SUBDISTRICT?

YES 272 / Two Hundred Seventy-Two  
(Numeric & Spelled Out)

NO 52 / Fifty-Two  
(Numeric & Spelled Out)

**PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND  
SANITATION DISTRICT BALLOT ISSUE C: WATER**

SHALL PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT DEBT BE INCREASED \$8,500,000 WITH A REPAYMENT COST OF \$14,500,000, AND SHALL PLUM VALLEY HEIGHTS SUBDISTRICT TAXES BE INCREASED \$450,000 ANNUALLY OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, SUCH INCREASED TAXES TO BE IN ADDITION TO ANY OTHER TAXES IMPOSED BY ROXBOROUGH WATER AND SANITATION DISTRICT, FOR THE PURPOSE OF PAYING, LEASING, FINANCING OR REIMBURSING ALL OR ANY PART OF THE COSTS OF ACQUIRING, DESIGNING, INSTALLING, CONSTRUCTING, RELOCATING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE SUBDISTRICT, A POTABLE AND NON-POTABLE WATER SUPPLY, STORAGE, TRANSMISSION AND DISTRIBUTION SYSTEM FOR DOMESTIC AND OTHER PUBLIC AND PRIVATE PURPOSES BY ANY AVAILABLE MEANS, AND TO PROVIDE ALL NECESSARY OR PROPER TREATMENT WORKS AND FACILITIES, EQUIPMENT, AND APPURTENANCES INCIDENT THERETO INCLUDING, BUT NOT LIMITED TO, WELLS, WATER PUMPS, WATER TANKS, WATER LINES, WATER FEATURES, PURIFICATION PLANTS, PUMP STATIONS, TRANSMISSION LINES, DISTRIBUTION MAINS AND LATERALS, FIRE HYDRANTS, METERS, WATER TAPS, IRRIGATION FACILITIES, CANALS, DITCHES, WATER RIGHTS, FLUMES, PARTIAL FLUMES, HEADGATES, DROP STRUCTURES, STORAGE RESERVOIRS AND FACILITIES TOGETHER

WITH ALL NECESSARY, INCIDENTAL AND APPURTENANT FACILITIES, EQUIPMENT, LAND, EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES, AND, AS NECESSARY AND CONVENIENT THEREFOR, THE ACQUISITION OF PROPERTY AND EASEMENTS ACQUIRED BY CONDEMNATION OR OTHERWISE, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE SUBDISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; AND SHALL THE MILL LEVY BE INCREASED IN ANY YEAR, WITHOUT LIMITATION OF RATE AND IN AN AMOUNT SUFFICIENT TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON SUCH DEBT OR ANY REFUNDING DEBT (OR TO CREATE A RESERVE FOR SUCH PAYMENT), SUCH DEBT TO BE EVIDENCED BY THE ISSUANCE OF GENERAL OBLIGATION BONDS, REVENUE BONDS, NOTES, CERTIFICATES, DEBENTURES, OR OTHER MULTIPLE-FISCAL YEAR FINANCIAL OBLIGATIONS INCLUDING, BUT NOT LIMITED TO, LOANS, CONTRACTS, LEASES, AND INTERGOVERNMENTAL AGREEMENTS; SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE, FOR A PRICE ABOVE OR BELOW THE PRINCIPAL AMOUNT OF SUCH SERIES, ON TERMS AND CONDITIONS, AND WITH SUCH MATURITIES AS PERMITTED BY LAW AND AS THE SUBDISTRICT MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE BONDS PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF THE PREMIUM, PROVIDED THAT THE NET EFFECTIVE INTEREST RATE SHALL NOT EXCEED 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY; AND SHALL THE SUBDISTRICT BE AUTHORIZED TO ISSUE DEBT TO REFUND THE DEBT AUTHORIZED IN THIS QUESTION, PROVIDED THAT AFTER THE ISSUANCE OF SUCH REFUNDING DEBT THE TOTAL OUTSTANDING PRINCIPAL AMOUNT OF ALL DEBT ISSUED PURSUANT TO THIS QUESTION DOES NOT EXCEED THE MAXIMUM PRINCIPAL AMOUNT SET FORTH ABOVE, AND PROVIDED FURTHER THAT ALL DEBT ISSUED BY THE SUBDISTRICT PURSUANT TO THIS QUESTION IS ISSUED ON TERMS THAT DO NOT EXCEED THE REPAYMENT COSTS AUTHORIZED IN THIS QUESTION; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON, BE COLLECTED, RETAINED AND SPENT BY THE SUBDISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

YES 272 / Two Hundred Seventy-Two  
(Numeric & Spelled Out)

NO 54 / Fifty-Four  
(Numeric & Spelled Out)

**PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT ISSUE D: REFUNDING BONDS**

SHALL PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT DEBT BE INCREASED \$8,500,000 WITH A REPAYMENT COST OF \$14,500,000 AND SHALL PLUM VALLEY HEIGHTS SUBDISTRICT TAXES BE INCREASED \$450,000 ANNUALLY OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, SUCH INCREASED TAXES TO BE IN ADDITION TO ANY OTHER TAXES IMPOSED BY ROXBOROUGH WATER AND SANITATION DISTRICT, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER

THAN THE INTEREST RATE ON THE REFUNDED DEBT, FOR THE PURPOSE OF REFUNDING, REFINANCING OR DEFEASING ANY OR ALL OF THE DEBT OF THE SUBDISTRICT, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE SUBDISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; AND SHALL THE MILL LEVY BE INCREASED IN ANY YEAR, WITHOUT LIMITATION OF RATE AND IN AN AMOUNT SUFFICIENT TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON SUCH DEBT OR ANY REFUNDING DEBT (OR TO CREATE A RESERVE FOR SUCH PAYMENT), SUCH DEBT TO BE EVIDENCED BY THE ISSUANCE OF GENERAL OBLIGATION BONDS, REVENUE BONDS, NOTES, CERTIFICATES, DEBENTURES, OR OTHER MULTIPLE-FISCAL YEAR FINANCIAL OBLIGATIONS INCLUDING, BUT NOT LIMITED TO, LOANS, CONTRACTS, LEASES, AND INTERGOVERNMENTAL AGREEMENTS; SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE, FOR A PRICE ABOVE OR BELOW THE PRINCIPAL AMOUNT OF SUCH SERIES, ON TERMS AND CONDITIONS, AND WITH SUCH MATURITIES AS PERMITTED BY LAW AND AS THE SUBDISTRICT MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE BONDS PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF THE PREMIUM, PROVIDED THAT THE NET EFFECTIVE INTEREST RATE SHALL NOT EXCEED 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY; AND SHALL THE SUBDISTRICT BE AUTHORIZED TO ISSUE DEBT TO REFUND THE DEBT AUTHORIZED IN THIS QUESTION, PROVIDED THAT AFTER THE ISSUANCE OF SUCH REFUNDING DEBT THE TOTAL OUTSTANDING PRINCIPAL AMOUNT OF ALL DEBT ISSUED PURSUANT TO THIS QUESTION DOES NOT EXCEED THE MAXIMUM PRINCIPAL AMOUNT SET FORTH ABOVE, AND PROVIDED FURTHER THAT ALL DEBT ISSUED BY THE SUBDISTRICT PURSUANT TO THIS QUESTION IS ISSUED ON TERMS THAT DO NOT EXCEED THE REPAYMENT COSTS AUTHORIZED IN THIS QUESTION; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON, BE COLLECTED, RETAINED AND SPENT BY THE SUBDISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

YES 272 / Two Hundred Seventy-Two  
(Numeric & Spelled Out)

NO 51 / Fifty-One  
(Numeric & Spelled Out)

**PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT ISSUE E: MULTIPLE FISCAL YEAR IGA**

SHALL PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT BE AUTHORIZED TO ENTER INTO ONE OR MORE INTERGOVERNMENTAL AGREEMENTS WITH THE STATE OR ONE OR MORE POLITICAL SUBDIVISIONS OF THE STATE FOR THE PURPOSE OF JOINTLY FINANCING THE COSTS OF ANY PUBLIC IMPROVEMENTS, FACILITIES, SYSTEMS, PROGRAMS, OR PROJECTS WHICH THE SUBDISTRICT MAY LAWFULLY PROVIDE, OR FOR THE PURPOSE OF PROVIDING FOR THE OPERATIONS AND MAINTENANCE OF THE SUBDISTRICT AND ITS FACILITIES AND PROPERTIES, WHICH AGREEMENT MAY CONSTITUTE A MULTIPLE FISCAL YEAR FINANCIAL OBLIGATION OF THE SUBDISTRICT TO THE EXTENT PROVIDED THEREIN AND

OTHERWISE AUTHORIZED BY LAW, AND IN CONNECTION THEREWITH SHALL THE SUBDISTRICT BE AUTHORIZED TO MAKE COVENANTS REGARDING THE ESTABLISHMENT AND USE OF AD VALOREM TAXES, RATES, FEES, TOLLS, PENALTIES, AND OTHER CHARGES OR REVENUES OF THE SUBDISTRICT, AND COVENANTS, REPRESENTATIONS, AND WARRANTIES AS TO OTHER MATTERS ARISING UNDER THE AGREEMENTS, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE SUBDISTRICT?

YES 278 / Two Hundred Seventy-Eight  
(Numeric & Spelled Out)

NO 48 / Forty-Eight  
(Numeric & Spelled Out)

**JUDGES' CERTIFICATE OF ELECTION RETURNS AND  
STATEMENT OF BALLOTS  
PLUM VALLEY HEIGHTS SUBDISTRICT OF  
ROXBOROUGH WATER AND SANITATION DISTRICT  
SPECIAL ELECTION (CONTINUED)  
§1-13.5-613, C.R.S.**

It is hereby identified and specified that:

	<u>(Numeric)/Spelled Out</u>
TOTAL Number of Ballots Issued to Voters	<u>410 / Four Hundred Ten</u>
Ballots Returned Undeliverable:	<u>0 / zero</u>
Total Number of Ballots Voted	<u>330 / Three Hundred Thirty</u>
Total Voted Replacement Ballots	<u>1 / one</u>
Total Voted Provisional Ballots	<u>0 / zero</u>
Total Voted Challenged Ballots	<u>0 / zero</u>
<u>Delivered to Voter, Not Cast:</u>	
Spoiled	<u>0 / zero</u>
Rejected	<u>0 / zero</u>
Defective	<u>0 / zero</u>
Not Returned	<u>                    </u>
<u>Not Delivered to Voter, Not Cast (Unused):</u>	
Official	<u>74 / Seventy-Four</u> <u>330 / Three Hundred Thirty</u>

Certified this 6<sup>th</sup> day of November, 2014, by:

Stacie L. Pacheco, Election Judge  
Victoria C. Nellen, Election Judge  
Danamon J. Suter, Election Judge



**CANVASSERS**  
**ABSTRACT OF RETURNS**  
§1-13.5-1305(1), C.R.S.

For an election held for **Roxborough Water and Sanitation District and Plum Valley Heights Subdistrict of Roxborough Water and Sanitation District** on November 4, 2014.

Ballots counted for and against the ballot issues and ballot questions as follows:

**ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT QUESTION A:**

SHALL THE FOLLOWING DESCRIBED AREA BECOME A PART OF ROXBOROUGH WATER AND SANITATION DISTRICT UPON THE FOLLOWING CONDITIONS?

DESCRIPTION OF AREA:

LOTS 1-49, LOTS A & B, CHATFIELD ACRES, COUNTY OF DOUGLAS, STATE OF COLORADO

LOTS 1-103, TRACTS A, B, D & P, CHATFIELD EAST, COUNTY OF DOUGLAS, STATE OF COLORADO

LOTS 1 & 2, TITAN ROAD INDUSTRIAL PARK FILING NO. 2, COUNTY OF DOUGLAS, STATE OF COLORADO

LOTS 1-6, 9-14, 15A, 17-22, 23 (INCLUDING RED FOX OFFICE – WAREHOUSE CENTER), 24, 25-A (INCLUDING THE REWARD CENTER CONDOMINIUMS), 26-32, TITAN ROAD INDUSTRIAL PARK FILING NO. 1, COUNTY OF DOUGLAS, STATE OF COLORADO

SUMMARY OF CONDITIONS:

THE ABOVE DESCRIBED AREAS (THE “PROPERTY”) SHALL BECOME A PART OF ROXBOROUGH WATER AND SANITATION DISTRICT (“DISTRICT”) ONLY IF (1) A MAJORITY OF THE VOTES CAST AT THE ELECTION OF THE DISTRICT TO BE HELD ON NOVEMBER 4, 2014 ARE CAST IN FAVOR OF INCLUDING THE PROPERTY INTO THE DISTRICT; (2) A MAJORITY OF THE VOTES CAST AT THE ELECTION OF PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT (“SUBDISTRICT”) TO BE HELD ON NOVEMBER 4, 2014 ARE CAST IN FAVOR OF INCLUDING THE PROPERTY INTO THE SUBDISTRICT, (3) A MAJORITY OF THE VOTES CAST AT THE ELECTION OF THE DISTRICT TO BE HELD ON NOVEMBER 4, 2014 ARE CAST IN FAVOR OF ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT QUESTIONS B, C, D, AND E, AND (4) A MAJORITY OF THE VOTES CAST AT THE ELECTION OF THE SUBDISTRICT TO BE HELD ON NOVEMBER 4, 2014 ARE CAST IN FAVOR OF PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT ISSUES A, B, C, D, AND E AND PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT QUESTION B.

IN ADDITION, THE PROPERTY SHALL BECOME A PART OF THE DISTRICT ONLY IF (1) THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF DOUGLAS (THE "COUNTY") DEPOSITS IN ESCROW THE APPROPRIATE FUNDS FOR THE PROJECT AS SET FORTH IN THE INTERGOVERNMENTAL AGREEMENT FOR WATER TREATMENT SERVICES BETWEEN THE DISTRICT AND THE COUNTY ("DOUGLAS COUNTY IGA"); (2) THE DISTRICT CLOSES ON THE LOAN FROM THE COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY OR FROM SUCH OTHER ENTITY AS MAY BE PROVIDED IN THE DOUGLAS COUNTY IGA; (3) THE DISTRICT CLOSES ON THE LOAN FROM THE COLORADO WATER CONSERVATION BOARD OR FROM SUCH OTHER ENTITY AS MAY BE PROVIDED IN THE DOUGLAS COUNTY IGA; (4) THE INTERGOVERNMENTAL AGREEMENT FOR THE SUPPLY OF UP TO 150 ACRE-FEET OF WATER BETWEEN THE DISTRICT, ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE AND THE CITY OF AURORA, ACTING BY AND THROUGH ITS UTILITY ENTERPRISE IS APPROVED AND EXECUTED BY DECEMBER 31, 2014, AND (5) THE BOARD OF DIRECTORS FOR THE DISTRICT OR THE SUBDISTRICT AWARD A CONTRACT FOR THE CONSTRUCTION OF THE PROJECT, AS SET FORTH IN THE DOUGLAS COUNTY IGA AND AS DESCRIBED IN THAT CERTAIN RESOLUTION OF THE DISTRICT'S BOARD OF DIRECTORS ADOPTED AT A MEETING OF THE BOARD ON SEPTEMBER 17, 2014. THE PROPERTY DESCRIBED IN THIS BALLOT QUESTION A SHALL NOT BECOME A PART OF THE DISTRICT UPON FAILURE OF ANY CONDITION DESCRIBED IN THIS SUMMARY OF CONDITIONS.

FOR INCLUSION

265 / Two Hundred Sixty-Five  
(Numeric & Spelled Out)

AGAINST INCLUSION

18 / Eighteen  
(Numeric & Spelled Out)

**ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT QUESTION B:**

SHALL ROXBOROUGH WATER AND SANITATION DISTRICT ("DISTRICT") IMPOSE AND COLLECT AN INCLUSION FEE IN THE AMOUNT OF \$3,200 ON EACH PROPERTY IN THE AREA DESCRIBED IN ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT QUESTION A, PROVIDED THAT SUCH PROPERTY IS INCLUDED INTO THE DISTRICT AND PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT ("SUBDISTRICT"), OF WHICH \$500 SHALL BE PAID WITHIN SIXTY (60) DAYS OF THE EFFECTIVE DATE OF THE INCLUSION OF THE PROPERTY INTO THE DISTRICT AND THE SUBDISTRICT, AND \$2,700 SHALL BE PAID OVER TEN YEARS, PRORATED MONTHLY, INCLUDING INTEREST, AS PART OF THE MONTHLY SURCHARGE CHARGED BY THE DISTRICT OR SUBDISTRICT, AND INCLUDED IN EACH PROPERTY OWNER'S MONTHLY WATER SERVICE BILL FROM THE DISTRICT?

YES

266 / Two Hundred Sixty-Six  
(Numeric & Spelled Out)

NO

20 / Twenty  
(Numeric & Spelled Out)

**ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT QUESTION C:**

SHALL ROXBOROUGH WATER AND SANITATION DISTRICT ("DISTRICT") IMPOSE AND COLLECT A SYSTEM DEVELOPMENT CHARGE AND PERMIT FEE ON EACH PROPERTY IN THE AREA DESCRIBED IN ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT QUESTION A, PROVIDED THAT SUCH PROPERTY IS INCLUDED INTO THE DISTRICT AND PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT, SUCH SYSTEM DEVELOPMENT CHARGE AND PERMIT FEE TO BE IMPOSED AND COLLECTED AT SUCH TIME THE PROPERTY OWNER CONNECTS HIS OR HER PROPERTY TO THE DISTRICT'S MUNICIPAL WATER SYSTEM, SUCH CONNECTION TO OCCUR NO LATER THAN TWO YEARS FOLLOWING SUBSTANTIAL COMPLETION OF THE NECESSARY INFRASTRUCTURE TO CONNECT THE PROPERTY TO THE DISTRICT'S MUNICIPAL WATER SYSTEM, WHICH CURRENT SYSTEM DEVELOPMENT CHARGE AND PERMIT FEE IS \$7,550 AND IS SUBJECT TO FUTURE CHANGE BY THE DISTRICT'S BOARD?

YES

263 / Two Hundred Sixty-Three  
(Numeric & Spelled Out)

NO

20 / Twenty  
(Numeric & Spelled Out)

**ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT QUESTION D:**

SHALL ROXBOROUGH WATER AND SANITATION DISTRICT ("DISTRICT") COLLECT, ON BEHALF OF THE COUNTY OF DOUGLAS, COLORADO, A TAP FEE IN AN AMOUNT ESTIMATED TO TOTAL \$14,645, SUBJECT TO CHANGE BY THE BOARD OF COUNTY COMMISSIONERS FOR DOUGLAS COUNTY, PER RESIDENTIAL EQUIVALENT UNIT BASED ON AN ANTICIPATED 251 RESIDENTIAL EQUIVALENT UNITS WITHIN THE AREA SUBJECT TO INCLUSION AS DESCRIBED IN ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT QUESTION A, PROVIDED THAT SUCH PROPERTY IS INCLUDED INTO THE DISTRICT AND PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT, SUCH TAP FEE TO BE PAYABLE AT THE TIME THE PROPERTY OWNER CONNECTS HIS OR HER PROPERTY TO THE DISTRICT'S MUNICIPAL WATER SYSTEM, SUCH CONNECTION TO OCCUR NO LATER THAN TWO YEARS FOLLOWING SUBSTANTIAL COMPLETION OF THE NECESSARY INFRASTRUCTURE

TO CONNECT THE PROPERTY TO THE DISTRICT'S MUNICIPAL WATER SYSTEM?

YES 266 / Two Hundred Sixty-Six  
(Numeric & Spelled Out)

NO 21 / Twenty-One  
(Numeric & Spelled Out)

**ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT QUESTION E:**

SHALL ROXBOROUGH WATER AND SANITATION DISTRICT ("DISTRICT") IMPOSE MONTHLY SURCHARGES ON EACH PROPERTY IN THE AREA DESCRIBED IN ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT QUESTION A, PROVIDED THAT SUCH PROPERTY IS INCLUDED INTO THE DISTRICT AND PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT ("SUBDISTRICT"), COMMENCING IMMEDIATELY FOLLOWING EFFECTIVE DATE OF THE INCLUSION OF THE PROPERTY INTO THE DISTRICT AND THE SUBDISTRICT, SUCH SURCHARGE TO BE IMPOSED ONLY IF THE SUBDISTRICT DOES NOT IMPOSE SUCH SURCHARGE AND IN AN AMOUNT DETERMINED ANNUALLY BY THE BOARD OF DIRECTORS FOR THE DISTRICT WHICH SURCHARGE IS ANTICIPATED TO BE \$65 TO \$75 PER MONTH PER RESIDENTIAL EQUIVALENT UNIT?

YES 266 / Two Hundred Sixty-Six  
(Numeric & Spelled Out)

NO 21 / Twenty-One  
(Numeric & Spelled Out)

**PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT QUESTION A:**

SHALL THE FOLLOWING DESCRIBED AREA BECOME A PART OF PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT UPON THE FOLLOWING CONDITIONS?

DESCRIPTION OF AREA:

LOTS 1-49, LOTS A & B, CHATFIELD ACRES, COUNTY OF DOUGLAS, STATE OF COLORADO

LOTS 1-103, TRACTS A, B, D & P, CHATFIELD EAST, COUNTY OF DOUGLAS, STATE OF COLORADO

LOTS 1 & 2, TITAN ROAD INDUSTRIAL PARK FILING NO. 2, COUNTY OF DOUGLAS, STATE OF COLORADO

LOTS 1-6, 9-14, 15A, 17-22, 23 (INCLUDING RED FOX OFFICE – WAREHOUSE CENTER), 24, 25-A (INCLUDING THE REWARD CENTER CONDOMINIUMS), 26-32, TITAN ROAD INDUSTRIAL PARK FILING NO. 1, COUNTY OF DOUGLAS, STATE OF COLORADO

SUMMARY OF CONDITIONS:

THE ABOVE DESCRIBED AREAS (THE “PROPERTY”) SHALL BECOME A PART OF PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT (“SUBDISTRICT”) ONLY IF (1) A MAJORITY OF THE VOTES CAST AT THE ELECTION OF ROXBOROUGH WATER AND SANITATION DISTRICT (“DISTRICT”) TO BE HELD ON NOVEMBER 4, 2014 ARE CAST IN FAVOR OF INCLUDING THE PROPERTY INTO THE DISTRICT; (2) A MAJORITY OF THE VOTES CAST AT THE ELECTION OF THE SUBDISTRICT TO BE HELD ON NOVEMBER 4, 2014 ARE CAST IN FAVOR OF INCLUDING THE PROPERTY INTO THE SUBDISTRICT, (3) A MAJORITY OF THE VOTES CAST AT THE ELECTION OF THE DISTRICT TO BE HELD ON NOVEMBER 4, 2014 ARE CAST IN FAVOR OF ROXBOROUGH WATER AND SANITATION DISTRICT QUESTIONS B, C, D, AND E, AND (4) A MAJORITY OF THE VOTES CAST AT THE ELECTION OF THE SUBDISTRICT TO BE HELD ON NOVEMBER 4, 2014 ARE CAST IN FAVOR OF PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT ISSUES A, B, C, D, AND E AND PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT QUESTION B.

IN ADDITION, THE PROPERTY SHALL BECOME A PART OF THE DISTRICT ONLY IF (1) THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF DOUGLAS (THE “COUNTY”) DEPOSITS IN ESCROW THE APPROPRIATE FUNDS FOR THE PROJECT AS SET FORTH IN THE INTERGOVERNMENTAL AGREEMENT FOR WATER TREATMENT SERVICES BETWEEN THE DISTRICT AND THE COUNTY (“DOUGLAS COUNTY IGA”); (2) THE DISTRICT CLOSES ON THE LOAN FROM THE COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY OR FROM SUCH OTHER ENTITY AS MAY BE PROVIDED IN THE DOUGLAS COUNTY IGA; (3) THE DISTRICT CLOSES ON THE LOAN FROM THE COLORADO WATER CONSERVATION BOARD OR FROM SUCH OTHER ENTITY AS MAY BE PROVIDED IN THE DOUGLAS COUNTY IGA; (4) THE INTERGOVERNMENTAL AGREEMENT FOR THE SUPPLY OF UP TO 150 ACRE-FEET OF WATER BETWEEN THE DISTRICT, ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE AND THE CITY OF AURORA, ACTING BY AND THROUGH ITS UTILITY ENTERPRISE IS APPROVED AND EXECUTED BY DECEMBER 31, 2014, AND (5) THE BOARD OF DIRECTORS FOR THE DISTRICT OR THE SUBDISTRICT AWARD A CONTRACT FOR THE CONSTRUCTION OF THE PROJECT, AS SET FORTH IN THE DOUGLAS COUNTY IGA AND AS DESCRIBED IN THAT CERTAIN RESOLUTION OF THE DISTRICT’S BOARD OF DIRECTORS ADOPTED AT A MEETING OF THE BOARD ON SEPTEMBER 17, 2014. THE PROPERTY DESCRIBED IN THIS BALLOT QUESTION A SHALL NOT BECOME A PART OF THE DISTRICT UPON FAILURE OF ANY CONDITION DESCRIBED IN THIS SUMMARY OF CONDITIONS.

INCLUSION OF THE ABOVE DESCRIBED AREA INTO THE SUBDISTRICT SHALL BE SOLELY FOR THE PROVISION OF WATER AND SHALL INCLUDE FINANCING BY THE AREA TO CONSTRUCT, OPERATE AND MAINTAIN CERTAIN WATER INFRASTRUCTURE FOR THE AREA AND ACQUIRE SUFFICIENT RAW WATER SUPPLY FOR THE AREA (THE "PROJECT") TO CONNECT THE AREA TO THE DISTRICT'S MUNICIPAL WATER SYSTEM ONLY. EACH OWNER OF PROPERTY IN THE AREA WILL BE REQUIRED TO CONNECT HIS OR HER PROPERTY TO THE DISTRICT'S MUNICIPAL WATER SYSTEM NO LATER THAN TWO YEARS FOLLOWING SUBSTANTIAL COMPLETION OF THE PROJECT.

ALL PROPERTY SHALL BE SUBJECT TO THE DISTRICT'S RULES AND REGULATIONS AND THE SUBDISTRICT'S RULES AND REGULATIONS IF ANY. NO WASTEWATER SERVICES SHALL BE PROVIDED UNLESS OWNERS OF PROPERTY IN THE AREA AGREE AT SOME POINT IN THE FUTURE TO RECEIVE WASTEWATER SERVICES FROM THE DISTRICT AND TO PAY ALL SUCH COSTS ASSOCIATED WITH PROVIDING WASTEWATER SERVICES INCLUDING BUT NOT LIMITED TO INFRASTRUCTURE COSTS.

FOR INCLUSION

261 / Two Hundred Sixty-One  
(Numeric & Spelled Out)

AGAINST INCLUSION

20 / Twenty  
(Numeric & Spelled Out)

**PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT QUESTION B:**

SHALL PLUM VALLEY HEIGHTS SUBDISTRICT OF ROXBOROUGH WATER AND SANITATION DISTRICT ("SUBDISTRICT") IMPOSE MONTHLY SURCHARGES ON EACH PROPERTY IN THE AREA DESCRIBED IN PLUM VALLEY HEIGHTS SUBDISTRICT OF ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT QUESTION A, PROVIDED THAT SUCH PROPERTY IS INCLUDED INTO THE SUBDISTRICT AND ROXBOROUGH WATER AND SANITATION DISTRICT ("DISTRICT"), COMMENCING IMMEDIATELY FOLLOWING THE EFFECTIVE DATE OF THE INCLUSION OF THE PROPERTY INTO THE DISTRICT AND THE SUBDISTRICT, SUCH SURCHARGE TO BE IMPOSED ONLY IF THE DISTRICT DOES NOT IMPOSE SUCH SURCHARGE AND IN AN AMOUNT DETERMINED ANNUALLY BY THE BOARD OF DIRECTORS FOR THE SUBDISTRICT WHICH SURCHARGE IS ANTICIPATED TO BE \$65 TO \$75 PER MONTH PER RESIDENTIAL EQUIVALENT UNIT?

YES

261 / Two Hundred Sixty-one  
(Numeric & Spelled Out)

NO

21 / Twenty-one  
(Numeric & Spelled Out)

By:

Stacie L. Pacheco, Designated Election Official

David H Thomas, Canvasser

Steve Howell, Canvasser

Dated: 11/07/14

**No later than seven days after the election, the canvassers shall survey the returns, issue a certified statement of results, and make out this abstract of votes for each office. The purpose of this canvass is to verify the returns. DO NOT RECOUNT THE BALLOTS.**

**BOARD OF CANVASSERS CERTIFICATE OF ELECTION RESULTS  
FOR THE SPECIAL ELECTION  
HELD NOVEMBER 4, 2014  
§1-13.5-1305(1), C.R.S.**

**ROXBOROUGH WATER AND SANITATION DISTRICT AND  
PLUM VALLEY HEIGHTS SUBDISTRICT OF ROXBOROUGH WATER  
AND SANITATION DISTRICT**

Each of the undersigned members of the board of canvassers of the District certifies that the following is a true and correct statement of the results of the Special Election for the above-named District, at which time the eligible electors of the District voted as indicated on the attached Judges' Certificate of Election Returns.

Ballots counted for and against the ballot questions as follows:

	YES	NO
Question A:	<u>265</u>	<u>18</u>
Question B:	<u>266</u>	<u>20</u>
Question C:	<u>263</u>	<u>20</u>
Question D:	<u>266</u>	<u>21</u>
Question E:	<u>266</u>	<u>21</u>
Question A:	<u>261</u>	<u>20</u>
Question B:	<u>261</u>	<u>21</u>

(Signed)	<u>Stacie L. Pacheco</u>	<u>11/7/14</u>
	Designated Election Official	Dated

(Signed)	<u>Daisi H. Thomas</u>	<u>11/7/2014</u>
	Canvasser	Dated

(Signed)	<u>Steve Huel</u>	<u>11/7/2014</u>
	Canvasser	Dated

**CONTACT PERSON FOR THE DISTRICT:**

Alan D. Pogue, Esq.  
Icenogle Seaver Pogue, P.C.  
4725 South Monaco Street, Suite 225  
Denver, Colorado 80202  
(303) 292-9100

Prepare and Certificate of Election and deposit one copy with the Clerk and Recorder of each county in which the special district is located. This must be available for public inspection in the office of the Designated Election Official.

**Send one copy of this certificate to:**

**Division of Local Government  
1313 Sherman Street, Room 521  
Denver, CO 80203**

**Provide a list of all current directors to the division, including addresses, within 45 days after the election.**

**(Attach copy of Judges' Certificate of Election Returns)**

**JUDGES' CERTIFICATE OF ELECTION RETURNS AND STATEMENT OF BALLOTS  
FOR ROXBOROUGH WATER AND SANITATION DISTRICT AND PLUM VALLEY  
HEIGHTS SUBDISTRICT OF ROXBOROUGH WATER AND SANITATION DISTRICT  
§1-13.5-613, C.R.S.**

IT IS HEREBY CERTIFIED by the undersigned, who conducted an independent mail ballot election for the above named District, on the 4th day of November, 2014, that after qualifying by swearing and subscribing to their Oaths of Office, they opened the polls at 7:00 a.m., and that they kept the polls open continuously until the hour of 7:00 p.m. on said date, after which they counted the ballots cast for the ballot questions duly submitted.

**That the votes cast for and against the ballot questions submitted were as follows:**

**ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT QUESTION A:**

SHALL THE FOLLOWING DESCRIBED AREA BECOME A PART OF ROXBOROUGH WATER AND SANITATION DISTRICT UPON THE FOLLOWING CONDITIONS?

**DESCRIPTION OF AREA:**

LOTS 1-49, LOTS A & B, CHATFIELD ACRES, COUNTY OF DOUGLAS, STATE OF COLORADO  
LOTS 1-103, TRACTS A, B, D & P, CHATFIELD EAST, COUNTY OF DOUGLAS, STATE OF COLORADO  
LOTS 1 & 2, TITAN ROAD INDUSTRIAL PARK FILING NO. 2, COUNTY OF DOUGLAS, STATE OF COLORADO  
LOTS 1-6, 9-14, 15A, 17-22, 23 (INCLUDING RED FOX OFFICE – WAREHOUSE CENTER), 24, 25-A (INCLUDING THE REWARD CENTER CONDOMINIUMS), 26-32, TITAN ROAD INDUSTRIAL PARK FILING NO. 1, COUNTY OF DOUGLAS, STATE OF COLORADO

**SUMMARY OF CONDITIONS:**

THE ABOVE DESCRIBED AREAS (THE "PROPERTY") SHALL BECOME A PART OF ROXBOROUGH WATER AND SANITATION DISTRICT ("DISTRICT") ONLY IF (1) A MAJORITY OF THE VOTES CAST AT THE ELECTION OF THE DISTRICT TO BE HELD ON NOVEMBER 4, 2014 ARE CAST IN FAVOR OF INCLUDING THE PROPERTY INTO THE DISTRICT; (2) A MAJORITY OF THE VOTES CAST AT THE ELECTION OF PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT ("SUBDISTRICT") TO BE HELD ON NOVEMBER 4, 2014 ARE CAST IN FAVOR OF INCLUDING THE PROPERTY INTO THE SUBDISTRICT, (3) A MAJORITY OF THE VOTES CAST AT THE ELECTION OF THE DISTRICT TO BE HELD ON NOVEMBER 4, 2014 ARE CAST IN FAVOR OF ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT QUESTIONS B, C, D, AND E, AND (4) A MAJORITY OF THE VOTES CAST AT THE ELECTION OF THE SUBDISTRICT TO BE HELD ON NOVEMBER 4, 2014 ARE CAST IN FAVOR OF PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT ISSUES A, B, C, D, AND E AND PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT QUESTION B.

IN ADDITION, THE PROPERTY SHALL BECOME A PART OF THE DISTRICT ONLY IF (1) THE

BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF DOUGLAS (THE "COUNTY") DEPOSITS IN ESCROW THE APPROPRIATE FUNDS FOR THE PROJECT AS SET FORTH IN THE INTERGOVERNMENTAL AGREEMENT FOR WATER TREATMENT SERVICES BETWEEN THE DISTRICT AND THE COUNTY ("DOUGLAS COUNTY IGA"); (2) THE DISTRICT CLOSES ON THE LOAN FROM THE COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY OR FROM SUCH OTHER ENTITY AS MAY BE PROVIDED IN THE DOUGLAS COUNTY IGA; (3) THE DISTRICT CLOSES ON THE LOAN FROM THE COLORADO WATER CONSERVATION BOARD OR FROM SUCH OTHER ENTITY AS MAY BE PROVIDED IN THE DOUGLAS COUNTY IGA; (4) THE INTERGOVERNMENTAL AGREEMENT FOR THE SUPPLY OF UP TO 150 ACRE-FEET OF WATER BETWEEN THE DISTRICT, ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE AND THE CITY OF AURORA, ACTING BY AND THROUGH ITS UTILITY ENTERPRISE IS APPROVED AND EXECUTED BY DECEMBER 31, 2014, AND (5) THE BOARD OF DIRECTORS FOR THE DISTRICT OR THE SUBDISTRICT AWARD A CONTRACT FOR THE CONSTRUCTION OF THE PROJECT, AS SET FORTH IN THE DOUGLAS COUNTY IGA AND AS DESCRIBED IN THAT CERTAIN RESOLUTION OF THE DISTRICT'S BOARD OF DIRECTORS ADOPTED AT A MEETING OF THE BOARD ON SEPTEMBER 17, 2014. THE PROPERTY DESCRIBED IN THIS BALLOT QUESTION A SHALL NOT BECOME A PART OF THE DISTRICT UPON FAILURE OF ANY CONDITION DESCRIBED IN THIS SUMMARY OF CONDITIONS.

FOR INCLUSION

265 / Two Hundred Sixty-Five  
(Numeric & Spelled Out)

AGAINST INCLUSION

18 / Eighteen  
(Numeric & Spelled Out)

**ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT QUESTION B:**

SHALL ROXBOROUGH WATER AND SANITATION DISTRICT ("DISTRICT") IMPOSE AND COLLECT AN INCLUSION FEE IN THE AMOUNT OF \$3,200 ON EACH PROPERTY IN THE AREA DESCRIBED IN ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT QUESTION A, PROVIDED THAT SUCH PROPERTY IS INCLUDED INTO THE DISTRICT AND PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT ("SUBDISTRICT"), OF WHICH \$500 SHALL BE PAID WITHIN SIXTY (60) DAYS OF THE EFFECTIVE DATE OF THE INCLUSION OF THE PROPERTY INTO THE DISTRICT AND THE SUBDISTRICT, AND \$2,700 SHALL BE PAID OVER TEN YEARS, PRORATED MONTHLY, INCLUDING INTEREST, AS PART OF THE MONTHLY SURCHARGE CHARGED BY THE DISTRICT OR SUBDISTRICT, AND INCLUDED IN EACH PROPERTY OWNER'S MONTHLY WATER SERVICE BILL FROM THE DISTRICT?

YES

266 / Two Hundred Sixty-Six  
(Numeric & Spelled Out)

NO

20 / Twenty  
(Numeric & Spelled Out)

**ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT QUESTION C:**

SHALL ROXBOROUGH WATER AND SANITATION DISTRICT ("DISTRICT") IMPOSE AND COLLECT A SYSTEM DEVELOPMENT CHARGE AND PERMIT FEE ON EACH PROPERTY IN THE AREA DESCRIBED IN ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT QUESTION A, PROVIDED THAT SUCH PROPERTY IS INCLUDED INTO THE DISTRICT AND PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT, SUCH SYSTEM DEVELOPMENT CHARGE AND PERMIT FEE TO BE IMPOSED AND COLLECTED AT SUCH TIME THE PROPERTY OWNER CONNECTS HIS OR HER PROPERTY TO THE DISTRICT'S MUNICIPAL WATER SYSTEM, SUCH CONNECTION TO OCCUR NO LATER THAN TWO YEARS FOLLOWING SUBSTANTIAL COMPLETION OF THE NECESSARY INFRASTRUCTURE TO CONNECT THE PROPERTY TO THE DISTRICT'S MUNICIPAL WATER SYSTEM, WHICH CURRENT SYSTEM DEVELOPMENT CHARGE AND PERMIT FEE IS \$7,550 AND IS SUBJECT TO FUTURE CHANGE BY THE DISTRICT'S BOARD?

YES 263 / Two Hundred Sixty-Three  
(Numeric & Spelled Out)

NO 20 / Twenty  
(Numeric & Spelled Out)

**ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT QUESTION D:**

SHALL ROXBOROUGH WATER AND SANITATION DISTRICT ("DISTRICT") COLLECT, ON BEHALF OF THE COUNTY OF DOUGLAS, COLORADO, A TAP FEE IN AN AMOUNT ESTIMATED TO TOTAL \$14,645, SUBJECT TO CHANGE BY THE BOARD OF COUNTY COMMISSIONERS FOR DOUGLAS COUNTY, PER RESIDENTIAL EQUIVALENT UNIT BASED ON AN ANTICIPATED 251 RESIDENTIAL EQUIVALENT UNITS WITHIN THE AREA SUBJECT TO INCLUSION AS DESCRIBED IN ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT QUESTION A, PROVIDED THAT SUCH PROPERTY IS INCLUDED INTO THE DISTRICT AND PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT, SUCH TAP FEE TO BE PAYABLE AT THE TIME THE PROPERTY OWNER CONNECTS HIS OR HER PROPERTY TO THE DISTRICT'S MUNICIPAL WATER SYSTEM, SUCH CONNECTION TO OCCUR NO LATER THAN TWO YEARS FOLLOWING SUBSTANTIAL COMPLETION OF THE NECESSARY INFRASTRUCTURE TO CONNECT THE PROPERTY TO THE DISTRICT'S MUNICIPAL WATER SYSTEM?

YES 266 / Two Hundred Sixty-Six  
(Numeric & Spelled Out)

NO 21 / Twenty-One  
(Numeric & Spelled Out)

**ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT QUESTION E:**

SHALL ROXBOROUGH WATER AND SANITATION DISTRICT ("DISTRICT") IMPOSE MONTHLY SURCHARGES ON EACH PROPERTY IN THE AREA DESCRIBED IN ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT QUESTION A, PROVIDED

THAT SUCH PROPERTY IS INCLUDED INTO THE DISTRICT AND PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT ("SUBDISTRICT"), COMMENCING IMMEDIATELY FOLLOWING EFFECTIVE DATE OF THE INCLUSION OF THE PROPERTY INTO THE DISTRICT AND THE SUBDISTRICT, SUCH SURCHARGE TO BE IMPOSED ONLY IF THE SUBDISTRICT DOES NOT IMPOSE SUCH SURCHARGE AND IN AN AMOUNT DETERMINED ANNUALLY BY THE BOARD OF DIRECTORS FOR THE DISTRICT WHICH SURCHARGE IS ANTICIPATED TO BE \$65 TO \$75 PER MONTH PER RESIDENTIAL EQUIVALENT UNIT?

YES 266 / Two Hundred Sixty-Six  
(Numeric & Spelled Out)

NO 21 / Twenty-One  
(Numeric & Spelled Out)

**PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT QUESTION A:**

SHALL THE FOLLOWING DESCRIBED AREA BECOME A PART OF PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT UPON THE FOLLOWING CONDITIONS?

DESCRIPTION OF AREA:

LOTS 1-49, LOTS A & B, CHATFIELD ACRES, COUNTY OF DOUGLAS, STATE OF COLORADO  
LOTS 1-103, TRACTS A, B, D & P, CHATFIELD EAST, COUNTY OF DOUGLAS, STATE OF COLORADO

LOTS 1 & 2, TITAN ROAD INDUSTRIAL PARK FILING NO. 2, COUNTY OF DOUGLAS, STATE OF COLORADO

LOTS 1-6, 9-14, 15A, 17-22, 23 (INCLUDING RED FOX OFFICE – WAREHOUSE CENTER), 24, 25-A (INCLUDING THE REWARD CENTER CONDOMINIUMS), 26-32, TITAN ROAD INDUSTRIAL PARK FILING NO. 1, COUNTY OF DOUGLAS, STATE OF COLORADO

SUMMARY OF CONDITIONS:

THE ABOVE DESCRIBED AREAS (THE "PROPERTY") SHALL BECOME A PART OF PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT ("SUBDISTRICT") ONLY IF (1) A MAJORITY OF THE VOTES CAST AT THE ELECTION OF ROXBOROUGH WATER AND SANITATION DISTRICT ("DISTRICT") TO BE HELD ON NOVEMBER 4, 2014 ARE CAST IN FAVOR OF INCLUDING THE PROPERTY INTO THE DISTRICT; (2) A MAJORITY OF THE VOTES CAST AT THE ELECTION OF THE SUBDISTRICT TO BE HELD ON NOVEMBER 4, 2014 ARE CAST IN FAVOR OF INCLUDING THE PROPERTY INTO THE SUBDISTRICT, (3) A MAJORITY OF THE VOTES CAST AT THE ELECTION OF THE DISTRICT TO BE HELD ON NOVEMBER 4, 2014 ARE CAST IN FAVOR OF ROXBOROUGH WATER AND SANITATION DISTRICT QUESTIONS B, C, D, AND E, AND (4) A MAJORITY OF THE VOTES CAST AT THE ELECTION OF THE SUBDISTRICT TO BE HELD ON NOVEMBER 4, 2014 ARE CAST IN FAVOR OF PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT ISSUES A, B, C, D, AND E AND PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND

SANITATION DISTRICT BALLOT QUESTION B.

IN ADDITION, THE PROPERTY SHALL BECOME A PART OF THE DISTRICT ONLY IF (1) THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF DOUGLAS (THE "COUNTY") DEPOSITS IN ESCROW THE APPROPRIATE FUNDS FOR THE PROJECT AS SET FORTH IN THE INTERGOVERNMENTAL AGREEMENT FOR WATER TREATMENT SERVICES BETWEEN THE DISTRICT AND THE COUNTY ("DOUGLAS COUNTY IGA"); (2) THE DISTRICT CLOSES ON THE LOAN FROM THE COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY OR FROM SUCH OTHER ENTITY AS MAY BE PROVIDED IN THE DOUGLAS COUNTY IGA; (3) THE DISTRICT CLOSES ON THE LOAN FROM THE COLORADO WATER CONSERVATION BOARD OR FROM SUCH OTHER ENTITY AS MAY BE PROVIDED IN THE DOUGLAS COUNTY IGA; (4) THE INTERGOVERNMENTAL AGREEMENT FOR THE SUPPLY OF UP TO 150 ACRE-FEET OF WATER BETWEEN THE DISTRICT, ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE AND THE CITY OF AURORA, ACTING BY AND THROUGH ITS UTILITY ENTERPRISE IS APPROVED AND EXECUTED BY DECEMBER 31, 2014, AND (5) THE BOARD OF DIRECTORS FOR THE DISTRICT OR THE SUBDISTRICT AWARD A CONTRACT FOR THE CONSTRUCTION OF THE PROJECT, AS SET FORTH IN THE DOUGLAS COUNTY IGA AND AS DESCRIBED IN THAT CERTAIN RESOLUTION OF THE DISTRICT'S BOARD OF DIRECTORS ADOPTED AT A MEETING OF THE BOARD ON SEPTEMBER 17, 2014. THE PROPERTY DESCRIBED IN THIS BALLOT QUESTION A SHALL NOT BECOME A PART OF THE DISTRICT UPON FAILURE OF ANY CONDITION DESCRIBED IN THIS SUMMARY OF CONDITIONS.

INCLUSION OF THE ABOVE DESCRIBED AREA INTO THE SUBDISTRICT SHALL BE SOLELY FOR THE PROVISION OF WATER AND SHALL INCLUDE FINANCING BY THE AREA TO CONSTRUCT, OPERATE AND MAINTAIN CERTAIN WATER INFRASTRUCTURE FOR THE AREA AND ACQUIRE SUFFICIENT RAW WATER SUPPLY FOR THE AREA (THE "PROJECT") TO CONNECT THE AREA TO THE DISTRICT'S MUNICIPAL WATER SYSTEM ONLY. EACH OWNER OF PROPERTY IN THE AREA WILL BE REQUIRED TO CONNECT HIS OR HER PROPERTY TO THE DISTRICT'S MUNICIPAL WATER SYSTEM NO LATER THAN TWO YEARS FOLLOWING SUBSTANTIAL COMPLETION OF THE PROJECT.

ALL PROPERTY SHALL BE SUBJECT TO THE DISTRICT'S RULES AND REGULATIONS AND THE SUBDISTRICT'S RULES AND REGULATIONS IF ANY. NO WASTEWATER SERVICES SHALL BE PROVIDED UNLESS OWNERS OF PROPERTY IN THE AREA AGREE AT SOME POINT IN THE FUTURE TO RECEIVE WASTEWATER SERVICES FROM THE DISTRICT AND TO PAY ALL SUCH COSTS ASSOCIATED WITH PROVIDING WASTEWATER SERVICES INCLUDING BUT NOT LIMITED TO INFRASTRUCTURE COSTS.

FOR INCLUSION

261 / Two Hundred Sixty One  
(Numeric & Spelled Out)

AGAINST INCLUSION

20 / Twenty  
(Numeric & Spelled Out)

**PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND  
SANITATION DISTRICT BALLOT QUESTION B:**

SHALL PLUM VALLEY HEIGHTS SUBDISTRICT OF ROXBOROUGH WATER AND SANITATION DISTRICT ("SUBDISTRICT") IMPOSE MONTHLY SURCHARGES ON EACH PROPERTY IN THE AREA DESCRIBED IN PLUM VALLEY HEIGHTS SUBDISTRICT OF ROXBOROUGH WATER AND SANITATION DISTRICT BALLOT QUESTION A, PROVIDED THAT SUCH PROPERTY IS INCLUDED INTO THE SUBDISTRICT AND ROXBOROUGH WATER AND SANITATION DISTRICT ("DISTRICT"), COMMENCING IMMEDIATELY FOLLOWING THE EFFECTIVE DATE OF THE INCLUSION OF THE PROPERTY INTO THE DISTRICT AND THE SUBDISTRICT, SUCH SURCHARGE TO BE IMPOSED ONLY IF THE DISTRICT DOES NOT IMPOSE SUCH SURCHARGE AND IN AN AMOUNT DETERMINED ANNUALLY BY THE BOARD OF DIRECTORS FOR THE SUBDISTRICT WHICH SURCHARGE IS ANTICIPATED TO BE \$65 TO \$75 PER MONTH PER RESIDENTIAL EQUIVALENT UNIT?

YES 261 / Two Hundred Sixty-One  
(Numeric & Spelled Out)

NO 21 / Twenty-One  
(Numeric & Spelled Out)

**JUDGES' CERTIFICATE OF ELECTION RETURNS AND  
STATEMENT OF BALLOTS  
ROXBOROUGH WATER AND SANITATION DISTRICT AND  
PLUM VALLEY HEIGHTS SUBDISTRICT OF ROXBOROUGH WATER  
AND SANITATION DISTRICT  
SPECIAL ELECTION (CONTINUED)  
§§1-13.5-613, C.R.S.**

It is hereby identified and specified that:

TOTAL Number of Ballots Issued to Voters

Ballots Returned Undeliverable:

Total Number of Ballots Voted

Total Voted Replacement Ballots  
Total Voted Provisional Ballots  
Total Voted Challenged Ballots

Delivered to Voter, Not Cast:

Spoiled  
Rejected  
Defective  
Not Returned

Not Delivered to Voter, Not Cast (Unused):  
Official

(Numeric)/Spelled Out

352 / Three Hundred Fifty-Two

14 / Fourteen

287 / Two Hundred Eighty-Seven

6 / Six  
0 / zero  
0 / zero

0 / zero  
0 / zero  
0 / zero  
44 / Forty-Four

56 / Fifty-Six

287 / Two Hundred Eighty-Seven

Certified this 6<sup>th</sup> day of November, 2014, by:

Stacie L. Pacheco, Election Judge

Victoria C. Allen, Election Judge

Sharon J. Smith, Election Judge

## Appendix H

RWSD/Plum Valley Heights Subdistrict IGA

RESOLUTION NO. 15-01-03 PVH

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF PLUM VALLEY HEIGHTS SUBDISTRICT  
OF ROXBOROUGH WATER AND SANITATION DISTRICT**

A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT CONCERNING THE FINANCING AND CONSTRUCTION OF WATER PUBLIC IMPROVEMENTS

**WHEREAS**, Roxborough Water and Sanitation District (the "District") and Douglas County (the "County") have been collectively working on a plan to provide a renewable treated water supply to certain areas located in northwest Douglas County and determined that the District could provide water service to the developments of Chatfield East, Chatfield Acres, and Titan Road Industrial Park (collectively, the "Inclusion Area") and the development of Plum Valley Heights ("PVH Area") located within the boundaries of the Plum Valley Heights Subdistrict of the Roxborough Water and Sanitation District (the "Subdistrict") upon satisfaction of certain conditions; and

**WHEREAS**, the "Inclusion Area" and "PVH Area" are collectively referred to as the "Project Area;" and

**WHEREAS**, the District and the County determined that the most effective and efficient means to connect the Project Area to the District's municipal water system and for the District to provide treated water service to the Project Area (collectively, the "Project") is to include the Inclusion Area into the boundaries of the District and the Subdistrict, which would permit the properties within the Project Area to share in the overall costs associated with the acquisition of raw water and the installation and construction of the public infrastructure to connect the Project Area to the District's municipal water system and for the District to supply treated water to the Project Area; and

**WHEREAS**, at special elections held by the District and the Subdistrict, respectively, on November 4, 2014, the eligible electors of the Inclusion Area authorized the inclusion of the Inclusion Area into the boundaries of the District and the Subdistrict, subject to the satisfaction of certain terms and conditions, and the eligible electors of the Inclusion Area and the Subdistrict authorized the creation and issuance of debt and imposition of ad valorem taxes for financing the Project; and

**WHEREAS**, the District and the County entered into an Intergovernmental Agreement for Water Treatment Services, dated August 26, 2014 ("Douglas County IGA") to set forth the commitments and responsibilities of the District and the County related to the financing, construction, operations, and maintenance of the Project; and

**WHEREAS**, pursuant to Douglas County IGA Sections 3.2.2 and 3.2.3, it is anticipated that construction and installation of public infrastructure to connect the Project Area to the

District's municipal water system would be financed through a loan made by the Colorado Water Resources and Power Development Authority to either the District or Subdistrict; and

**WHEREAS**, pursuant to Douglas County IGA Section 3.2.4(i), it is anticipated that a portion of the water supply costs needed for the Project Area would be financed through a loan made by the Colorado Water Conservation Board to either the District or Subdistrict; and

**WHEREAS**, pursuant to Section 32-1-1001(1)(d)(I), C.R.S., the Subdistrict is permitted to enter into contracts and agreements affecting the affairs of the Subdistrict; and

**WHEREAS**, pursuant to Section 29-1-203(1), C.R.S., governments may cooperate or contract with one another to provide any function, service, or facility lawfully authorized to each of the cooperating or contracting units, including the sharing of costs, the imposition of taxes, or the incurring of debt, only if such cooperation or contracts are authorized by each party thereto with the approval of its legislative body or other authority having the power to so approve; and

**WHEREAS**, the District and Subdistrict desire to enter into an Intergovernmental Agreement Concerning the Financing and Construction of Water Public Improvements, as attached hereto as Exhibit A and incorporated herein by reference, to set forth the commitments and responsibilities of the District and the Subdistrict related to the financing, construction, operations, and maintenance of the Project.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT HEREBY RESOLVES AS FOLLOWS:**

1. The Board of Directors of the Subdistrict hereby adopts and approves the "Intergovernmental Agreement Concerning the Financing and Construction of Water Public Improvements Services Agreement," as attached hereto as Exhibit A, and authorizes the Subdistrict's President and Secretary to execute the same.

2. This Resolution shall take effect on the date and at the time of its adoption.

(Signatures Begin on Next Page.)

ADOPTED AND APPROVED THIS 18<sup>th</sup> DAY OF FEBRUARY, 2015.

**PLUM VALLEY HEIGHTS SUBDISTRICT OF  
ROXBOROUGH WATER AND SANITATION  
DISTRICT**



By: David Bane  
Its: President

ATTEST:



By: Tim Moore  
Its: Secretary

**EXHIBIT A**  
(To Resolution)

**INTERGOVERNMENTAL AGREEMENT CONCERNING THE FINANCING AND  
CONSTRUCTION OF WATER PUBLIC IMPROVEMENTS**

## **INTERGOVERNMENTAL AGREEMENT CONCERNING THE FINANCING AND CONSTRUCTION OF WATER PUBLIC IMPROVEMENTS**

THIS INTERGOVERNMENTAL AGREEMENT CONCERNING THE FINANCING AND CONSTRUCTION OF WATER PUBLIC IMPROVEMENTS ("Agreement"), is made and effective this 18<sup>th</sup> day of February, 2015, by and between ROXBOROUGH WATER AND SANITATION DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"), and the PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT, a quasi-municipal corporation (the "Subdistrict"), collectively, the "Parties".

### **RECITALS**

**WHEREAS**, the District is authorized, pursuant to its service plan and the Special District Act, to provide treated water service to customers located both within and outside of its boundaries; and

**WHEREAS**, pursuant to Section 32-1-1101(1)(f)(I), C.R.S. the District is authorized to divide the District into one or more subdistricts consistent with the services, programs and facilities to be furnished therein; and

**WHEREAS**, pursuant to Section 32-1-1101(1.5)(a), C.R.S., the determination by the Board of Directors of the District (the "District Board") to form the Subdistrict shall be made by a resolution adopted at a regular or special meeting of the District Board after publication of notice of the purpose of the public meeting and the place, time and date of such meeting; and

**WHEREAS**, at a regular scheduled meeting of the District's Board of Directors ("District Board") on August 13, 2013, and after publication of notice pursuant to Section 32-1-1101(1.5)(a), C.R.S., the District Board approved, via Resolution No. 13-08-03, as recorded in the Douglas County Clerk and Recorder's Office on August 22, 2013 at Reception No. 2013070670, the formation of the Subdistrict, which included twenty-eight lots in a development known as Plum Valley Heights ("PVH Area") for purposes of financing and constructing necessary public improvements to connect the PVH Area to the District's municipal water system and to fund ongoing operations and maintenance of those public improvements; and

**WHEREAS**, the District and Douglas County (the "County") have been collectively working on a plan to provide a renewable treated water supply to certain areas located in northwest Douglas County and determined that the District could provide water service to the developments of Chatfield East, Chatfield Acres, and Titan Road Industrial Park (collectively, the "Inclusion Area") and the PVH Area (the Inclusion Area and PVH Area, collectively, the "Project Area"), upon satisfaction of certain conditions; and

**WHEREAS**, the District and the County determined that the most effective and efficient means to connect the Project Area to the District's municipal water system and for the District to provide treated water service to the Project Area (collectively, the "Project") is to include the

Inclusion Area into the boundaries of the District and the Subdistrict, which would permit the properties within the Project Area to share in the overall costs associated with the acquisition of raw water and the installation and construction of the public infrastructure to connect the Project Area to the District's municipal water system and for the District to supply treated water to the Project Area; and

**WHEREAS**, at special elections held by the District and the Subdistrict, respectively, on November 4, 2014, the eligible electors of the Inclusion Area authorized the inclusion of the Inclusion Area into the boundaries of the District and the Subdistrict, subject to the satisfaction of certain terms and conditions, and the eligible electors of the Inclusion Area and the Subdistrict authorized the creation and issuance of debt and imposition of ad valorem taxes for financing the Project; and

**WHEREAS**, the District and the County entered into an Intergovernmental Agreement for Water Treatment Services, dated August 26, 2014, as attached hereto as Exhibit A and incorporated herein by reference ("Douglas County IGA"), to set forth the commitments and responsibilities of the District and the County related to the financing, construction, operations, and maintenance of the Project; and

**WHEREAS**, pursuant to Douglas County IGA Sections 3.2.2 and 3.2.3, it is anticipated that construction and installation of public infrastructure to connect the Project Area to the District's municipal water system would be financed through a loan made by the Colorado Water Resources and Power Development Authority to either the District or Subdistrict; and

**WHEREAS**, pursuant to Douglas County IGA Section 3.2.4(i), it is anticipated that a portion of the water supply costs needed for the Project Area would be financed through a loan made by the Colorado Water Conservation Board to either the District or Subdistrict; and

**WHEREAS**, pursuant to Section 32-1-1001(1)(d)(I), C.R.S., the District and the Subdistrict are permitted to enter into contracts and agreements affecting the affairs of the District and Subdistrict, respectively; and

**WHEREAS**, pursuant to Section 29-1-203(1), C.R.S., governments may cooperate or contract with one another to provide any function, service, or facility lawfully authorized to each of the cooperating or contracting units, including the sharing of costs, the imposition of taxes, or the incurring of debt, only if such cooperation or contracts are authorized by each party thereto with the approval of its legislative body or other authority having the power to so approve; and

**WHEREAS**, the District and Subdistrict desire to enter into this Agreement to set forth the commitments and responsibilities of the District and the Subdistrict related to the financing, construction, operations, and maintenance of the Project.

**NOW THEREFORE**, in consideration of the terms, conditions and compensation set forth below, the Parties hereto agree as follows:

## AGREEMENT

1. Design and Construction of Project. The Subdistrict shall be responsible for the design and construction of the Project, subject to the terms and conditions set forth in the Douglas County IGA. Following the completion of the Project design, the Subdistrict will advertise for public bids or otherwise seek proposals to construct the Project. Commencement of construction of the Project will be contingent upon satisfaction of all conditions set forth in Douglas County IGA Paragraph 4.3.

2. Project Financing. The Subdistrict agrees to assist in the financing of the Project through a loan made by the Colorado Water Resources and Power Development Authority ("CWRPDA") to the Subdistrict in an estimated amount of Five Million Two Hundred Thousand Dollars (\$5,200,000). The Subdistrict has applied for the loan and, assuming it is approved, the proceeds from the CWRPDA loan shall be used to finance the costs associated with the construction and installation of the main water distribution line extension, and local water distribution lines for the Project. The Subdistrict anticipates imposing a mill levy on each property within the Subdistrict in an amount adequate to make principal and interest payments on the loan from CWRPDA. In addition to revenues from *ad valorem* taxes, certain fees imposed by the District or Subdistrict on properties within the Project Area may be used to offset the Project costs.

3. Water Supply Costs. The District has entered into an intergovernmental agreement with the City of Aurora for the acquisition of up to 150 acre-feet of water to service the Project Area. The Subdistrict agrees to finance a portion of the raw water to serve 251 residential equivalent units estimated to be in the amount of \$2,226,244 through a loan made by the Colorado Water Conservation Board ("CWCB") to the Subdistrict. The Subdistrict has applied for the loan and, assuming it is approved, the proceeds from the CWCB loan shall be used to finance the acquisition of up to 150 acre-feet of water to service the Project Area. The Subdistrict anticipates imposing a surcharge on each property within the Subdistrict in an amount adequate to make principal and interest payments on the loan from CWCB. In addition to the revenues generated by the surcharge, revenues from a debt service mill levy imposed by the Subdistrict may be used to repay the principal and interest payments on the CWCB loan. The remaining water supply costs will be financed by the County pursuant to the Douglas County IGA.

4. Water Service. The District hereby agrees to provide treated domestic water service to the Project Area upon completion of the Project. Property owners in the Project Area will be charged for treated water service at the District's then existing rates, plus any surcharges or other charges imposed to offset the costs of completing the Project.

5. Ownership and Operation of the Project. The Subdistrict and the County will own the Project based on a pro-rata basis determined by the relative amounts of the costs paid by each for the Project as described in Paragraph 6.1 of the Douglas County IGA. Upon payment in full of the CWRPDA loan and CWCB loan by the Subdistrict, the Subdistrict will transfer its pro-rata ownership in the Project to the District. Prior to the Subdistrict's transfer, the District will be

responsible for the operation of the Project. Upon completion of the Project, operation of the Project will be the sole obligation of the District, including any operation, maintenance, routine repair and replacement of the Project.

6. Term. Except as otherwise provided herein, the term of this Agreement shall commence on the date it is mutually executed by the Parties, and shall terminate upon the Subdistrict's transfer of its pro-rata ownership share in the Project to the District as set forth in Paragraph 5 of this Agreement.

7. Amendment. Except as otherwise provided herein, this Agreement may be modified, amended, changed, or terminated, in whole or in part, only by an agreement in writing duly authorized and executed by both Parties.

8. Assignment. This Agreement shall not be assignable by either Party unless the other Party consents in its sole discretion.

9. Successors and Assigns. The terms, conditions, and provisions of this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their permitted successors and assigns.

10. Termination. This Agreement will terminate in the event the conditions set forth in the Douglas County IGA Paragraph 7.8 are not met.

11. Default. If either Party to this Agreement fails to perform in accordance with the terms, covenants, and conditions of this Agreement, or is otherwise in default of any of the terms of this Agreement, after giving ten (10) days notice to the other Party of the alleged default, and upon said Party in default having failed to cure said breach within ten (10) days, the other Party shall have the option to terminate this Agreement and pursue any remedy available by law or in equity.

12. Governing Law. The terms, conditions, and provisions of this Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

13. Enforcement. This Agreement 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.

14. Non-severability and Effect of Invalidity. Each provision of this Agreement is integral to the others and is not severable from the others. If any portion of this Agreement 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.

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

16. No Third Party Beneficiaries. Unless otherwise explicitly provided for herein, this Agreement shall not grant any status or right to any third party, specifically any owner of any property, to make any claim as a third party beneficiary, or for deprivation of any right, violation of any vesting or rights, or inverse or other condemnation. This Agreement is for the benefit of the Parties only to resolve issues between the Parties.

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

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

19. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed original, but all of which constitute one and the same agreement.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK.]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the respective dates set forth below, to become effective as of the day and year set forth in the first page hereof.

**ROXBOROUGH WATER AND SANITATION  
DISTRICT**



By: David Bane  
Its: President

ATTEST:



By: Tim Moore  
Its: Secretary

**PLUM VALLEY HEIGHTS SUBDISTRICT OF  
THE ROXBOROUGH WATER AND  
SANITATION DISTRICT**



By: David Bane  
Its: President

ATTEST:



By: Tim Moore  
Its: Secretary

## **EXHIBIT A**

### **Intergovernmental Agreement for Water Treatment Services**

**INTERGOVERNMENTAL AGREEMENT FOR WATER TREATMENT SERVICES  
BETWEEN ROXBOROUGH WATER AND SANITATION DISTRICT AND THE  
BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF DOUGLAS**

THIS INTERGOVERNMENTAL AGREEMENT FOR WATER TREATMENT SERVICES ("IGA") is made and entered into this 26<sup>th</sup> day of August, 2014, by and between Roxborough Water and Sanitation District, a quasi-municipal and political subdivision of the State of Colorado ("RWSD"), and the Board of County Commissioners of the County of Douglas, a body politic organized under and existing by virtue of the laws of the State of Colorado (the "County"), collectively, the "Parties."

**Definitions**

The following terms, when used in this IGA, shall have the meaning set forth below:

**150 IGA:** That certain proposed intergovernmental agreement for the acquisition of up to 150 acre-feet of water between RWSD, acting by and through its Water Activity Enterprise, and Aurora, acting by and through its Utility Enterprise, to provide RWSD additional water supplies to serve the 150 IGA Area. The 150 IGA is anticipated to be approved and executed no later than October 20, 2014.

**150 IGA Area:** The existing developments of Plum Valley Heights, Titan Road Industrial Park, Chatfield East, and Chatfield Acres in addition to those areas in the general vicinity of such existing developments, as more particularly depicted on Exhibit A, attached hereto and incorporated herein.

**Actual Project Cost:** The actual and final total cost of completing the Project.

**Contract Amount:** The amount of the contract for the construction of the Project, as awarded and executed by the RWSD Board. The Contract Amount may be adjusted by the approval of change orders, the costs of which shall be addressed as provided in Paragraph 3.4.1.

**County's Estimated Project Cost:** The County's share of the Project Cost, which amount is estimated to be \$4,820,822.

**County's Maximum Project Cost:** The maximum amount to be paid by the County for the County's share of the Actual Project Cost, which amount shall not exceed \$5,000,000, unless otherwise increased upon the agreement of the Parties.

**County Tap Fee:** The fee imposed by the County and collected by RWSD at the time the property owner in the Project Area connects his or her property to the Project, as further described in Paragraph 3.6.3 hereof.

**Court:** The District Court in and for Douglas County, Colorado.

**Election:** The election to be held on November 4, 2014, at which the eligible electors of Inclusion Area shall vote on the questions of inclusion, as described in Paragraph 4.1 hereof, and the eligible electors of Project Area shall vote on certain ballot issues, as described in Paragraph 4.2 hereof.

**Escrow:** The escrow account into which the County shall deposit all amounts required by this IGA at the times set forth herein. The escrow will be administered by a third party agent acceptable to the Parties.

**Estimated Project Cost:** The total estimated cost to complete the Project as contemplated by this IGA, which amount is estimated to be \$14,960,316.

**Fire Flow:** The capacity in a water system necessary to deliver water at a pressure and flow rate adequate for fire suppression.

**Inclusion Area:** The existing developments of Titan Road Industrial Park, Chatfield East, and Chatfield Acres.

**Inclusion Effective Date:** The date the order for inclusion of the Inclusion Area into RWSD and the PVH Subdistrict is recorded with the Douglas County Clerk and Recorder as provided in Paragraph 4.4 hereof.

**Inclusion Order:** An order of the Court to include the Inclusion Area into RWSD and the PVH Subdistrict.

**Project:** The design, installation and construction of water infrastructure and facilities to connect the Project Area to RWSD's municipal water system, together with the acquisition of raw water supply sufficient for RWSD to provide treated water service to the Project Area. The Project generally includes the acquisition of up to 150 acre-feet of raw water pursuant to the 150 IGA, and a main water distribution line extension, storage facility, internal water distribution lines (not including service lines to individual homes or structures), and all related and necessary appurtenances.

**Project Area:** The existing developments of Plum Valley Heights, Titan Road Industrial Park, Chatfield East, and Chatfield Acres, as depicted on Exhibit A.

**Project Cost:** Costs associated with the Project as further defined in Paragraph 3.1.

**PVH Area:** That portion of the Plum Valley Heights subdivision, located in northwestern Douglas County, which was included into the boundaries of RWSD pursuant to the PVH Order for Inclusion.

**PVH Board of Directors:** The Board of Directors for the PVH Subdistrict.

***PVH Order for Inclusion:*** That certain Order of the District Court in and for Douglas County, Colorado for the inclusion of the PVH Area into the boundaries of RWSD, as recorded in the Douglas County Clerk and Recorder's Office on March 15, 2013 at Reception No. 2013021272.

***PVH Subdistrict:*** The Plum Valley Heights Subdistrict of the Roxborough Water and Sanitation District.

***RWSD Board:*** The Board of Directors for Roxborough Water and Sanitation District.

***RWSD's Estimated Project Cost:*** RWSD's share of the Project Cost, which amount is estimated to be \$10,139,494.

***Special District Act:*** Part 1 of Title 32 of the Colorado Revised Statutes.

***Water Supply IGA:*** That certain Intergovernmental Agreement for Water Supply, dated December 20, 2010, entered into between RWSD and the City of Aurora ("Aurora") pursuant to which Aurora agreed to provide a permanent water supply to RWSD, subject to the specific terms, conditions, and limitations contained therein.

### **1. Recitals**

WHEREAS, RWSD is a quasi-municipal corporation and political subdivision of the State of Colorado formed and organized pursuant to the Special District Act; and

WHEREAS, the County is a body corporate and politic of the State of Colorado and subject to Title 30, C.R.S.; and

WHEREAS, pursuant to the Colorado Constitution, Article XIV, Section 18(2)(a) and Section 29-1-203, C.R.S., local governments may cooperate or contract with each other to provide any function, service or facility lawfully authorized to each, and any such contract may provide for the sharing of costs, the imposition of taxes, and the incurring of debt notwithstanding any provision of law limiting the length of the financial contracts or obligations of government; and

WHEREAS, RWSD is authorized, pursuant to its service plan and the Special District Act, to provide treated water services to customers located both within and outside of its boundaries; and

WHEREAS, the County is authorized pursuant to Sections 30-20-402(1)(a) and (b), C.R.S., to construct, improve, and extend water facilities and operate and maintain the same; and

WHEREAS, RWSD and the City of Aurora entered into that certain Water Supply IGA, pursuant to which Aurora agreed to provide a permanent water supply to RWSD, subject to the specific terms, conditions, and limitations contained therein; and

WHEREAS, RWSD and the County have been collectively working on a plan to provide a renewable treated water supply to certain areas located in northwest Douglas County; and

WHEREAS, the County and RWSD have determined that RWSD could provide water service to the Project Area upon satisfaction of certain conditions; and

WHEREAS, RWSD does not have a sufficient water supply to provide treated water service to the Project Area from the water supply provided pursuant to the Water Supply IGA; and

WHEREAS, Aurora and RWSD, with input from the County, have determined that Aurora is able to assist RWSD and the County in providing service to the 150 IGA Area by making additional raw water supplies available to RWSD and the County pursuant to the 150 IGA; and

WHEREAS, the PVH Area was included into the boundaries of RWSD pursuant to the PVH Order for Inclusion; and

WHEREAS, on August 13, 2013, via Resolution No. 13-08-03, as recorded in the Douglas County Clerk and Recorder's Office on August 22, 2013 at Reception No. 2013070670, the RWSD Board approved the formation of the PVH Subdistrict, which includes the PVH Area, for purposes of financing and constructing necessary public improvements to connect the PVH Area to RWSD's municipal water system and to fund ongoing operations and maintenance of those public improvements; and

WHEREAS, the Parties believe that the most effective and efficient means to connect the Project Area to RWSD's municipal water system and for RWSD to provide treated water to the Project Area is to include the existing developments of Chatfield East, Chatfield Acres, and Titan Road Industrial Park into the boundaries of RWSD and the PVH Subdistrict; and

WHEREAS, including the Inclusion Area into the boundaries of RWSD and the PVH Subdistrict will permit the properties within the Project Area to share in the overall costs associated with acquisition of raw water and the installation and construction of the public infrastructure to connect the Project Area to RWSD's municipal water system and for RWSD to supply treated water to the Project Area; and

WHEREAS, RWSD does not currently have sufficient funds to pay for the costs associated with the acquisition of raw water pursuant to the 150 IGA and the construction and installation of infrastructure to connect the Project Area to the RWSD's municipal water system and to provide treated water service to the Project Area; and

WHEREAS, the Parties have engaged in negotiations associated with the financing, construction, operations, and maintenance of the Project, and desire to enter into this IGA to set forth the commitments and responsibilities of the Parties related to the financing, construction, operations, and maintenance of the Project.

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

## **2. Design and Construction of the Project; 150 IGA**

2.1 RWSD will be solely responsible for the design and construction of the Project, subject to the terms and conditions set forth in this IGA. Following the completion of design, RWSD will advertise for public bids or otherwise seek proposals to construct the Project. Commencement of construction of the Project will be contingent upon satisfaction of all conditions set forth in Paragraph 4.3 hereof. The County has determined that the provision of Fire Flow to the Project Area would be cost prohibitive to the inhabitants of the Project Area. Therefore, RWSD and the County acknowledge and agree that the Project will not be designed to provide Fire Flow initially or at any point in the future to the Project Area.

2.2. RWSD shall make good faith efforts to accomplish the 150 IGA by not later than December 31, 2014.

## **3. Project Cost and Financing**

3.1 RWSD and the County hereby agree to share the Project Cost as set forth in this Part 3 of the IGA. The Parties acknowledge and agree that the Estimated Project Cost is \$14,960,316 based on the following estimated costs:

Project Engineering and Design Cost: <sup>1</sup>	\$1,144,000
Shared Infrastructure Cost: <sup>2</sup>	\$4,322,100
Local Infrastructure Cost: <sup>3</sup>	\$3,992,361
Water Supply Cost: <sup>4</sup>	\$2,473,605
RWSD Water Customer Cost: <sup>5</sup>	\$2,698,250
Financing Fees and Debt Reserve Cost: <sup>6</sup>	\$ 300,000
Election Cost: <sup>7</sup>	\$ 30,000
Estimated Project Cost:	\$14,960,316

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<sup>1</sup> All costs of engineering and designing the Project including construction oversight, materials, testing and analysis, and all costs related thereto.

<sup>2</sup> All costs associated with the main water distribution line extension and storage facility.

<sup>3</sup> All costs associated with the construction of the local water distribution lines (does not include service line extensions to a home or structure).

<sup>4</sup> All costs associated with the acquisition of raw water to serve 251 residential equivalent units pursuant to the 150 IGA.

<sup>5</sup> Costs recovered through Water Customer Fees, including System Development Charge (\$5,900), Permit/Meter Charge (\$1,650) and, Inclusion Fee (\$3,200). All estimates based on current fees and charges and are subject to change by the RWSD Board.

<sup>6</sup> Cost of application and for loans and related fees for loans contemplated herein and reserve requirements related thereto.

<sup>7</sup> The cost of conducting the Election.

3.2 The Estimated Project Cost, based on estimates described in Paragraph 3.1 above, will be allocated, paid, and subsequently recovered, if at all, by and to RWSD and the County as set forth below in Paragraphs 3.2.1 through 3.2.7.

3.2.1 Project Engineering and Design Cost: All Project Engineering and Design Costs shall be paid by the County. The County hereby agrees to deposit \$1,144,000 into the Escrow for payment of such cost on or before January 15, 2015, as further provided in Paragraph 3.3 hereof. RWSD is not responsible for the payment of any portion of the Project Engineering and Design Costs. The County acknowledges that it has no expectation of recovery of any portion of the Project Engineering and Design Costs from revenues generated in the Project Area.

3.2.2 Shared Infrastructure Cost: The Shared Infrastructure Cost shall be the responsibility of RWSD. RWSD expects that the Shared Infrastructure Cost of the Project will be financed through a loan made by the Colorado Water Resources and Power Development Authority to either RWSD or the PVH Subdistrict and that the proceeds from such loan will be received by RWSD or the PVH Subdistrict in May or June 2015.

3.2.3 Local Infrastructure Cost: The Local Infrastructure Cost will be allocated between RWSD and the County as follows:

(i) RWSD shall be responsible for a portion of the Local Infrastructure Cost estimated to be in the amount of \$877,900. RWSD or the PVH Subdistrict expect to pay such costs from a portion of the proceeds of the loan described in 3.2.2 hereof.

(ii) The County shall be responsible for a portion of the Local Infrastructure Cost estimated to be in the amount of \$3,114,461. The County hereby agrees to deposit its estimated share of the Local Infrastructure Cost into the Escrow on or before January 15, 2015, as further provided in Paragraph 3.3 hereof. The County anticipates the recovery of all or a portion of its share of the Local Infrastructure Cost as described in Paragraph 3.6 hereof.

3.2.4 Water Supply Costs: The Water Supply Costs will be allocated between RWSD and the County as follows:

(i) RWSD shall be responsible for a portion of the Water Supply Costs to serve 251 residential equivalent units estimated to be in the amount of \$2,226,244. RWSD expects that the Water Supply Costs of the Project will be financed through a loan made by the Colorado Water Conservation Board to either RWSD or the PVH Subdistrict and that the proceeds from such loan will be received by RWSD or the PVH Subdistrict in the first quarter of 2015. The County shall be responsible for the remaining amount of the Water Supply Costs that is not financed through the loan made by the Colorado Water Conservation Board to either RWSD or the PVH Subdistrict.

(ii) Pursuant to the 150 IGA, up to 150 acre-feet of raw water may be acquired, which would permit service to 316 residential equivalent units. The Parties anticipate approximately 251 residential equivalent units will be located in the Project Area. As a result,

water to service an additional 65 residential equivalent units within the 150 IGA Area may be acquired pursuant to the 150 IGA by separate agreement of the Parties.

**3.2.5 Financing Fees and Debt Reserve Cost:** All Financing Fees and Debt Reserve Costs of the Project shall be paid by the County. The County shall deposit an amount equal to \$300,000 into the Escrow, as further discussed in Paragraph 3.3 hereof, immediately upon mutual execution of this IGA. RWSD is not responsible for the payment of any portion of any Financing Fees and Debt Reserve Costs. The County anticipates the recovery of all or a portion of the Financing Fees and Debt Reserve Cost as described in Paragraph 3.6 hereof.

**3.2.6 Election Costs:** Costs associated with the Election shall be allocated between RWSD and the County as follows: The County shall be responsible for the first \$15,000 in Election Costs and RWSD shall be responsible for all Election Costs in excess of \$15,000. In December 2014, RWSD will invoice the County for its portion of Election Costs. The County hereby agrees to remit payment to RWSD within thirty (30) days of receipt of said invoice. The County acknowledges that it has no expectation of recovering any portion of the Election Costs from revenues generated in the Project Area.

**3.2.7 RWSD Water Customer Fees:** All RWSD Water Customer Fees shall be imposed and collected as provided in RWSD's Rules and Regulations and as described in Paragraph 3.6 hereof.

**3.3** As set forth in Paragraph 3.2.5, the County hereby agrees to deposit into the Escrow the amount of \$300,000 in order to pay the Finance Fees and Debt Reserve Costs upon mutual execution of this IGA and an amount equal to the County's Estimated Project Cost, less the \$300,000 deposited to pay the Finance Fees and Debt Reserve Costs, on or before January 15, 2015, as set forth in Paragraphs 3.2.1, 3.2.3, 3.2.4, and 3.2.5 above. The County shall adjust the amount on deposit in the Escrow based on the contract bids tabulated for the Project, as set forth in Paragraph 3.4 below, provided that any adjustment shall not cause the County's share of the Actual Project Costs to exceed the County's Maximum Project Cost. RWSD shall draw amounts from the Escrow as needed to pay invoices for the Project as such invoices become due. Prior to the withdrawal of any amounts from the Escrow, RWSD shall provide copies of invoices and contractor pay applications to the County for review and a statement with regard to the amount RWSD intends to withdraw from the Escrow. The County may not object to any withdrawals made by RWSD, provided that RWSD has provided copies of all invoices to the County as set forth in this Paragraph 3.3 and such invoices are related to the Project consistent with this IGA.

**3.4** The Parties acknowledge and agree that the Project Cost set forth in Paragraph 3.1 hereof is an estimate only and is subject to change. Upon the tabulation of bids for the construction of the Project, RWSD will advise the County of the bid amounts and the County shall adjust the amount of funds escrowed, pursuant to Paragraph 3.3 hereof, as necessary, provided that any adjustment shall not cause the County's Actual Project Cost to exceed the County's Maximum Project Cost. Provided that: (1) all funds necessary to award the construction contract have been provided and obtained as contemplated herein, and (2) RWSD receives an acceptable responsive bidder as determined by the RWSD Board or the PVH Subdistrict Board, then the RWSD Board

or the PVH Subdistrict Board will determine whether to award a construction contract for the Project and will immediately notify the County of such determination.

3.4.1 In the event adjustments are necessary to the Project Cost due to change orders impacting the Contract Amount, RWSD shall notify the County of such adjustments and the Parties will determine if additional funding of the Escrow is necessary by the County, provided that the County's share of the Project Cost shall not cause the County's Actual Project Cost to exceed the County's Maximum Project Cost.

3.4.2 Following determination of the Actual Project Cost and release of final retainage for final payment on the construction contract for the Project, RWSD will provide the County with a summary of total costs and amounts paid by each party, to determine if each party's payments are consistent with the allocations set forth in this IGA. In the event, following review of such summary, the Parties determine that an adjustment or true-up to the amounts paid by each party is required, provided that any adjustment for the County shall not cause the County's Actual Project Cost to exceed the County's Maximum Project Cost. Such review shall be completed within sixty (60) days of RWSD's delivery of the summary of costs and payments to the County. Any funds remaining on deposit in the Escrow upon completion of the Project shall be released to the County.

3.5 RWSD hereby agrees to work with the County in obtaining a grant from the Colorado Water Conservation Board to assist in the payment of the Project Cost. Any funds received from the successful award of a grant will be applied to the County's share of the Project Cost, which shall reduce the County's overall share of the Project Cost. In the event the County and/or RWSD are successful in obtaining other sources of payment of the Project Cost, such funds will be applied to the County's share of the Project Cost first and the remainder, if any, to RWSD's share of the Project Cost.

3.6 A portion of the Project Cost is anticipated to be recovered by the Parties as follows:

3.6.1 RWSD Inclusion Fee. Each property within the Project Area will be obligated to pay \$500 of the RWSD Inclusion Fee within sixty (60) days of the Inclusion Effective Date. The balance of the RWSD Inclusion Fee due from each property owner in the Project Area, totaling \$2,700 per property, shall be prorated over ten years, including interest, and such pro-rated amounts shall be included in each property's monthly water service bill from RWSD.

3.6.2 RWSD System Development Charge and Permit Fee. The System Development Charge and Permit Fee shall be payable at the time the property owner connects his or her property to the Project, as further described in Paragraph 3.6.6 hereof. The RWSD System Development Charge and Permit Fee shall be payable at the then-current RWSD rates, at the time the property connects to the Project.

3.6.3 County Tap Fee. The County Tap Fee shall be payable at the time the property owner connects his or her property to the Project, as further described in Paragraph 3.6.6 hereof. The County Tap Fee will be established by the County in an amount currently estimated to total

\$14,645 per residential equivalent unit. The County Tap Fee is calculated based on an anticipated 251 residential equivalent units within the Project Area. RWSD will collect the County Tap Fee on the County's behalf and remit the proceeds from the County Tap Fee to the County on a quarterly basis, free of any collection or remittance charges.

3.6.4 Monthly Charges. RWSD or the PVH Subdistrict will impose and collect as part of its monthly water bill a surcharge in an amount adequate to collect the balance of the RWSD Inclusion Fee as described in Paragraph 3.6.1 hereof, and in an amount adequate to make principal and interest payments on the loan from the Colorado Water Conservation Board described in Paragraph 3.2.4(i) hereof. The surcharge described herein will be imposed on each property as further described in Paragraph 3.6.6 hereof. The amount of the surcharge will be determined annually by the RWSD Board or PVH Subdistrict Board, as applicable, and is subject to change from year to year. Based on current estimates, the surcharge is initially anticipated to be \$65 to \$75 per month per residential equivalent unit.

3.6.5 Property Taxes. The PVH Subdistrict will impose a mill levy on each property within the PVH Subdistrict boundary, in an amount adequate to make principal and interest payments on the loan from the Colorado Water Resources and Power Development Authority described in Paragraph 3.2.2 hereof. The amount of the mill levy will be determined annually by the PVH Subdistrict Board and is subject to change from year to year subject to the authority provided by the electors at the Election. Based on current estimates, the mill levy is initially anticipated to be 36 mills. This mill levy will be in addition to any other mill levies imposed by the RWSD Board within the RWSD boundaries. The PVH Subdistrict mill levy will be imposed as further described in Paragraph 3.6.6 hereof.

#### 3.6.6 Timing of Charges and Mill Levy Imposition.

(i) The RWSD System Development Charge and Permit Fee as described in Paragraph 3.6.2 hereof and the County Tap Fee described in Paragraph 3.6.3 hereof, shall be due and payable by each property owner at the time the property owner's property is connected to the Project. All property owners within the Project Area will be required to connect their property to the Project no later than two years following substantial completion of the Project.

(ii) The monthly charges described in Paragraph 3.6.4 hereof shall commence in the month immediately following the Inclusion Effective Date.

(iii) The property taxes described in Paragraph 3.6.5 hereof will be imposed in the year of closing the loan from the Colorado Water Resources and Power Development Authority described in Paragraph 3.2.2 hereof, for collection beginning the immediately following year. By way of example, if the loan closes in May 2015, the mill levy will be imposed by the PVH Subdistrict Board in December 2015 and will be payable by the taxpayers commencing in 2016.

(iv) All fees and charges imposed by RWSD or the PVH Subdistrict shall be immediately secured until paid in full by the statutory lien set forth in Section 32-1-1001(1)(j), C.R.S.

#### **4. Inclusion into RWSD**

4.1 As a condition precedent to construction of the Project, the property within the Inclusion Area must be included into the boundaries of RWSD and the PVH Subdistrict. On September 17, 2014, the RWSD Board shall consider the adoption of a resolution to include the Inclusion Area into the boundaries of RWSD and the PVH Subdistrict. If adopted, the RWSD Board will file its resolution and order with the clerk of Court and, as required by § 32-1-401(2)(d), C.R.S., the Court shall direct that the questions of inclusion of the Inclusion Area within the RWSD and PVH Subdistrict be submitted to the eligible electors of the Inclusion Area together with a summary of any conditions, at the Election.

4.2 In addition to the question of inclusion submitted to the eligible electors of the Inclusion Area at the Election as set forth in Paragraph 4.1 above, ballot issues seeking voter authorization for the PVH Subdistrict to increase debt, increase ad valorem property taxes, and to maintain revenues from the imposition of tap fees and other charges on the property within the Project Area, shall be submitted to the eligible electors of the Project Area at the Election. All ballot questions and ballot issues are required to receive a majority of the votes cast at the Election in order for RWSD to complete the inclusion of the Inclusion Area into RWSD and the PVH Subdistrict. If any ballot question or ballot issue is not approved at the Election, the inclusion of the Inclusion Area shall not be consummated, and this IGA shall immediately terminate; provided, however, the County's obligation for its share of the Election Costs, as set forth in Paragraph 3.2.6, hereof shall survive such termination.

4.3 If the majority of the votes cast at the Election are in favor of the inclusion (as set forth in Paragraph 4.1 hereof) and if the majority of the votes cast at the Election are in favor of the ballot issues (as set forth in Paragraph 4.2 hereof), the Court shall enter an order including the Inclusion Area into RWSD and the PVH Subdistrict. Prior to RWSD recording the Inclusion Order, the following must occur: a) execution of the 150 IGA; b) execution of this IGA; c) deposit by the County of the County's Estimated Project Cost into the Escrow (as set forth in Paragraph 3.3 hereof); d) successful closings of the financings described in Paragraphs 3.2.2 and 3.2.4(i) hereof; and e) the award of a construction contract for the Project by the RWSD Board or the PVH Subdistrict Board.

4.4 When all conditions set forth in Section 4.3 are met, RWSD shall record the Inclusion Area order for inclusion in the office of the Douglas County Clerk and Recorder. The Inclusion Area shall be deemed included into RWSD and the PVH Subdistrict upon the date of recording of the Inclusion Order.

## **5. Water Service**

5.1 RWSD agrees to provide treated domestic water service to the Project Area upon completion of the Project, subject to the terms and conditions of the 150 IGA. Following connection to the Project, and in addition to the charges described in Paragraph 3.6 hereof, property owners in the Project Area will be charged for treated water service at RWSD's then existing rates. Treated water service rates and charges are set by the RWSD Board and adjusted by the RWSD Board as it deems necessary.

## **6. Ownership and Operation of the Project**

6.1 The Project will be owned by RWSD and the County on a pro-rata basis determined by the relative amounts of the Project Cost paid for by each party, as set forth in Paragraph 3 hereof. The County shall transfer its pro-rata ownership in the Project to RWSD upon the recovery by the County of costs paid by the County for Local Infrastructure and Financing Fees and Debt Reserve from County Tap Fees. The County may, in its discretion, transfer its pro-rata ownership of the Project, or any portion thereof, to RWSD at any time prior to the recovery by the County of Local Infrastructure Costs and Financing Fees and Debt Reserve Costs from County Tap Fees; provided, however, that the County shall be obligated to transfer all of its pro-rata ownership of the Project to RWSD no later than the fifth anniversary of the effective date of the 150 IGA.

6.2 Operation of the Project and delivery of treated domestic water to the Project Area will be the sole obligation of RWSD.

6.3 In the event future upgrades, major repairs, or replacements to the Project are mandated by any State, Federal or other law, rule or regulation, RWSD shall be responsible for making such upgrade, repair or replacement.

6.3.1 Prior to the County's transfer of its ownership in the Project to RWSD, the costs of any upgrades, major repairs, or replacements to the Project contemplated by Paragraph 6.3 shall be shared between RWSD and the County based on each party's pro-rata share of ownership in the Project. RWSD will provide the County with plans for any future changes or upgrades to the Project. Nothing in this Paragraph 6.3.1 shall obligate the County for any costs associated with routine repairs to the Project or for any costs associated with routine maintenance or operation of the Project.

6.3.2 Prior to the transfer of the County's pro-rata ownership in the Project to RWSD, the Project shall be the sole responsibility of RWSD, including any and all costs associated with the operation, maintenance, routine repair and replacement of the Project, including all infrastructure necessary for RWSD to deliver treated domestic water to the Project Area. Upon the transfer of the County's pro-rata ownership in the Project to RWSD, all aspects of operating, maintaining, repairing, replacing and upgrading the Project shall be the sole obligation of RWSD and each party shall have no obligation to the other pursuant to this IGA.

## **7. General Provisions**

7.1 **Term.** The term of this IGA shall commence on the date it is mutually executed by the Parties, and shall terminate as set forth in Paragraph 7.18.

7.2 **Amendment.** Except as otherwise provided herein, this IGA may be modified, amended, changed, or terminated, in whole or in part, only by an agreement in writing duly authorized and executed by both Parties.

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

For RWSD:                   Roxborough Water and Sanitation District  
                                  Attn: Larry Moore, General Manager  
                                  6222 N Roxborough Park Rd  
                                  Littleton, CO 80125

*With a copy to:*        Icenogle Seaver Pogue, P.C.  
                                  Attn: Alan Pogue  
                                  4725 South Monaco Street, Suite 225  
                                  Denver, CO 80237

For the County:           County of Douglas:  
                                  Attn: County Manager  
                                  Douglas County  
                                  100 Third Street  
                                  Castle Rock, Colorado 80104

*With a copy to:*        County of Douglas  
                                  Attn: County Attorney  
                                  100 Third Street  
                                  Castle Rock, Colorado 80104

All notices, demands, requests or other communications required hereunder shall be in writing and shall be given when given personally or sent by registered or certified mail, return receipt requested, postage prepaid. Either party hereto may designate a new address for purposes of notices sent pursuant to this IGA, which may include an electronic mail address, by giving written notice thereof to the other party as provided herein.

7.4 **Assignment.** This IGA shall not be assignable by either party unless the other party consents in its sole discretion.

7.5 **Successors and Assigns.** The terms, conditions, and provisions of this IGA shall be binding upon and inure to the benefit of the Parties hereto and their permitted successors and assigns.

7.6 Governing Law. The terms, conditions, and provisions of this IGA shall be governed by and construed in accordance with the laws of the State of Colorado.

7.7 Failure to Perform Due to Force Majeure. Subject to the terms and conditions of 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 all necessary 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, or tornadoes, (c) sabotage, (d) vandalism beyond that which can be reasonably prevented by the party, (e) terrorism, (f) war, (g) riots, (h) fire, (i) explosion, (j) severe and unusually cold or hot weather, (k) extreme snow, (l) blockades, (m) insurrection, (n) strike, slowdown or other labor disruptions, (o) changes of law relating to financial obligations, revenues and budgetary matters concerning Colorado local governments and their enterprises, (p) actions by federal, state, municipal, county or other government or agency but only if such requirements, actions or failures to act prevent or delay performance, (q) changes in state or federal law or administrative practice concerning water rights administration, water storage, water quality or stream flow requirements that prevent or delay performance, and (r) inability, despite good faith efforts, to obtain required licenses, permits or approval, which prevents or delays performance.

7.8 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.

7.9 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.

7.10 No Third Party Beneficiaries. Unless otherwise explicitly provided for herein, this IGA shall not grant any status or right to any third party, specifically any owner of any property, to make any claim as a third party beneficiary, or for deprivation of any right, violation of any vesting or rights, or inverse or other condemnation. This IGA is for the benefit of the Parties only to resolve issues between the Parties.

7.11 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.

7.12 Counterparts. This IGA may be executed in any number of counterparts, each of which shall be deemed original, but all of which constitute one and the same agreement.

7.13 Non-severability and Effect of Invalidity. Each provision of this IGA is 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.

7.14 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 its own attorney's fees and costs associated with any such legal action.

7.15 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.

7.16 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.

7.17 Non-Business Days. If any date for any action under this IGA falls on a Saturday, Sunday or 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.

7.18 Termination. This IGA will terminate in the event: (i) the County fails to deposit the appropriate funds in the Escrow by the deadlines set forth in Paragraph 3.3 hereof; (ii) the Election is unsuccessful as set forth in Paragraph 4.2 hereof; (iii) RWSD provides notice to the County by or before August 30, 2015, that RWSD will be unable to close on the loan from the Colorado Water Resources and Power Development Authority and/or the Colorado Water Conservation Board, as set forth in Paragraphs 3.2.2 and 3.2.4(i) hereof; (iv) 150 IGA is not approved and executed by RWSD and Aurora by December 31, 2014; or (v) upon mutual written agreement of the Parties.

7.19 Appropriation. The obligations of each party to the other, described in this IGA, do not constitute multiple year fiscal obligations of either party. As such, this IGA is not to be considered or construed as a multiple year fiscal obligation of either party and any obligations described in this IGA running from one party to the other are subject to annual appropriation by the applicable party's board. The failure of either party to annually appropriate funds owed to the other as required by this IGA shall result in the immediate termination of this IGA. The amount of funds appropriated for this IGA by the County is \$5,000,000. In no event shall the County be liable for payment under this IGA for any amount in excess thereof.

7.20 Recitals. All recitals are incorporated herein.

IN WITNESS WHEREOF, this Intergovernmental Agreement is executed by the Roxborough Water and Sanitation District and the Board of County Commissioners of Douglas County as of the date first above written.


**ROXBOROUGH WATER AND SANITATION DISTRICT**

  
\_\_\_\_\_  
David Bane, President

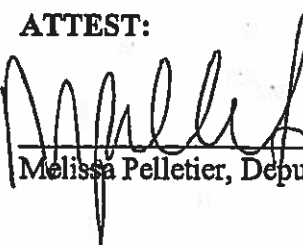
ATTEST:

  
\_\_\_\_\_  
Tim Moore, Secretary

**BOARD OF COUNTY COMMISSIONERS OF  
THE COUNTY OF DOUGLAS, COLORADO**

BY:   
\_\_\_\_\_  
Roger Partridge, Chair  
Board of County Commissioners

ATTEST:

  
\_\_\_\_\_  
Melissa Pelletier, Deputy Clerk to the Board



APPROVED AS TO FORM:

  
\_\_\_\_\_  
Kristin Decker, Sr. Asst. County Attorney

APPROVED AS TO FISCAL CONTENT:

 8/26/14  
\_\_\_\_\_  
Andrew Copland, Director of Finance

# EXHIBIT A - 150 IGA AREA

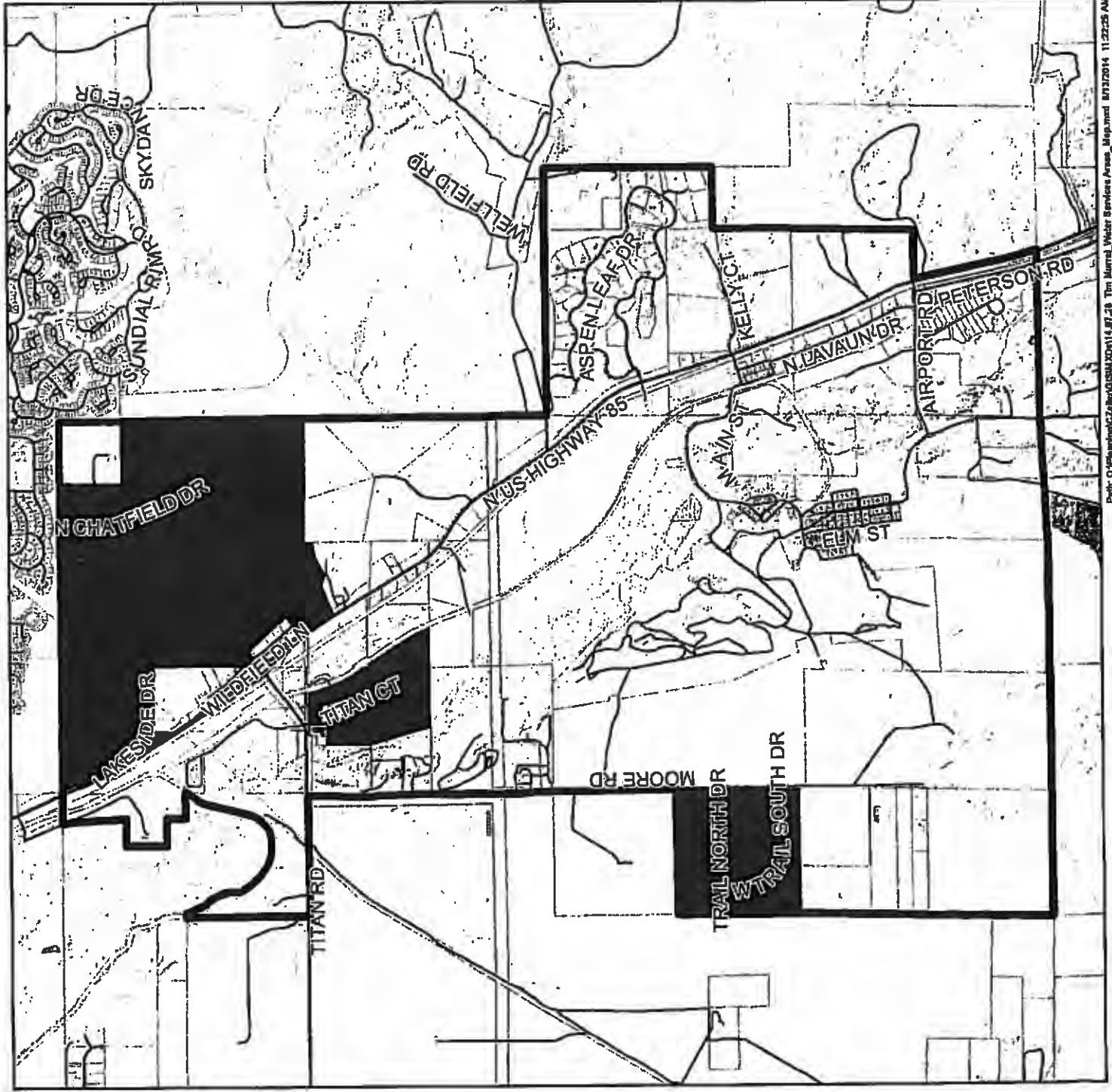


## Legend

- Project Area
- 150 IGA Area
- Roads
- Major Roads
- Other Roads



August 2014  
Douglas County  
Department of  
Community Development





RESOLUTION NO. 15-02 02

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF ROXBOROUGH WATER AND SANITATION DISTRICT**

A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT CONCERNING THE FINANCING AND CONSTRUCTION OF WATER PUBLIC IMPROVEMENTS

**WHEREAS**, Roxborough Water and Sanitation District (the "District") and Douglas County (the "County") have been collectively working on a plan to provide a renewable treated water supply to certain areas located in northwest Douglas County and determined that the District could provide water service to the developments of Chatfield East, Chatfield Acres, and Titan Road Industrial Park (collectively, the "Inclusion Area") and the development of Plum Valley Heights ("PVH Area") located within the boundaries of the Plum Valley Heights Subdistrict of the Roxborough Water and Sanitation District (the "Subdistrict") upon satisfaction of certain conditions; and

**WHEREAS**, the "Inclusion Area" and "PVH Area" are collectively referred to as the "Project Area;" and

**WHEREAS**, the District and the County determined that the most effective and efficient means to connect the Project Area to the District's municipal water system and for the District to provide treated water service to the Project Area (collectively, the "Project") is to include the Inclusion Area into the boundaries of the District and the Subdistrict, which would permit the properties within the Project Area to share in the overall costs associated with the acquisition of raw water and the installation and construction of the public infrastructure to connect the Project Area to the District's municipal water system and for the District to supply treated water to the Project Area; and

**WHEREAS**, at special elections held by the District and the Subdistrict, respectively, on November 4, 2014, the eligible electors of the Inclusion Area authorized the inclusion of the Inclusion Area into the boundaries of the District and the Subdistrict, subject to the satisfaction of certain terms and conditions, and the eligible electors of the Inclusion Area and the Subdistrict authorized the creation and issuance of debt and imposition of ad valorem taxes for financing the Project; and

**WHEREAS**, the District and the County entered into an Intergovernmental Agreement for Water Treatment Services, dated August 26, 2014 ("Douglas County IGA") to set forth the commitments and responsibilities of the District and the County related to the financing, construction, operations, and maintenance of the Project; and

**WHEREAS**, pursuant to Douglas County IGA Sections 3.2.2 and 3.2.3, it is anticipated that construction and installation of public infrastructure to connect the Project Area to the District's municipal water system would be financed through a loan made by the Colorado Water Resources and Power Development Authority to either the District or Subdistrict; and

**WHEREAS**, pursuant to Douglas County IGA Section 3.2.4(i), it is anticipated that a portion of the water supply costs needed for the Project Area would be financed through a loan made by the Colorado Water Conservation Board to either the District or Subdistrict; and

**WHEREAS**, pursuant to Section 32-1-1001(1)(d)(I), C.R.S., the District is permitted to enter into contracts and agreements affecting the affairs of the District; and

**WHEREAS**, pursuant to Section 29-1-203(1), C.R.S., governments may cooperate or contract with one another to provide any function, service, or facility lawfully authorized to each of the cooperating or contracting units, including the sharing of costs, the imposition of taxes, or the incurring of debt, only if such cooperation or contracts are authorized by each party thereto with the approval of its legislative body or other authority having the power to so approve; and

**WHEREAS**, the District and Subdistrict desire to enter into an "Intergovernmental Agreement Concerning the Financing and Construction of Water Public Improvements," as attached hereto as Exhibit A and incorporated herein by reference, to set forth the commitments and responsibilities of the District and the Subdistrict related to the financing, construction, operations, and maintenance of the Project.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF ROXBOROUGH WATER AND SANITATION DISTRICT HEREBY RESOLVES AS FOLLOWS:**

1. The Board of Directors of the District hereby adopts and approves the "Intergovernmental Agreement Concerning the Financing and Construction of Water Public Improvements Services Agreement," as attached hereto as Exhibit A, and authorizes the District's President and Secretary to execute the same.

2. This Resolution shall take effect on the date and at the time of its adoption.

(Signatures Begin on Next Page.)

ADOPTED AND APPROVED THIS 18<sup>th</sup> DAY OF FEBRUARY, 2015.

**ROXBOROUGH WATER AND SANITATION  
DISTRICT**



By: David Bane

Its: President

ATTEST:



By: Tim Moore

Its: Secretary

**EXHIBIT A**  
(To Resolution)

**INTERGOVERNMENTAL AGREEMENT CONCERNING THE FINANCING AND  
CONSTRUCTION OF WATER PUBLIC IMPROVEMENTS**

## **INTERGOVERNMENTAL AGREEMENT CONCERNING THE FINANCING AND CONSTRUCTION OF WATER PUBLIC IMPROVEMENTS**

THIS INTERGOVERNMENTAL AGREEMENT CONCERNING THE FINANCING AND CONSTRUCTION OF WATER PUBLIC IMPROVEMENTS ("Agreement"), is made and effective this 18<sup>th</sup> day of February, 2015, by and between ROXBOROUGH WATER AND SANITATION DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"), and the PLUM VALLEY HEIGHTS SUBDISTRICT OF THE ROXBOROUGH WATER AND SANITATION DISTRICT, a quasi-municipal corporation (the "Subdistrict"), collectively, the "Parties".

### **RECITALS**

**WHEREAS**, the District is authorized, pursuant to its service plan and the Special District Act, to provide treated water service to customers located both within and outside of its boundaries; and

**WHEREAS**, pursuant to Section 32-1-1101(1)(f)(I), C.R.S. the District is authorized to divide the District into one or more subdistricts consistent with the services, programs and facilities to be furnished therein; and

**WHEREAS**, pursuant to Section 32-1-1101(1.5)(a), C.R.S., the determination by the Board of Directors of the District (the "District Board") to form the Subdistrict shall be made by a resolution adopted at a regular or special meeting of the District Board after publication of notice of the purpose of the public meeting and the place, time and date of such meeting; and

**WHEREAS**, at a regular scheduled meeting of the District's Board of Directors ("District Board") on August 13, 2013, and after publication of notice pursuant to Section 32-1-1101(1.5)(a), C.R.S., the District Board approved, via Resolution No. 13-08-03, as recorded in the Douglas County Clerk and Recorder's Office on August 22, 2013 at Reception No. 2013070670, the formation of the Subdistrict, which included twenty-eight lots in a development known as Plum Valley Heights ("PVH Area") for purposes of financing and constructing necessary public improvements to connect the PVH Area to the District's municipal water system and to fund ongoing operations and maintenance of those public improvements; and

**WHEREAS**, the District and Douglas County (the "County") have been collectively working on a plan to provide a renewable treated water supply to certain areas located in northwest Douglas County and determined that the District could provide water service to the developments of Chatfield East, Chatfield Acres, and Titan Road Industrial Park (collectively, the "Inclusion Area") and the PVH Area (the Inclusion Area and PVH Area, collectively, the "Project Area"), upon satisfaction of certain conditions; and

**WHEREAS**, the District and the County determined that the most effective and efficient means to connect the Project Area to the District's municipal water system and for the District to provide treated water service to the Project Area (collectively, the "Project") is to include the

Inclusion Area into the boundaries of the District and the Subdistrict, which would permit the properties within the Project Area to share in the overall costs associated with the acquisition of raw water and the installation and construction of the public infrastructure to connect the Project Area to the District's municipal water system and for the District to supply treated water to the Project Area; and

**WHEREAS**, at special elections held by the District and the Subdistrict, respectively, on November 4, 2014, the eligible electors of the Inclusion Area authorized the inclusion of the Inclusion Area into the boundaries of the District and the Subdistrict, subject to the satisfaction of certain terms and conditions, and the eligible electors of the Inclusion Area and the Subdistrict authorized the creation and issuance of debt and imposition of ad valorem taxes for financing the Project; and

**WHEREAS**, the District and the County entered into an Intergovernmental Agreement for Water Treatment Services, dated August 26, 2014, as attached hereto as Exhibit A and incorporated herein by reference ("Douglas County IGA"), to set forth the commitments and responsibilities of the District and the County related to the financing, construction, operations, and maintenance of the Project; and

**WHEREAS**, pursuant to Douglas County IGA Sections 3.2.2 and 3.2.3, it is anticipated that construction and installation of public infrastructure to connect the Project Area to the District's municipal water system would be financed through a loan made by the Colorado Water Resources and Power Development Authority to either the District or Subdistrict; and

**WHEREAS**, pursuant to Douglas County IGA Section 3.2.4(i), it is anticipated that a portion of the water supply costs needed for the Project Area would be financed through a loan made by the Colorado Water Conservation Board to either the District or Subdistrict; and

**WHEREAS**, pursuant to Section 32-1-1001(1)(d)(I), C.R.S., the District and the Subdistrict are permitted to enter into contracts and agreements affecting the affairs of the District and Subdistrict, respectively; and

**WHEREAS**, pursuant to Section 29-1-203(1), C.R.S., governments may cooperate or contract with one another to provide any function, service, or facility lawfully authorized to each of the cooperating or contracting units, including the sharing of costs, the imposition of taxes, or the incurring of debt, only if such cooperation or contracts are authorized by each party thereto with the approval of its legislative body or other authority having the power to so approve; and

**WHEREAS**, the District and Subdistrict desire to enter into this Agreement to set forth the commitments and responsibilities of the District and the Subdistrict related to the financing, construction, operations, and maintenance of the Project.

**NOW THEREFORE**, in consideration of the terms, conditions and compensation set forth below, the Parties hereto agree as follows:

## AGREEMENT

1. Design and Construction of Project. The Subdistrict shall be responsible for the design and construction of the Project, subject to the terms and conditions set forth in the Douglas County IGA. Following the completion of the Project design, the Subdistrict will advertise for public bids or otherwise seek proposals to construct the Project. Commencement of construction of the Project will be contingent upon satisfaction of all conditions set forth in Douglas County IGA Paragraph 4.3.

2. Project Financing. The Subdistrict agrees to assist in the financing of the Project through a loan made by the Colorado Water Resources and Power Development Authority ("CWRPDA") to the Subdistrict in an estimated amount of Five Million Two Hundred Thousand Dollars (\$5,200,000). The Subdistrict has applied for the loan and, assuming it is approved, the proceeds from the CWRPDA loan shall be used to finance the costs associated with the construction and installation of the main water distribution line extension, and local water distribution lines for the Project. The Subdistrict anticipates imposing a mill levy on each property within the Subdistrict in an amount adequate to make principal and interest payments on the loan from CWRPDA. In addition to revenues from *ad valorem* taxes, certain fees imposed by the District or Subdistrict on properties within the Project Area may be used to offset the Project costs.

3. Water Supply Costs. The District has entered into an intergovernmental agreement with the City of Aurora for the acquisition of up to 150 acre-feet of water to service the Project Area. The Subdistrict agrees to finance a portion of the raw water to serve 251 residential equivalent units estimated to be in the amount of \$2,226,244 through a loan made by the Colorado Water Conservation Board ("CWCB") to the Subdistrict. The Subdistrict has applied for the loan and, assuming it is approved, the proceeds from the CWCB loan shall be used to finance the acquisition of up to 150 acre-feet of water to service the Project Area. The Subdistrict anticipates imposing a surcharge on each property within the Subdistrict in an amount adequate to make principal and interest payments on the loan from CWCB. In addition to the revenues generated by the surcharge, revenues from a debt service mill levy imposed by the Subdistrict may be used to repay the principal and interest payments on the CWCB loan. The remaining water supply costs will be financed by the County pursuant to the Douglas County IGA.

4. Water Service. The District hereby agrees to provide treated domestic water service to the Project Area upon completion of the Project. Property owners in the Project Area will be charged for treated water service at the District's then existing rates, plus any surcharges or other charges imposed to offset the costs of completing the Project.

5. Ownership and Operation of the Project. The Subdistrict and the County will own the Project based on a pro-rata basis determined by the relative amounts of the costs paid by each for the Project as described in Paragraph 6.1 of the Douglas County IGA. Upon payment in full of the CWRPDA loan and CWCB loan by the Subdistrict, the Subdistrict will transfer its pro-rata ownership in the Project to the District. Prior to the Subdistrict's transfer, the District will be

responsible for the operation of the Project. Upon completion of the Project, operation of the Project will be the sole obligation of the District, including any operation, maintenance, routine repair and replacement of the Project.

6. Term. Except as otherwise provided herein, the term of this Agreement shall commence on the date it is mutually executed by the Parties, and shall terminate upon the Subdistrict's transfer of its pro-rata ownership share in the Project to the District as set forth in Paragraph 5 of this Agreement.

7. Amendment. Except as otherwise provided herein, this Agreement may be modified, amended, changed, or terminated, in whole or in part, only by an agreement in writing duly authorized and executed by both Parties.

8. Assignment. This Agreement shall not be assignable by either Party unless the other Party consents in its sole discretion.

9. Successors and Assigns. The terms, conditions, and provisions of this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their permitted successors and assigns.

10. Termination. This Agreement will terminate in the event the conditions set forth in the Douglas County IGA Paragraph 7.8 are not met.

11. Default. If either Party to this Agreement fails to perform in accordance with the terms, covenants, and conditions of this Agreement, or is otherwise in default of any of the terms of this Agreement, after giving ten (10) days notice to the other Party of the alleged default, and upon said Party in default having failed to cure said breach within ten (10) days, the other Party shall have the option to terminate this Agreement and pursue any remedy available by law or in equity.

12. Governing Law. The terms, conditions, and provisions of this Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

13. Enforcement. This Agreement 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.

14. Non-severability and Effect of Invalidity. Each provision of this Agreement is integral to the others and is not severable from the others. If any portion of this Agreement 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.

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

16. No Third Party Beneficiaries. Unless otherwise explicitly provided for herein, this Agreement shall not grant any status or right to any third party, specifically any owner of any property, to make any claim as a third party beneficiary, or for deprivation of any right, violation of any vesting or rights, or inverse or other condemnation. This Agreement is for the benefit of the Parties only to resolve issues between the Parties.

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

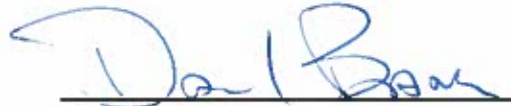
18. Entire Agreement. This Agreement represents the entire agreement of the Parties and neither party has relied upon any fact or representation not expressly set forth herein.

19. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed original, but all of which constitute one and the same agreement.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK.]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the respective dates set forth below, to become effective as of the day and year set forth in the first page hereof.

**ROXBOROUGH WATER AND SANITATION DISTRICT**



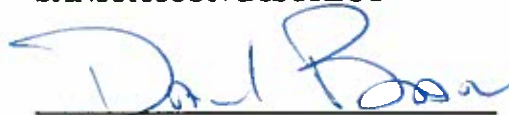
By: David Bane  
Its: President

ATTEST:



By: Tim Moore  
Its: Secretary

**PLUM VALLEY HEIGHTS SUBDISTRICT OF  
THE ROXBOROUGH WATER AND  
SANITATION DISTRICT**



By: David Bane  
Its: President

ATTEST:



By: Tim Moore  
Its: Secretary

**EXHIBIT A**

**Intergovernmental Agreement for Water Treatment Services**

**INTERGOVERNMENTAL AGREEMENT FOR WATER TREATMENT SERVICES  
BETWEEN ROXBOROUGH WATER AND SANITATION DISTRICT AND THE  
BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF DOUGLAS**

THIS INTERGOVERNMENTAL AGREEMENT FOR WATER TREATMENT SERVICES ("IGA") is made and entered into this 26<sup>th</sup> day of August, 2014, by and between Roxborough Water and Sanitation District, a quasi-municipal and political subdivision of the State of Colorado ("RWSD"), and the Board of County Commissioners of the County of Douglas, a body politic organized under and existing by virtue of the laws of the State of Colorado (the "County"), collectively, the "Parties."

**Definitions**

The following terms, when used in this IGA, shall have the meaning set forth below:

**150 IGA:** That certain proposed intergovernmental agreement for the acquisition of up to 150 acre-feet of water between RWSD, acting by and through its Water Activity Enterprise, and Aurora, acting by and through its Utility Enterprise, to provide RWSD additional water supplies to serve the 150 IGA Area. The 150 IGA is anticipated to be approved and executed no later than October 20, 2014.

**150 IGA Area:** The existing developments of Plum Valley Heights, Titan Road Industrial Park, Chatfield East, and Chatfield Acres in addition to those areas in the general vicinity of such existing developments, as more particularly depicted on Exhibit A, attached hereto and incorporated herein.

**Actual Project Cost:** The actual and final total cost of completing the Project.

**Contract Amount:** The amount of the contract for the construction of the Project, as awarded and executed by the RWSD Board. The Contract Amount may be adjusted by the approval of change orders, the costs of which shall be addressed as provided in Paragraph 3.4.1.

**County's Estimated Project Cost:** The County's share of the Project Cost, which amount is estimated to be \$4,820,822.

**County's Maximum Project Cost:** The maximum amount to be paid by the County for the County's share of the Actual Project Cost, which amount shall not exceed \$5,000,000, unless otherwise increased upon the agreement of the Parties.

**County Tap Fee:** The fee imposed by the County and collected by RWSD at the time the property owner in the Project Area connects his or her property to the Project, as further described in Paragraph 3.6.3 hereof.

**Court:** The District Court in and for Douglas County, Colorado.

**Election:** The election to be held on November 4, 2014, at which the eligible electors of Inclusion Area shall vote on the questions of inclusion, as described in Paragraph 4.1 hereof, and the eligible electors of Project Area shall vote on certain ballot issues, as described in Paragraph 4.2 hereof.

**Escrow:** The escrow account into which the County shall deposit all amounts required by this IGA at the times set forth herein. The escrow will be administered by a third party agent acceptable to the Parties.

**Estimated Project Cost:** The total estimated cost to complete the Project as contemplated by this IGA, which amount is estimated to be \$14,960,316.

**Fire Flow:** The capacity in a water system necessary to deliver water at a pressure and flow rate adequate for fire suppression.

**Inclusion Area:** The existing developments of Titan Road Industrial Park, Chatfield East, and Chatfield Acres.

**Inclusion Effective Date:** The date the order for inclusion of the Inclusion Area into RWSD and the PVH Subdistrict is recorded with the Douglas County Clerk and Recorder as provided in Paragraph 4.4 hereof.

**Inclusion Order:** An order of the Court to include the Inclusion Area into RWSD and the PVH Subdistrict.

**Project:** The design, installation and construction of water infrastructure and facilities to connect the Project Area to RWSD's municipal water system, together with the acquisition of raw water supply sufficient for RWSD to provide treated water service to the Project Area. The Project generally includes the acquisition of up to 150 acre-feet of raw water pursuant to the 150 IGA, and a main water distribution line extension, storage facility, internal water distribution lines (not including service lines to individual homes or structures), and all related and necessary appurtenances.

**Project Area:** The existing developments of Plum Valley Heights, Titan Road Industrial Park, Chatfield East, and Chatfield Acres, as depicted on Exhibit A.

**Project Cost:** Costs associated with the Project as further defined in Paragraph 3.1.

**PVH Area:** That portion of the Plum Valley Heights subdivision, located in northwestern Douglas County, which was included into the boundaries of RWSD pursuant to the PVH Order for Inclusion.

**PVH Board of Directors:** The Board of Directors for the PVH Subdistrict.

***PVH Order for Inclusion:*** That certain Order of the District Court in and for Douglas County, Colorado for the inclusion of the PVH Area into the boundaries of RWSD, as recorded in the Douglas County Clerk and Recorder's Office on March 15, 2013 at Reception No. 2013021272.

***PVH Subdistrict:*** The Plum Valley Heights Subdistrict of the Roxborough Water and Sanitation District.

***RWSD Board:*** The Board of Directors for Roxborough Water and Sanitation District.

***RWSD's Estimated Project Cost:*** RWSD's share of the Project Cost, which amount is estimated to be \$10,139,494.

***Special District Act:*** Part 1 of Title 32 of the Colorado Revised Statutes.

***Water Supply IGA:*** That certain Intergovernmental Agreement for Water Supply, dated December 20, 2010, entered into between RWSD and the City of Aurora ("Aurora") pursuant to which Aurora agreed to provide a permanent water supply to RWSD, subject to the specific terms, conditions, and limitations contained therein.

#### **1. Recitals**

WHEREAS, RWSD is a quasi-municipal corporation and political subdivision of the State of Colorado formed and organized pursuant to the Special District Act; and

WHEREAS, the County is a body corporate and politic of the State of Colorado and subject to Title 30, C.R.S.; and

WHEREAS, pursuant to the Colorado Constitution, Article XIV, Section 18(2)(a) and Section 29-1-203, C.R.S., local governments may cooperate or contract with each other to provide any function, service or facility lawfully authorized to each, and any such contract may provide for the sharing of costs, the imposition of taxes, and the incurring of debt notwithstanding any provision of law limiting the length of the financial contracts or obligations of government; and

WHEREAS, RWSD is authorized, pursuant to its service plan and the Special District Act, to provide treated water services to customers located both within and outside of its boundaries; and

WHEREAS, the County is authorized pursuant to Sections 30-20-402(1)(a) and (b), C.R.S., to construct, improve, and extend water facilities and operate and maintain the same; and

WHEREAS, RWSD and the City of Aurora entered into that certain Water Supply IGA, pursuant to which Aurora agreed to provide a permanent water supply to RWSD, subject to the specific terms, conditions, and limitations contained therein; and

WHEREAS, RWSD and the County have been collectively working on a plan to provide a renewable treated water supply to certain areas located in northwest Douglas County; and

WHEREAS, the County and RWSD have determined that RWSD could provide water service to the Project Area upon satisfaction of certain conditions; and

WHEREAS, RWSD does not have a sufficient water supply to provide treated water service to the Project Area from the water supply provided pursuant to the Water Supply IGA; and

WHEREAS, Aurora and RWSD, with input from the County, have determined that Aurora is able to assist RWSD and the County in providing service to the 150 IGA Area by making additional raw water supplies available to RWSD and the County pursuant to the 150 IGA; and

WHEREAS, the PVH Area was included into the boundaries of RWSD pursuant to the PVH Order for Inclusion; and

WHEREAS, on August 13, 2013, via Resolution No. 13-08-03, as recorded in the Douglas County Clerk and Recorder's Office on August 22, 2013 at Reception No. 2013070670, the RWSD Board approved the formation of the PVH Subdistrict, which includes the PVH Area, for purposes of financing and constructing necessary public improvements to connect the PVH Area to RWSD's municipal water system and to fund ongoing operations and maintenance of those public improvements; and

WHEREAS, the Parties believe that the most effective and efficient means to connect the Project Area to RWSD's municipal water system and for RWSD to provide treated water to the Project Area is to include the existing developments of Chatfield East, Chatfield Acres, and Titan Road Industrial Park into the boundaries of RWSD and the PVH Subdistrict; and

WHEREAS, including the Inclusion Area into the boundaries of RWSD and the PVH Subdistrict will permit the properties within the Project Area to share in the overall costs associated with acquisition of raw water and the installation and construction of the public infrastructure to connect the Project Area to RWSD's municipal water system and for RWSD to supply treated water to the Project Area; and

WHEREAS, RWSD does not currently have sufficient funds to pay for the costs associated with the acquisition of raw water pursuant to the 150 IGA and the construction and installation of infrastructure to connect the Project Area to the RWSD's municipal water system and to provide treated water service to the Project Area; and

WHEREAS, the Parties have engaged in negotiations associated with the financing, construction, operations, and maintenance of the Project, and desire to enter into this IGA to set forth the commitments and responsibilities of the Parties related to the financing, construction, operations, and maintenance of the Project.

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

## **2. Design and Construction of the Project; 150 IGA**

2.1 RWSD will be solely responsible for the design and construction of the Project, subject to the terms and conditions set forth in this IGA. Following the completion of design, RWSD will advertise for public bids or otherwise seek proposals to construct the Project. Commencement of construction of the Project will be contingent upon satisfaction of all conditions set forth in Paragraph 4.3 hereof. The County has determined that the provision of Fire Flow to the Project Area would be cost prohibitive to the inhabitants of the Project Area. Therefore, RWSD and the County acknowledge and agree that the Project will not be designed to provide Fire Flow initially or at any point in the future to the Project Area.

2.2. RWSD shall make good faith efforts to accomplish the 150 IGA by not later than December 31, 2014.

## **3. Project Cost and Financing**

3.1 RWSD and the County hereby agree to share the Project Cost as set forth in this Part 3 of the IGA. The Parties acknowledge and agree that the Estimated Project Cost is \$14,960,316 based on the following estimated costs:

Project Engineering and Design Cost: <sup>1</sup>	\$1,144,000
Shared Infrastructure Cost: <sup>2</sup>	\$4,322,100
Local Infrastructure Cost: <sup>3</sup>	\$3,992,361
Water Supply Cost: <sup>4</sup>	\$2,473,605
RWSD Water Customer Cost: <sup>5</sup>	\$2,698,250
Financing Fees and Debt Reserve Cost: <sup>6</sup>	\$ 300,000
Election Cost: <sup>7</sup>	<u>\$ 30,000</u>
Estimated Project Cost:	\$14,960,316

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<sup>1</sup> All costs of engineering and designing the Project including construction oversight, materials, testing and analysis, and all costs related thereto.

<sup>2</sup> All costs associated with the main water distribution line extension and storage facility.

<sup>3</sup> All costs associated with the construction of the local water distribution lines (does not include service line extensions to a home or structure).

<sup>4</sup> All costs associated with the acquisition of raw water to serve 251 residential equivalent units pursuant to the 150 IGA.

<sup>5</sup> Costs recovered through Water Customer Fees, including System Development Charge (\$5,900), Permit/Meter Charge (\$1,650) and, Inclusion Fee (\$3,200). All estimates based on current fees and charges and are subject to change by the RWSD Board.

<sup>6</sup> Cost of application and for loans and related fees for loans contemplated herein and reserve requirements related thereto.

<sup>7</sup> The cost of conducting the Election.

3.2 The Estimated Project Cost, based on estimates described in Paragraph 3.1 above, will be allocated, paid, and subsequently recovered, if at all, by and to RWSD and the County as set forth below in Paragraphs 3.2.1 through 3.2.7.

3.2.1 Project Engineering and Design Cost: All Project Engineering and Design Costs shall be paid by the County. The County hereby agrees to deposit \$1,144,000 into the Escrow for payment of such cost on or before January 15, 2015, as further provided in Paragraph 3.3 hereof. RWSD is not responsible for the payment of any portion of the Project Engineering and Design Costs. The County acknowledges that it has no expectation of recovery of any portion of the Project Engineering and Design Costs from revenues generated in the Project Area.

3.2.2 Shared Infrastructure Cost: The Shared Infrastructure Cost shall be the responsibility of RWSD. RWSD expects that the Shared Infrastructure Cost of the Project will be financed through a loan made by the Colorado Water Resources and Power Development Authority to either RWSD or the PVH Subdistrict and that the proceeds from such loan will be received by RWSD or the PVH Subdistrict in May or June 2015.

3.2.3 Local Infrastructure Cost: The Local Infrastructure Cost will be allocated between RWSD and the County as follows:

(i) RWSD shall be responsible for a portion of the Local Infrastructure Cost estimated to be in the amount of \$877,900. RWSD or the PVH Subdistrict expect to pay such costs from a portion of the proceeds of the loan described in 3.2.2 hereof.

(ii) The County shall be responsible for a portion of the Local Infrastructure Cost estimated to be in the amount of \$3,114,461. The County hereby agrees to deposit its estimated share of the Local Infrastructure Cost into the Escrow on or before January 15, 2015, as further provided in Paragraph 3.3 hereof. The County anticipates the recovery of all or a portion of its share of the Local Infrastructure Cost as described in Paragraph 3.6 hereof.

3.2.4 Water Supply Costs: The Water Supply Costs will be allocated between RWSD and the County as follows:

(i) RWSD shall be responsible for a portion of the Water Supply Costs to serve 251 residential equivalent units estimated to be in the amount of \$2,226,244. RWSD expects that the Water Supply Costs of the Project will be financed through a loan made by the Colorado Water Conservation Board to either RWSD or the PVH Subdistrict and that the proceeds from such loan will be received by RWSD or the PVH Subdistrict in the first quarter of 2015. The County shall be responsible for the remaining amount of the Water Supply Costs that is not financed through the loan made by the Colorado Water Conservation Board to either RWSD or the PVH Subdistrict.

(ii) Pursuant to the 150 IGA, up to 150 acre-feet of raw water may be acquired, which would permit service to 316 residential equivalent units. The Parties anticipate approximately 251 residential equivalent units will be located in the Project Area. As a result,

water to service an additional 65 residential equivalent units within the 150 IGA Area may be acquired pursuant to the 150 IGA by separate agreement of the Parties.

**3.2.5 Financing Fees and Debt Reserve Cost:** All Financing Fees and Debt Reserve Costs of the Project shall be paid by the County. The County shall deposit an amount equal to \$300,000 into the Escrow, as further discussed in Paragraph 3.3 hereof, immediately upon mutual execution of this IGA. RWSD is not responsible for the payment of any portion of any Financing Fees and Debt Reserve Costs. The County anticipates the recovery of all or a portion of the Financing Fees and Debt Reserve Cost as described in Paragraph 3.6 hereof.

**3.2.6 Election Costs:** Costs associated with the Election shall be allocated between RWSD and the County as follows: The County shall be responsible for the first \$15,000 in Election Costs and RWSD shall be responsible for all Election Costs in excess of \$15,000. In December 2014, RWSD will invoice the County for its portion of Election Costs. The County hereby agrees to remit payment to RWSD within thirty (30) days of receipt of said invoice. The County acknowledges that it has no expectation of recovering any portion of the Election Costs from revenues generated in the Project Area.

**3.2.7 RWSD Water Customer Fees:** All RWSD Water Customer Fees shall be imposed and collected as provided in RWSD's Rules and Regulations and as described in Paragraph 3.6 hereof.

**3.3** As set forth in Paragraph 3.2.5, the County hereby agrees to deposit into the Escrow the amount of \$300,000 in order to pay the Finance Fees and Debt Reserve Costs upon mutual execution of this IGA and an amount equal to the County's Estimated Project Cost, less the \$300,000 deposited to pay the Finance Fees and Debt Reserve Costs, on or before January 15, 2015, as set forth in Paragraphs 3.2.1, 3.2.3, 3.2.4, and 3.2.5 above. The County shall adjust the amount on deposit in the Escrow based on the contract bids tabulated for the Project, as set forth in Paragraph 3.4 below, provided that any adjustment shall not cause the County's share of the Actual Project Costs to exceed the County's Maximum Project Cost. RWSD shall draw amounts from the Escrow as needed to pay invoices for the Project as such invoices become due. Prior to the withdrawal of any amounts from the Escrow, RWSD shall provide copies of invoices and contractor pay applications to the County for review and a statement with regard to the amount RWSD intends to withdraw from the Escrow. The County may not object to any withdrawals made by RWSD, provided that RWSD has provided copies of all invoices to the County as set forth in this Paragraph 3.3 and such invoices are related to the Project consistent with this IGA.

**3.4** The Parties acknowledge and agree that the Project Cost set forth in Paragraph 3.1 hereof is an estimate only and is subject to change. Upon the tabulation of bids for the construction of the Project, RWSD will advise the County of the bid amounts and the County shall adjust the amount of funds escrowed, pursuant to Paragraph 3.3 hereof, as necessary, provided that any adjustment shall not cause the County's Actual Project Cost to exceed the County's Maximum Project Cost. Provided that: (1) all funds necessary to award the construction contract have been provided and obtained as contemplated herein, and (2) RWSD receives an acceptable responsive bidder as determined by the RWSD Board or the PVH Subdistrict Board, then the RWSD Board

or the PVH Subdistrict Board will determine whether to award a construction contract for the Project and will immediately notify the County of such determination.

3.4.1 In the event adjustments are necessary to the Project Cost due to change orders impacting the Contract Amount, RWSD shall notify the County of such adjustments and the Parties will determine if additional funding of the Escrow is necessary by the County, provided that the County's share of the Project Cost shall not cause the County's Actual Project Cost to exceed the County's Maximum Project Cost.

3.4.2 Following determination of the Actual Project Cost and release of final retainage for final payment on the construction contract for the Project, RWSD will provide the County with a summary of total costs and amounts paid by each party, to determine if each party's payments are consistent with the allocations set forth in this IGA. In the event, following review of such summary, the Parties determine that an adjustment or true-up to the amounts paid by each party is required, provided that any adjustment for the County shall not cause the County's Actual Project Cost to exceed the County's Maximum Project Cost. Such review shall be completed within sixty (60) days of RWSD's delivery of the summary of costs and payments to the County. Any funds remaining on deposit in the Escrow upon completion of the Project shall be released to the County.

3.5 RWSD hereby agrees to work with the County in obtaining a grant from the Colorado Water Conservation Board to assist in the payment of the Project Cost. Any funds received from the successful award of a grant will be applied to the County's share of the Project Cost, which shall reduce the County's overall share of the Project Cost. In the event the County and/or RWSD are successful in obtaining other sources of payment of the Project Cost, such funds will be applied to the County's share of the Project Cost first and the remainder, if any, to RWSD's share of the Project Cost.

3.6 A portion of the Project Cost is anticipated to be recovered by the Parties as follows:

3.6.1 RWSD Inclusion Fee. Each property within the Project Area will be obligated to pay \$500 of the RWSD Inclusion Fee within sixty (60) days of the Inclusion Effective Date. The balance of the RWSD Inclusion Fee due from each property owner in the Project Area, totaling \$2,700 per property, shall be prorated over ten years, including interest, and such pro-rated amounts shall be included in each property's monthly water service bill from RWSD.

3.6.2 RWSD System Development Charge and Permit Fee. The System Development Charge and Permit Fee shall be payable at the time the property owner connects his or her property to the Project, as further described in Paragraph 3.6.6 hereof. The RWSD System Development Charge and Permit Fee shall be payable at the then-current RWSD rates, at the time the property connects to the Project.

3.6.3 County Tap Fee. The County Tap Fee shall be payable at the time the property owner connects his or her property to the Project, as further described in Paragraph 3.6.6 hereof. The County Tap Fee will be established by the County in an amount currently estimated to total

\$14,645 per residential equivalent unit. The County Tap Fee is calculated based on an anticipated 251 residential equivalent units within the Project Area. RWSD will collect the County Tap Fee on the County's behalf and remit the proceeds from the County Tap Fee to the County on a quarterly basis, free of any collection or remittance charges.

**3.6.4 Monthly Charges.** RWSD or the PVH Subdistrict will impose and collect as part of its monthly water bill a surcharge in an amount adequate to collect the balance of the RWSD Inclusion Fee as described in Paragraph 3.6.1 hereof, and in an amount adequate to make principal and interest payments on the loan from the Colorado Water Conservation Board described in Paragraph 3.2.4(i) hereof. The surcharge described herein will be imposed on each property as further described in Paragraph 3.6.6 hereof. The amount of the surcharge will be determined annually by the RWSD Board or PVH Subdistrict Board, as applicable, and is subject to change from year to year. Based on current estimates, the surcharge is initially anticipated to be \$65 to \$75 per month per residential equivalent unit.

**3.6.5 Property Taxes.** The PVH Subdistrict will impose a mill levy on each property within the PVH Subdistrict boundary, in an amount adequate to make principal and interest payments on the loan from the Colorado Water Resources and Power Development Authority described in Paragraph 3.2.2 hereof. The amount of the mill levy will be determined annually by the PVH Subdistrict Board and is subject to change from year to year subject to the authority provided by the electors at the Election. Based on current estimates, the mill levy is initially anticipated to be 36 mills. This mill levy will be in addition to any other mill levies imposed by the RWSD Board within the RWSD boundaries. The PVH Subdistrict mill levy will be imposed as further described in Paragraph 3.6.6 hereof.

**3.6.6 Timing of Charges and Mill Levy Imposition.**

(i) The RWSD System Development Charge and Permit Fee as described in Paragraph 3.6.2 hereof and the County Tap Fee described in Paragraph 3.6.3 hereof, shall be due and payable by each property owner at the time the property owner's property is connected to the Project. All property owners within the Project Area will be required to connect their property to the Project no later than two years following substantial completion of the Project.

(ii) The monthly charges described in Paragraph 3.6.4 hereof shall commence in the month immediately following the Inclusion Effective Date.

(iii) The property taxes described in Paragraph 3.6.5 hereof will be imposed in the year of closing the loan from the Colorado Water Resources and Power Development Authority described in Paragraph 3.2.2 hereof, for collection beginning the immediately following year. By way of example, if the loan closes in May 2015, the mill levy will be imposed by the PVH Subdistrict Board in December 2015 and will be payable by the taxpayers commencing in 2016.

(iv) All fees and charges imposed by RWSD or the PVH Subdistrict shall be immediately secured until paid in full by the statutory lien set forth in Section 32-1-1001(1)(j), C.R.S.

#### **4. Inclusion into RWSD**

4.1 As a condition precedent to construction of the Project, the property within the Inclusion Area must be included into the boundaries of RWSD and the PVH Subdistrict. On September 17, 2014, the RWSD Board shall consider the adoption of a resolution to include the Inclusion Area into the boundaries of RWSD and the PVH Subdistrict. If adopted, the RWSD Board will file its resolution and order with the clerk of Court and, as required by § 32-1-401(2)(d), C.R.S., the Court shall direct that the questions of inclusion of the Inclusion Area within the RWSD and PVH Subdistrict be submitted to the eligible electors of the Inclusion Area together with a summary of any conditions, at the Election.

4.2 In addition to the question of inclusion submitted to the eligible electors of the Inclusion Area at the Election as set forth in Paragraph 4.1 above, ballot issues seeking voter authorization for the PVH Subdistrict to increase debt, increase ad valorem property taxes, and to maintain revenues from the imposition of tap fees and other charges on the property within the Project Area, shall be submitted to the eligible electors of the Project Area at the Election. All ballot questions and ballot issues are required to receive a majority of the votes cast at the Election in order for RWSD to complete the inclusion of the Inclusion Area into RWSD and the PVH Subdistrict. If any ballot question or ballot issue is not approved at the Election, the inclusion of the Inclusion Area shall not be consummated, and this IGA shall immediately terminate; provided, however, the County's obligation for its share of the Election Costs, as set forth in Paragraph 3.2.6, hereof shall survive such termination.

4.3 If the majority of the votes cast at the Election are in favor of the inclusion (as set forth in Paragraph 4.1 hereof) and if the majority of the votes cast at the Election are in favor of the ballot issues (as set forth in Paragraph 4.2 hereof), the Court shall enter an order including the Inclusion Area into RWSD and the PVH Subdistrict. Prior to RWSD recording the Inclusion Order, the following must occur: a) execution of the 150 IGA; b) execution of this IGA; c) deposit by the County of the County's Estimated Project Cost into the Escrow (as set forth in Paragraph 3.3 hereof); d) successful closings of the financings described in Paragraphs 3.2.2 and 3.2.4(i) hereof; and e) the award of a construction contract for the Project by the RWSD Board or the PVH Subdistrict Board.

4.4 When all conditions set forth in Section 4.3 are met, RWSD shall record the Inclusion Area order for inclusion in the office of the Douglas County Clerk and Recorder. The Inclusion Area shall be deemed included into RWSD and the PVH Subdistrict upon the date of recording of the Inclusion Order.

## **5. Water Service**

5.1 RWSD agrees to provide treated domestic water service to the Project Area upon completion of the Project, subject to the terms and conditions of the 150 IGA. Following connection to the Project, and in addition to the charges described in Paragraph 3.6 hereof, property owners in the Project Area will be charged for treated water service at RWSD's then existing rates. Treated water service rates and charges are set by the RWSD Board and adjusted by the RWSD Board as it deems necessary.

## **6. Ownership and Operation of the Project**

6.1 The Project will be owned by RWSD and the County on a pro-rata basis determined by the relative amounts of the Project Cost paid for by each party, as set forth in Paragraph 3 hereof. The County shall transfer its pro-rata ownership in the Project to RWSD upon the recovery by the County of costs paid by the County for Local Infrastructure and Financing Fees and Debt Reserve from County Tap Fees. The County may, in its discretion, transfer its pro-rata ownership of the Project, or any portion thereof, to RWSD at any time prior to the recovery by the County of Local Infrastructure Costs and Financing Fees and Debt Reserve Costs from County Tap Fees; provided, however, that the County shall be obligated to transfer all of its pro-rata ownership of the Project to RWSD no later than the fifth anniversary of the effective date of the 150 IGA.

6.2 Operation of the Project and delivery of treated domestic water to the Project Area will be the sole obligation of RWSD.

6.3 In the event future upgrades, major repairs, or replacements to the Project are mandated by any State, Federal or other law, rule or regulation, RWSD shall be responsible for making such upgrade, repair or replacement.

6.3.1 Prior to the County's transfer of its ownership in the Project to RWSD, the costs of any upgrades, major repairs, or replacements to the Project contemplated by Paragraph 6.3 shall be shared between RWSD and the County based on each party's pro-rata share of ownership in the Project. RWSD will provide the County with plans for any future changes or upgrades to the Project. Nothing in this Paragraph 6.3.1 shall obligate the County for any costs associated with routine repairs to the Project or for any costs associated with routine maintenance or operation of the Project.

6.3.2 Prior to the transfer of the County's pro-rata ownership in the Project to RWSD, the Project shall be the sole responsibility of RWSD, including any and all costs associated with the operation, maintenance, routine repair and replacement of the Project, including all infrastructure necessary for RWSD to deliver treated domestic water to the Project Area. Upon the transfer of the County's pro-rata ownership in the Project to RWSD, all aspects of operating, maintaining, repairing, replacing and upgrading the Project shall be the sole obligation of RWSD and each party shall have no obligation to the other pursuant to this IGA.

## **7. General Provisions**

7.1 **Term.** The term of this IGA shall commence on the date it is mutually executed by the Parties, and shall terminate as set forth in Paragraph 7.18.

7.2 **Amendment.** Except as otherwise provided herein, this IGA may be modified, amended, changed, or terminated, in whole or in part, only by an agreement in writing duly authorized and executed by both Parties.

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

For RWSD:                   Roxborough Water and Sanitation District  
                                  Attn: Larry Moore, General Manager  
                                  6222 N Roxborough Park Rd  
                                  Littleton, CO 80125

*With a copy to:*        Icenogle Seaver Pogue, P.C.  
                                  Attn: Alan Pogue  
                                  4725 South Monaco Street, Suite 225  
                                  Denver, CO 80237

For the County:           County of Douglas:  
                                  Attn: County Manager  
                                  Douglas County  
                                  100 Third Street  
                                  Castle Rock, Colorado 80104

*With a copy to:*        County of Douglas  
                                  Attn: County Attorney  
                                  100 Third Street  
                                  Castle Rock, Colorado 80104

All notices, demands, requests or other communications required hereunder shall be in writing and shall be given when given personally or sent by registered or certified mail, return receipt requested, postage prepaid. Either party hereto may designate a new address for purposes of notices sent pursuant to this IGA, which may include an electronic mail address, by giving written notice thereof to the other party as provided herein.

7.4 **Assignment.** This IGA shall not be assignable by either party unless the other party consents in its sole discretion.

7.5 **Successors and Assigns.** The terms, conditions, and provisions of this IGA shall be binding upon and inure to the benefit of the Parties hereto and their permitted successors and assigns.

7.6 Governing Law. The terms, conditions, and provisions of this IGA shall be governed by and construed in accordance with the laws of the State of Colorado.

7.7 Failure to Perform Due to Force Majeure. Subject to the terms and conditions of 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 all necessary 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, or tornadoes, (c) sabotage, (d) vandalism beyond that which can be reasonably prevented by the party, (e) terrorism, (f) war, (g) riots, (h) fire, (i) explosion, (j) severe and unusually cold or hot weather, (k) extreme snow, (l) blockades, (m) insurrection, (n) strike, slowdown or other labor disruptions, (o) changes of law relating to financial obligations, revenues and budgetary matters concerning Colorado local governments and their enterprises, (p) actions by federal, state, municipal, county or other government or agency but only if such requirements, actions or failures to act prevent or delay performance, (q) changes in state or federal law or administrative practice concerning water rights administration, water storage, water quality or stream flow requirements that prevent or delay performance, and (r) inability, despite good faith efforts, to obtain required licenses, permits or approval, which prevents or delays performance.

7.8 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.

7.9 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.

7.10 No Third Party Beneficiaries. Unless otherwise explicitly provided for herein, this IGA shall not grant any status or right to any third party, specifically any owner of any property, to make any claim as a third party beneficiary, or for deprivation of any right, violation of any vesting or rights, or inverse or other condemnation. This IGA is for the benefit of the Parties only to resolve issues between the Parties.

7.11 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.

7.12 Counterparts. This IGA may be executed in any number of counterparts, each of which shall be deemed original, but all of which constitute one and the same agreement.

7.13 Non-severability and Effect of Invalidity. Each provision of this IGA is 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.

7.14 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 its own attorney's fees and costs associated with any such legal action.

7.15 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.

7.16 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.

7.17 Non-Business Days. If any date for any action under this IGA falls on a Saturday, Sunday or 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.

7.18 Termination. This IGA will terminate in the event: (i) the County fails to deposit the appropriate funds in the Escrow by the deadlines set forth in Paragraph 3.3 hereof; (ii) the Election is unsuccessful as set forth in Paragraph 4.2 hereof; (iii) RWSD provides notice to the County by or before August 30, 2015, that RWSD will be unable to close on the loan from the Colorado Water Resources and Power Development Authority and/or the Colorado Water Conservation Board, as set forth in Paragraphs 3.2.2 and 3.2.4(i) hereof; (iv) 150 IGA is not approved and executed by RWSD and Aurora by December 31, 2014; or (v) upon mutual written agreement of the Parties.

7.19 Appropriation. The obligations of each party to the other, described in this IGA, do not constitute multiple year fiscal obligations of either party. As such, this IGA is not to be considered or construed as a multiple year fiscal obligation of either party and any obligations described in this IGA running from one party to the other are subject to annual appropriation by the applicable party's board. The failure of either party to annually appropriate funds owed to the other as required by this IGA shall result in the immediate termination of this IGA. The amount of funds appropriated for this IGA by the County is \$5,000,000. In no event shall the County be liable for payment under this IGA for any amount in excess thereof.

7.20 Recitals. All recitals are incorporated herein.

IN WITNESS WHEREOF, this Intergovernmental Agreement is executed by the Roxborough Water and Sanitation District and the Board of County Commissioners of Douglas County as of the date first above written.


**ROXBOROUGH WATER AND SANITATION DISTRICT**

  
David Bane, President

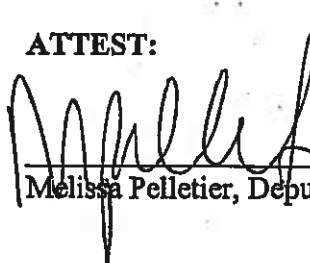
ATTEST:

  
Tim Moore, Secretary

**BOARD OF COUNTY COMMISSIONERS OF  
THE COUNTY OF DOUGLAS, COLORADO**


BY:   
Roger Partridge, Chair  
Board of County Commissioners

ATTEST:

  
Melissa Pelletier, Deputy Clerk to the Board



APPROVED AS TO FORM:

  
Kristin Decker, Sr. Asst. County Attorney

APPROVED AS TO FISCAL CONTENT:

 8/26/14  
Andrew Copland, Director of Finance

# EXHIBIT A - 150 IGA AREA

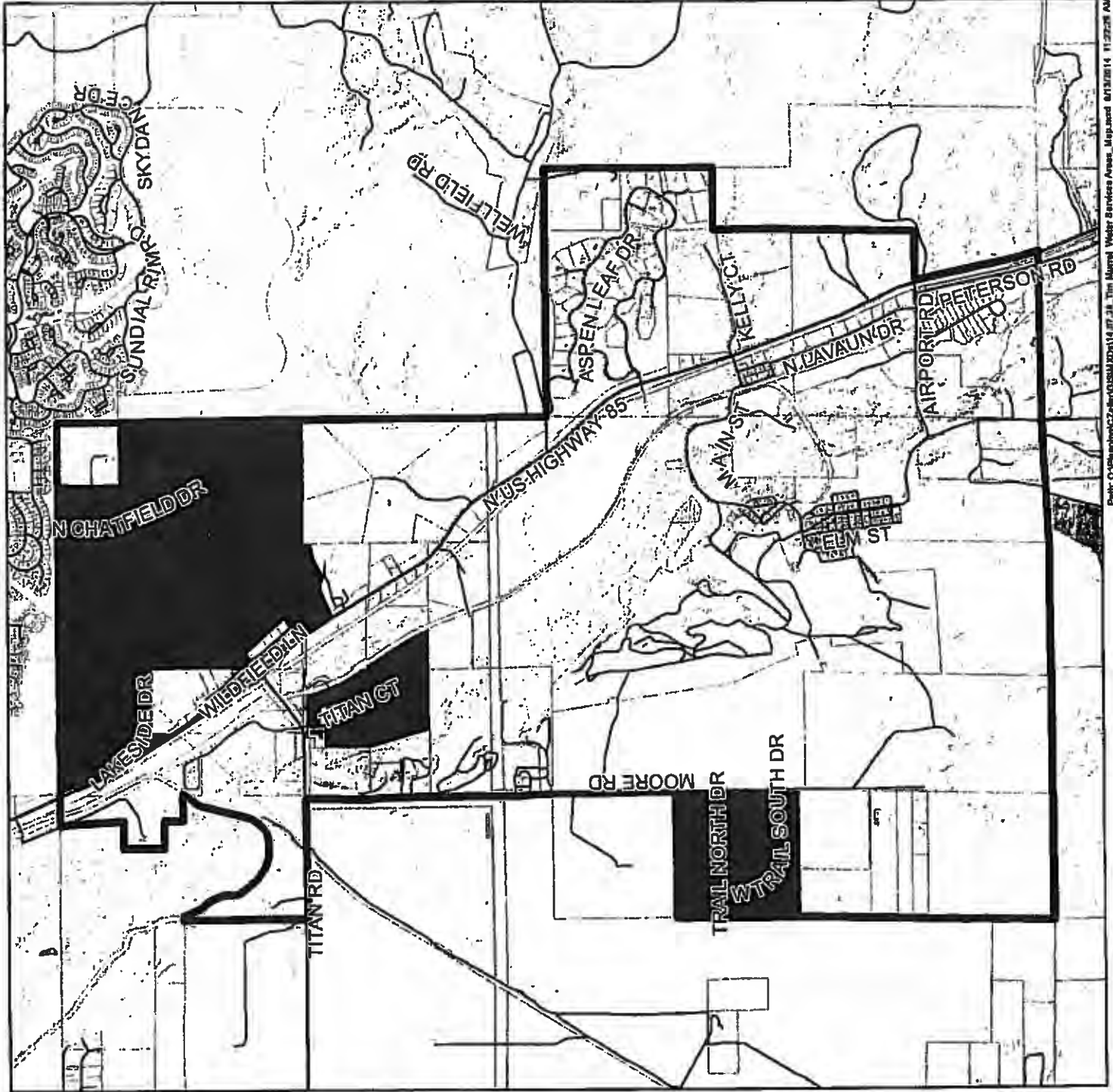


## Legend

- Project Area
- 150 IGA Area
- Roads**
- Major Roads
- Other Roads



August 2014  
Douglas County  
Department of  
Community Development



## Appendix I

2011, 2012, 2013 Financial Audits

**ROXBOROUGH WATER AND  
SANITATION DISTRICT  
FINANCIAL STATEMENTS  
December 31, 2011**

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## 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

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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.

April 18, 2012

*Payette & Adams, LLC*

## **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

	<u>Govern- mental Activities</u>	<u>Business- Type Activities</u>	<u>Totals</u>	
			<u>2011</u>	<u>2010</u>
<u>Assets</u>				
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	<u>1,844</u>	<u>39,111,201</u>	<u>39,113,045</u>	<u>36,905,728</u>
Total Assets	<u>8,640,547</u>	<u>61,284,724</u>	<u>69,925,271</u>	<u>69,125,927</u>
<u>Liabilities</u>				
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	<u>7,395,497</u>	<u>101,412</u>	<u>7,496,909</u>	<u>7,898,968</u>
Total Liabilities	<u>9,589,810</u>	<u>672,436</u>	<u>10,262,246</u>	<u>10,880,326</u>
<u>Net Assets</u>				
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	<u>862,308</u>	<u>21,501,087</u>	<u>22,363,395</u>	<u>23,818,108</u>
Total Net Assets	<u>\$ (949,263)</u>	<u>\$ 60,612,288</u>	<u>\$ 59,663,025</u>	<u>\$ 58,245,601</u>

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

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<u>Function/Programs</u>				
Primary Government				
Governmental Activities				
General Government	\$ 298,616	\$ 0	\$ 0	\$ 0
Interest on long-term debt	<u>270,861</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Governmental Activities	<u>569,477</u>	<u>0</u>	<u>0</u>	<u>0</u>
Business-Type Activities				
Water	3,035,134	2,876,613	58,036	460,302
Sewer	<u>2,604,481</u>	<u>1,897,612</u>	<u>12,122</u>	<u>117,157</u>
Total Business-Type activities	<u>5,639,615</u>	<u>4,774,225</u>	<u>70,158</u>	<u>577,459</u>
Total Primary Government	<u>\$ 6,209,092</u>	<u>\$ 4,774,225</u>	<u>\$ 70,158</u>	<u>\$ 577,459</u>
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)
<u>(270,861)</u>	<u>0</u>	<u>(270,861)</u>	<u>(386,413)</u>
<u>(569,477)</u>	<u>0</u>	<u>(569,477)</u>	<u>(815,857)</u>
0	359,817	359,817	141,445
<u>0</u>	<u>(577,590)</u>	<u>(577,590)</u>	<u>(321,355)</u>
<u>0</u>	<u>(217,773)</u>	<u>(217,773)</u>	<u>(179,910)</u>
<u>(569,477)</u>	<u>(217,773)</u>	<u>(787,250)</u>	<u>(995,767)</u>
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
<u>(424,260)</u>	<u>424,260</u>	<u>0</u>	<u>0</u>
<u>1,709,449</u>	<u>495,225</u>	<u>2,204,674</u>	<u>2,199,467</u>
1,139,972	277,452	1,417,424	1,203,700
<u>(2,089,235)</u>	<u>60,334,836</u>	<u>58,245,601</u>	<u>57,041,901</u>
<u>\$ (949,263)</u>	<u>\$ 60,612,288</u>	<u>\$ 59,663,025</u>	<u>\$ 58,245,601</u>

ROXBOROUGH WATER AND SANITATION DISTRICT  
BALANCE SHEETS  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2011

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>	
			<u>2011</u>	<u>2010</u>
<u>Assets</u>				
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	<u>7,825</u>	<u>0</u>	<u>7,825</u>	<u>51,648</u>
Total Assets	<u>\$ 1,331,096</u>	<u>\$ 7,245,116</u>	<u>\$ 8,576,212</u>	<u>\$ 8,260,002</u>
<u>Liabilities and Fund Balances</u>				
<u>Liabilities</u>				
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 53,471
Due to other funds	0	0	0	47,962
Deferred property taxes	<u>786,067</u>	<u>893,694</u>	<u>1,679,761</u>	<u>1,995,238</u>
Total Liabilities	<u>786,067</u>	<u>893,694</u>	<u>1,679,761</u>	<u>2,096,671</u>
<u>Fund Balances</u>				
Nonspendable				
Prepays	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	<u>491,704</u>	<u>0</u>	<u>491,704</u>	<u>378,335</u>
Total Fund Balances	<u>545,029</u>	<u>6,351,422</u>	<u>6,896,451</u>	<u>6,163,331</u>
Total Liabilities and Fund Balances	<u>\$ 1,331,096</u>	<u>\$ 7,245,116</u>	<u>\$ 8,576,212</u>	<u>\$ 8,260,002</u>

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.	<u>(7,847,558)</u>	<u>(8,255,656)</u>
Total Net Assets of Governmental Activities	<u>\$ (949,263)</u>	<u>\$ (2,089,235)</u>

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

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>	
			<u>2011</u>	<u>2010</u>
<u>Revenues</u>				
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	<u>0</u>	<u>0</u>	<u>0</u>	<u>46</u>
Total Revenues	<u>896,307</u>	<u>1,237,402</u>	<u>2,133,709</u>	<u>2,121,143</u>
<u>Expenditures</u>				
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	<u>0</u>	<u>299,044</u>	<u>299,044</u>	<u>310,848</u>
Total Expenditures	<u>276,261</u>	<u>700,068</u>	<u>976,329</u>	<u>1,111,082</u>
Excess of Revenues Over Expenditures	<u>620,046</u>	<u>537,334</u>	<u>1,157,380</u>	<u>1,010,061</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	0	115,740	115,740	123,071
Transfers out	<u>(540,000)</u>	<u>0</u>	<u>(540,000)</u>	<u>(470,000)</u>
Total Other Financing Sources (Uses)	<u>(540,000)</u>	<u>115,740</u>	<u>(424,260)</u>	<u>(346,929)</u>
Net change in fund balances	80,046	653,074	733,120	663,132
Fund balances, beginning	<u>464,983</u>	<u>5,698,348</u>	<u>6,163,331</u>	<u>5,500,199</u>
Fund balances, ending	<u>\$ 545,029</u>	<u>\$ 6,351,422</u>	<u>\$ 6,896,451</u>	<u>\$ 6,163,331</u>

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:

	<u>2011</u>	<u>2010</u>
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.	<u>384,378</u>	<u>373,670</u>
Change in Net Assets of Governmental Activities	<u>\$ 1,139,972</u>	<u>\$ 958,357</u>

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

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	
			<u>2011</u>	<u>2010</u>
<u>Assets</u>				
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	<u>15,651</u>	<u>15,651</u>	<u>31,302</u>	<u>0</u>
Total Current Assets	<u>21,311,469</u>	<u>859,171</u>	<u>22,170,640</u>	<u>23,890,360</u>
Noncurrent Assets				
Accounts receivable	2,883	0	2,883	2,883
Capital assets, net of accumulated depreciation	<u>13,388,224</u>	<u>25,722,977</u>	<u>39,111,201</u>	<u>36,902,638</u>
Total Noncurrent Assets	<u>13,391,107</u>	<u>25,722,977</u>	<u>39,114,084</u>	<u>36,905,521</u>
Total Assets	<u>34,702,576</u>	<u>26,582,148</u>	<u>61,284,724</u>	<u>60,795,881</u>
<u>Liabilities</u>				
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	<u>108,906</u>	<u>0</u>	<u>108,906</u>	<u>9,443</u>
Total Current Liabilities	<u>327,155</u>	<u>243,869</u>	<u>571,024</u>	<u>375,085</u>
Noncurrent Liabilities				
Accrued compensated absences	<u>50,706</u>	<u>50,706</u>	<u>101,412</u>	<u>85,960</u>
Total Noncurrent Assets	<u>50,706</u>	<u>50,706</u>	<u>101,412</u>	<u>85,960</u>
Total Liabilities	<u>377,861</u>	<u>294,575</u>	<u>672,436</u>	<u>461,045</u>
<u>Net Assets</u>				
Invested in capital assets, net of related debt	13,388,224	25,722,977	39,111,201	36,902,638
Unrestricted	<u>20,936,491</u>	<u>564,596</u>	<u>21,501,087</u>	<u>23,432,198</u>
Total Net Assets	<u>\$ 34,324,715</u>	<u>\$ 26,287,573</u>	<u>\$ 60,612,288</u>	<u>\$ 60,334,836</u>

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

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	
			<u>2011</u>	<u>2010</u>
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	<u>113,200</u>	<u>35,872</u>	<u>149,072</u>	<u>139,446</u>
Total Operating Revenues	<u>2,876,613</u>	<u>1,897,612</u>	<u>4,774,225</u>	<u>4,742,198</u>
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	<u>523,021</u>	<u>881,834</u>	<u>1,404,855</u>	<u>1,341,582</u>
Total Operating Expenses	<u>3,035,134</u>	<u>2,604,481</u>	<u>5,639,615</u>	<u>5,909,768</u>
Operating Loss	<u>(158,521)</u>	<u>(706,869)</u>	<u>(865,390)</u>	<u>(1,167,570)</u>
Non-Operating Revenues (Expenses)				
Investment income	69,847	1,118	70,965	78,324
Availability charges	<u>58,036</u>	<u>12,122</u>	<u>70,158</u>	<u>123,071</u>
Total Non-Operating Revenue (Expenses)	<u>127,883</u>	<u>13,240</u>	<u>141,123</u>	<u>201,395</u>
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	<u>460,302</u>	<u>117,157</u>	<u>577,459</u>	<u>864,589</u>
Change in net assets	711,628	(434,176)	277,452	245,343
Net assets, beginning	<u>33,613,087</u>	<u>26,721,749</u>	<u>60,334,836</u>	<u>60,089,493</u>
Net assets, ending	<u>\$ 34,324,715</u>	<u>\$ 26,287,573</u>	<u>\$ 60,612,288</u>	<u>\$ 60,334,836</u>

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

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	
			<u>2011</u>	<u>2010</u>
<u>Cash Flows from Operating Activities</u>				
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	<u>113,200</u>	<u>35,872</u>	<u>149,072</u>	<u>139,446</u>
Net Cash Provided by Operating Activities	<u>453,205</u>	<u>208,562</u>	<u>661,767</u>	<u>706,067</u>
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers from other funds	340,000	200,000	540,000	346,929
Transfers to other funds	<u>(58,036)</u>	<u>(57,704)</u>	<u>(115,740)</u>	<u>0</u>
Net Cash Provided by Non Financing Activities	<u>281,964</u>	<u>142,296</u>	<u>424,260</u>	<u>346,929</u>
<u>Cash Flows from Capital and Related Financing Activities</u>				
Acquisition and construction of capital assets	(1,900,703)	(1,613,252)	(3,513,955)	(2,351,110)
Capital charges received	<u>460,302</u>	<u>117,157</u>	<u>577,459</u>	<u>864,589</u>
Net Cash Used in Capital and Related Financing Activities	<u>(1,440,401)</u>	<u>(1,496,095)</u>	<u>(2,936,496)</u>	<u>(1,486,521)</u>
<u>Cash Flows from Investing Activities</u>				
Purchases of investment	(39,827)	0	(39,827)	(26,475)
Investment income	<u>69,847</u>	<u>1,118</u>	<u>70,965</u>	<u>78,324</u>
Net Cash Provided by Investing Activities	<u>30,020</u>	<u>1,118</u>	<u>31,138</u>	<u>51,849</u>
Net decrease	(675,212)	(1,144,119)	(1,819,331)	(381,676)
Cash and cash equivalents, beginning	<u>12,782,288</u>	<u>1,740,515</u>	<u>14,522,803</u>	<u>14,904,479</u>
Cash and cash equivalents, ending	<u>\$12,107,076</u>	<u>\$ 596,396</u>	<u>\$12,703,472</u>	<u>\$14,522,803</u>

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

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	
			<u>2011</u>	<u>2010</u>
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	<u>7,726</u>	<u>7,726</u>	<u>15,452</u>	<u>2,316</u>
Net Cash Provided by Operating Activities	<u>\$ 453,205</u>	<u>\$ 208,562</u>	<u>\$ 661,767</u>	<u>\$ 706,067</u>

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO 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.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO 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.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

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.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

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.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

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	<u>19,340,059</u>
Total	<u>\$ 28,399,428</u>

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

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

The District had the following investments at December 31, 2011:

Investment Type	S&P Rating	Investment Maturities (in Years)		
		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 statutes 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

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
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

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - INTERFUND BALANCES AND TRANSACTIONS (CONTINUED)

Availability charges collected by the Water and Sewer Funds are required by State statute 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
<u>Governmental Activities</u>				
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	<u>\$ 3,090</u>	<u>\$ (1,246)</u>	<u>\$ 0</u>	<u>\$ 1,844</u>
<u>Business-Type Activities</u>				
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	<u>\$ 36,902,638</u>	<u>\$ 2,208,563</u>	<u>\$ 0</u>	<u>\$ 39,111,201</u>

**ROXBOROUGH WATER AND SANITATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**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	<u>\$ 1,404,855</u>

**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:

	<u>Balance</u> <u>12/31/10</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/11</u>	<u>Due Within</u> <u>One Year</u>
<b>Governmental Activities</b>					
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	<u>347,539</u>	<u>0</u>	<u>23,133</u>	<u>324,406</u>	<u>0</u>
Total	<u>\$ 8,198,008</u>	<u>\$ 622</u>	<u>\$ 408,133</u>	<u>\$ 7,790,497</u>	<u>\$ 395,000</u>

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:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest and</u> <u>Admin. Fees</u>	<u>Total</u>
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	<u>2,875,000</u>	<u>618,105</u>	<u>3,493,105</u>
Total	<u>\$ 7,450,000</u>	<u>\$ 2,889,647</u>	<u>\$ 10,339,647</u>

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

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
<b>Business-Type Activities</b>					
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.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

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.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

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

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues</u>			
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	<u>500</u>	<u>0</u>	<u>(500)</u>
Total Revenues	<u>894,657</u>	<u>896,307</u>	<u>1,650</u>
<u>Expenditures</u>			
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	<u>10,000</u>	<u>0</u>	<u>10,000</u>
Total Expenditures	<u>329,300</u>	<u>276,261</u>	<u>53,039</u>
Excess of Revenues Over Expenditures	565,357	620,046	54,689
Other Financing Uses			
Transfers out	<u>(605,860)</u>	<u>(540,000)</u>	<u>65,860</u>
Net Change in Fund Balances	<u>\$ (40,503)</u>	80,046	<u>\$ 120,549</u>
Fund Balances, Beginning		<u>464,983</u>	
Fund Balances, Ending		<u>\$ 545,029</u>	

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2011

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

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues</u>			
Property taxes	\$ 1,153,082	\$ 1,129,823	\$ (23,259)
Specific ownership taxes	65,000	97,502	32,502
Investment income	<u>10,000</u>	<u>10,077</u>	<u>77</u>
Total Revenues	<u>1,228,082</u>	<u>1,237,402</u>	<u>9,320</u>
<u>Expenditures</u>			
General government	16,927	16,024	903
Debt Service			
Principal	385,000	385,000	0
Interest	<u>299,044</u>	<u>299,044</u>	<u>0</u>
Total Expenditures	<u>700,971</u>	<u>700,068</u>	<u>903</u>
Excess of Revenues Over Expenditures	527,111	537,334	10,223
Other Financing Sources			
Transfers in	<u>118,000</u>	<u>115,740</u>	<u>(2,260)</u>
Net Change in Fund Balances	645,111	653,074	7,963
Fund Balances, Beginning	<u>4,697,003</u>	<u>5,698,348</u>	<u>1,001,345</u>
Fund Balances, Ending	<u>\$ 5,342,114</u>	<u>\$ 6,351,422</u>	<u>\$ 1,009,308</u>

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
WATER FUND  
YEAR ENDED DECEMBER 31, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues</u>			
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	<u>0</u>	<u>340,000</u>	<u>340,000</u>
Total Revenues	<u>3,448,250</u>	<u>3,804,798</u>	<u>356,548</u>
<u>Expenditures</u>			
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	<u>2,520,600</u>	<u>58,036</u>	<u>2,462,564</u>
Total Expenditures	<u>9,523,600</u>	<u>4,570,315</u>	<u>4,955,496</u>
Change in Net Assets, Budgetary Basis	\$ <u>(6,075,350)</u>	(765,517)	\$ <u>5,312,044</u>

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
WATER FUND (CONTINUED)  
YEAR ENDED DECEMBER 31, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Reconciliation to GAAP Basis			
Capital outlay		\$ 2,000,166	
Depreciation		<u>(523,021)</u>	
Change in Net Assets, GAAP Basis		711,628	
Fund Balances, Beginning		<u>33,613,087</u>	
Fund Balances, Ending		<u>\$ 34,324,715</u>	

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SEWER FUND  
YEAR ENDED DECEMBER 31, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues</u>			
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	<u>1,975,040</u>	<u>200,000</u>	<u>(1,775,040)</u>
Total Revenues	<u>4,064,440</u>	<u>2,228,009</u>	<u>(1,836,431)</u>
<u>Expenditures</u>			
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	<u>0</u>	<u>57,704</u>	<u>(57,704)</u>
Total Expenditures	<u>4,034,800</u>	<u>3,393,603</u>	<u>641,197</u>
Change in Net Assets, Budgetary Basis	<u>\$ 29,640</u>	(1,165,594)	<u>\$ (1,195,234)</u>
Reconciliation to GAAP Basis			
Capital outlay		1,613,252	
Depreciation		<u>(881,834)</u>	
Change in Net Assets, GAAP Basis		(434,176)	
Fund Balances, Beginning		<u>26,721,749</u>	
Fund Balances, Ending		<u>\$ 26,287,573</u>	

See the accompanying Independent Auditors' Report.



**ROXBOROUGH WATER AND  
SANITATION DISTRICT  
FINANCIAL STATEMENTS  
December 31, 2012**

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## 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, 2012, which collectively comprise the Roxborough Water and Sanitation District's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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## 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, 2012, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Change in Accounting Principle

As described in Note 11 to the financial statements, the Roxborough Water and Sanitation District adopted the provisions of GASB Statement Numbers 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* and 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to these matters.

## Other-Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages iii through ix and 21 and 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The individual major fund schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The individual major fund 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.

*Paypti & Adams, LLC*

April 17, 2013  
Denver, Colorado

## **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, 2012.

### **Financial Highlights**

- Assets exceeded liabilities by \$60,963,540 at the close of the fiscal year. Of this amount, \$30,119,679 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 \$23,879,324.
- Total net position increased by \$1,363,006.
- Total cash and investments increased by \$1,912,969 as compared to the prior year.
- General fund expenditures decreased by \$28,219 as compared to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$ 374,168 or 150.85% of total general fund expenditures.
- Total debt decreased by \$395,000 or 5.3% 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 position presents information on all of the District's assets, liabilities, and deferred inflows of resources, with the remainder reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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, 2012, the District implemented GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* and GASB Statement 65 *Items Previously Reported As Assets And Liabilities*.

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 three 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, capital projects 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 capital projects fund, the debt service fund, the water fund and the sewer fund to demonstrate compliance with these budgets. The budget statements are found on pages 23-27 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District's net position was \$60,963,540 at the close of the most recent fiscal year. Of this amount \$30,119,679 is unrestricted and is available to meet the District's ongoing financial obligations.

Statements of Net Position

	2012			2011		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current Assets	\$ 25,573,977	\$ 7,068,654	\$ 32,642,631	\$ 8,576,212	\$ 22,173,523	\$ 30,749,735
Other Assets	-	2,883	2,883	62,491	-	62,491
Capital Assets, net	1,106	37,938,611	37,939,717	1,844	39,111,201	39,113,045
Total Assets	25,575,083	45,010,148	70,585,231	8,640,547	61,284,724	69,925,271
Current Liabilities	524,372	325,724	850,096	2,194,313	571,024	2,765,337
Long-Term Obligations	6,963,678	113,264	7,076,942	7,395,497	101,412	7,496,909
Total Liabilities	7,488,050	438,988	7,927,038	9,589,810	672,436	10,262,246
Deferred Inflow of Resources						
Unavailable Revenue	1,694,653	-	1,694,653	-	-	-
Net Investment in Capital Assets	(7,356,167)	37,938,611	30,582,444	(8,208,493)	39,111,201	30,902,708
Restricted Net Position	261,417	-	261,417	6,396,922	-	6,396,922
Unrestricted Net Position	23,487,130	6,632,549	30,119,679	862,308	21,501,087	22,363,395
Total Net Position	\$ 16,392,380	\$ 44,571,160	\$ 60,963,540	\$ (949,263)	\$ 60,612,288	\$ 59,663,025

Statements of Activities

	2012			2011		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenue						
Program Revenue						
Charges for Services	\$ -	\$ 4,981,530	\$ 4,981,530	\$ -	\$ 4,774,225	\$ 4,774,225
Operating Grants and Contributions	-	131,568	131,568	-	70,158	70,158
Capital Grants and Contributions	-	712,109	712,109	-	577,459	577,459
General Revenue						
Property Taxes	1,677,286	-	1,677,286	1,954,993	-	1,954,993
Specific Ownership Taxes	136,267	-	136,267	165,987	-	165,987
Investment Income	22,183	36,656	58,839	12,729	70,965	83,694
Other	-	-	-	-	-	-
Total Revenue	1,835,736	5,861,863	7,697,599	2,133,709	5,492,807	7,626,516
Expenses						
General Government	264,557	-	264,557	298,616	-	298,616
Interest on Long-Term Debt	258,613	-	258,613	270,861	-	270,861
Water/Sewer Facilities	-	5,811,423	5,811,423	-	5,639,615	5,639,615
Total Expenses	523,170	5,811,423	6,334,593	569,477	5,639,615	6,209,092
Excess	1,312,566	50,440	1,363,006	1,564,232	(146,808)	1,417,424
Transfers	16,091,568	(16,091,568)	-	(424,260)	424,260	-
Change in Net Position	17,404,134	(16,041,128)	1,363,006	1,139,972	277,452	1,417,424
Net Position - Beginning - Restated	(1,011,754)	60,612,288	59,600,534	(2,089,235)	60,334,836	58,245,601
Net Position - Ending	\$ 16,392,380	\$ 44,571,160	\$ 60,963,540	\$ (949,263)	\$ 60,612,288	\$ 59,663,025

**Governmental activities.** Governmental activities increased the District's net position by \$17,404,134, several highlights are as follows:

- Property taxes decreased \$277,707 (14.21%) over the prior year.
- Specific ownership taxes decreased \$29,720.
- General Government expenses decreased by \$29,780 this year.
- The Water Fund transferred \$16,500,000 to the Capital Projects Fund for the construction of a new water treatment plant.

**Business-type activities.** Business-type activities decreased the District's net position by \$16,041,128, mainly due to the transfer of \$16,500,000 from the Water Fund to the Capital Projects Fund. Some of the key elements of the change in net position are as follows:

- Service charges increased \$149,548 (3.36%) over prior year.
- Investment income decreased \$34,309 due to decreasing interest rates, and the transfer to the Capital Projects Fund.
- Total operating expenses are increased \$171,808 as a result of an increase in depreciation \$85,223, and an increase in operations expenses \$69,484, and an increase in personnel expenses of \$17,101.

### **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 \$23,879,324, of which \$374,168 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 \$374,168 out of a total fund balance of \$616,205. 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, 2012, the emergency reserve was \$7,441.

The debt service fund has a total fund balance of \$253,976, all of which is restricted for the repayment of long-term indebtedness. The long term loans payable as of December 31, 2012 is \$ 7,055,000.

The capital projects fund has a total fund balance of \$23,009,143 which will be used to build a water treatment plant.

On November 1, 2011 the district voted in favor of Ballot Issue 5A. This positive vote authorized 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 was 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 position of the proprietary fund at the end of the year amounted to \$6,632,549. The total net position of the District's proprietary funds as of December 31, 2012 are \$44,571,160. 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 2012 did not exceed the final budgeted appropriation. The difference between the original and final budgeted revenue of \$838,567 and the actual revenue of \$859,218 was \$20,651. The difference between the original budgeted expenditures of \$328,000 and the actual expenditures of \$248,042 was \$79,958.

### **Capital Assets**

The District has invested \$37,939,717 in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of the year ended December 31, 2012. This investment in capital assets includes water and sewer facilities, water rights and vehicles and equipment. This includes \$317,488 of upgrades and improvements to the districts collection and distribution systems in 2012.

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 \$7,373,678. Accrued compensated absences accounts for \$17,405 of this amount. The remaining \$7,356,273 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 2013 budget reflects a slight increase in property tax revenue. The total assessed value for 2013 is \$ 127,743,991 up from \$126,621,650 in 2012. The total mill levy in 2013 is 13.2658 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 2013 of \$23,000,000.

**Proprietary funds.** Water and sewer sales are expected to increase slightly over 2012 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.** There were no major capital projects completed during the year. The district did capitalize \$ 317,488 in upgrades and improvements to their collection and distribution systems during the year. These items will be depreciated over their normal useful lives.

### **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 POSITION  
DECEMBER 31, 2012

	<u>Govern- mental Activities</u>	<u>Business- Type Activities</u>	<u>Totals</u>	
			<u>2012</u>	<u>2011</u>
<u>Assets</u>				
Cash and investments	\$ 23,869,787	\$ 6,442,610	\$ 30,312,397	\$ 28,399,428
Accounts receivable	9,537	628,927	638,464	631,419
Property taxes receivable	1,694,653	0	1,694,653	1,679,761
Prepaid expenses	0	0	0	39,127
Debt issuance costs, net of accumulated amortization	0	0	0	62,491
Capital assets, net of accumulated depreciation	<u>1,106</u>	<u>37,938,611</u>	<u>37,939,717</u>	<u>39,113,045</u>
Total Assets	<u>25,575,083</u>	<u>45,010,148</u>	<u>70,585,231</u>	<u>69,925,271</u>
<u>Liabilities</u>				
Accounts payable	0	41,328	41,328	172,855
Deposits	0	25,996	25,996	25,996
Deferred revenue	0	258,400	258,400	263,267
Accrued interest payable	114,372	0	114,372	119,552
Retainage payable	0	0	0	108,906
Non current liabilities				
Due within one year	410,000	0	410,000	395,000
Due in more than one year	<u>6,963,678</u>	<u>113,264</u>	<u>7,076,942</u>	<u>7,496,909</u>
Total Liabilities	<u>7,488,050</u>	<u>438,988</u>	<u>7,927,038</u>	<u>8,582,485</u>
<u>Deferred Inflows of Resources</u>				
Unavailable revenue-property taxes	<u>1,694,653</u>	<u>0</u>	<u>1,694,653</u>	<u>1,679,761</u>
<u>Net Position</u>				
Net investment in capital assets	(7,356,167)	37,938,611	30,582,444	30,902,708
Restricted for debt service	253,976	0	253,976	6,351,422
Restricted for emergencies	7,441	0	7,441	45,500
Unrestricted	<u>23,487,130</u>	<u>6,632,549</u>	<u>30,119,679</u>	<u>22,363,395</u>
Total Net Position	<u>\$ 16,392,380</u>	<u>\$ 44,571,160</u>	<u>\$ 60,963,540</u>	<u>\$ 59,663,025</u>

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, 2012

		<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<u>Function/Programs</u>				
Governmental Activities				
General government	\$ 264,557	\$ 0	\$ 0	\$ 0
Interest on long-term debt	<u>258,613</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Governmental Activities	<u>523,170</u>	<u>0</u>	<u>0</u>	<u>0</u>
Business-Type Activities				
Water	3,225,140	3,116,488	72,202	566,342
Sewer	<u>2,586,283</u>	<u>1,865,042</u>	<u>59,366</u>	<u>145,767</u>
Total Business-Type Activities	<u>5,811,423</u>	<u>4,981,530</u>	<u>131,568</u>	<u>712,109</u>
Total Primary Government	<u>\$ 6,334,593</u>	<u>\$ 4,981,530</u>	<u>\$ 131,568</u>	<u>\$ 712,109</u>

General Revenues  
Property taxes  
Specific ownership taxes  
Investment income  
Transfers

Total General Revenues and  
Transfers

Change in net position

Net Position, Beginning (Restated)

Net Position, Ending

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenues and Changes in Net Position			
Primary Government			
Govern- mental Activities	Business- Type Activities	Totals	
		2012	2011
\$ (264,557)	\$ 0	\$ (264,557)	\$ (298,616)
<u>(258,613)</u>	<u>0</u>	<u>(258,613)</u>	<u>(270,861)</u>
<u>(523,170)</u>	<u>0</u>	<u>(523,170)</u>	<u>(569,477)</u>
0	529,892	529,892	359,817
<u>0</u>	<u>(516,108)</u>	<u>(516,108)</u>	<u>(577,590)</u>
<u>0</u>	<u>13,784</u>	<u>13,784</u>	<u>(217,773)</u>
<u>(523,170)</u>	<u>13,784</u>	<u>(509,386)</u>	<u>(787,250)</u>
1,677,286	0	1,677,286	1,954,993
136,267	0	136,267	165,987
22,183	36,656	58,839	83,694
<u>16,091,568</u>	<u>(16,091,568)</u>	<u>0</u>	<u>0</u>
<u>17,927,304</u>	<u>(16,054,912)</u>	<u>1,872,392</u>	<u>2,204,674</u>
17,404,134	(16,041,128)	1,363,006	1,417,424
<u>(1,011,754)</u>	<u>60,612,288</u>	<u>59,600,534</u>	<u>58,245,601</u>
<u>\$ 16,392,380</u>	<u>\$ 44,571,160</u>	<u>\$ 60,963,540</u>	<u>\$ 59,663,025</u>

ROXBOROUGH WATER AND SANITATION DISTRICT  
BALANCE SHEETS  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2012

				Total Governmental Funds	
	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>2012</u>	<u>2011</u>
<u>Assets</u>					
Cash and investments	\$ 611,742	\$ 23,009,143	\$ 248,902	\$ 23,869,787	\$ 6,878,080
Accounts receivable	4,463	0	5,074	9,537	10,546
Property taxes receivable	793,035	0	901,618	1,694,653	1,679,761
Prepaid items	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,825</u>
Total Assets	<u>\$ 1,409,240</u>	<u>\$ 23,009,143</u>	<u>\$ 1,155,594</u>	<u>\$ 25,573,977</u>	<u>\$ 8,576,212</u>
<u>Liabilities and Fund Balances</u>					
<u>Liabilities</u>					
Deferred Inflows of Resources					
Unavailable revenue- property taxes	<u>793,035</u>	<u>0</u>	<u>901,618</u>	<u>1,694,653</u>	<u>1,679,761</u>
<u>Fund Balances</u>					
Nonspendable					
Prepays	0	0	0	0	7,825
Restricted for:					
Emergencies	7,441	0	0	7,441	45,500
Debt service		0	253,976	253,976	6,351,422
Committed to:					
Construction of water treatment plant	0	23,009,143	0	23,009,143	0
Assigned to:					
Subsequent year's budget:					
Appropriation of fund balance	234,596	0	0	234,596	0
Unassigned	<u>374,168</u>	<u>0</u>	<u>0</u>	<u>374,168</u>	<u>491,704</u>
Total Fund Balances	<u>616,205</u>	<u>23,009,143</u>	<u>253,976</u>	<u>23,879,324</u>	<u>6,896,451</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,409,240</u>	<u>\$ 23,009,143</u>	<u>\$ 1,155,594</u>	<u>\$ 25,573,977</u>	<u>\$ 8,576,212</u>

(Continued)

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT  
BALANCE SHEETS  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2012

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balances of governmental funds	\$ 23,879,324	\$ 6,896,451
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 \$96,879.	1,106	1,844
Long-term liabilities, including related items, including loans payable (\$7,055,000), loan premium (\$301,273), accrued compensated absences (\$17,405), and accrued interest payable (\$114,372) are not due and payable in the current year and, therefore, are not reported in the funds.	<u>(7,488,050)</u>	<u>(7,847,558)</u>
Total Net Assets of Governmental Activities	<u>\$ 16,392,380</u>	<u>\$ (949,263)</u>

ROXBOROUGH WATER AND SANITATION DISTRICT  
STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	General	Capital Projects	Debt Service	Total Governmental Funds	
				2012	2011
<u>Revenues</u>					
Property taxes	\$ 795,329	\$ 0	\$ 881,957	1,677,286	\$ 1,954,993
Specific ownership taxes	60,450	0	75,817	136,267	165,987
Investment income	<u>3,439</u>	<u>9,143</u>	<u>9,601</u>	<u>22,183</u>	<u>12,729</u>
Total Revenues	<u>859,218</u>	<u>9,143</u>	<u>967,375</u>	<u>1,835,736</u>	<u>2,133,709</u>
<u>Expenditures</u>					
General government	248,042	0	14,463	262,505	292,285
Debt service					
Principal	0	0	395,000	395,000	385,000
Interest and fiscal charges	<u>0</u>	<u>0</u>	<u>286,926</u>	<u>286,926</u>	<u>299,044</u>
Total Expenditures	<u>248,042</u>	<u>0</u>	<u>696,389</u>	<u>944,431</u>	<u>976,329</u>
Excess of Revenues Over Expenditures	<u>611,176</u>	<u>9,143</u>	<u>270,986</u>	<u>891,305</u>	<u>1,157,380</u>
<u>Other Financing Sources (Uses)</u>					
Transfers in	0	23,000,000	131,568	23,131,568	115,740
Transfers out	<u>(540,000)</u>	<u>0</u>	<u>(6,500,000)</u>	<u>(7,040,000)</u>	<u>(540,000)</u>
Total Other Financing Sources (Uses)	<u>(540,000)</u>	<u>23,000,000</u>	<u>(6,368,432)</u>	<u>16,091,568</u>	<u>(424,260)</u>
Net change in fund balances	71,176	23,009,143	(6,097,446)	16,982,873	733,120
Fund balances, beginning	<u>545,029</u>	<u>0</u>	<u>6,351,422</u>	<u>6,896,451</u>	<u>6,163,331</u>
Fund balances, ending	<u>\$ 616,205</u>	<u>\$ 23,009,143</u>	<u>\$ 253,976</u>	<u>\$ 23,879,324</u>	<u>\$ 6,896,451</u>

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, 2012

Amounts reported for governmental activities in the statements of activities are different because:

	<u>2012</u>	<u>2011</u>
Net change in fund balances, total governmental funds	\$ 16,982,873	\$ 733,120
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 position 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.	(738)	(1,246)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. 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, and change in accrued interest payable \$5,180.	28,313	23,720
Loan payments \$395,000 and changes in compensated absences (\$1,314) are expenditures in the governmental funds, but they change long-term liabilities in the statement of net position and do not affect the statement of activities.	<u>393,686</u>	<u>384,378</u>
Change in Net Assets of Governmental Activities	<u>\$ 17,404,134</u>	<u>\$ 1,139,972</u>

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2012

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	
			<u>2012</u>	<u>2011</u>
<u>Assets</u>				
Current Assets				
Cash and cash equivalents	\$ 5,414,432	\$ 1,028,178	\$ 6,442,610	\$ 12,703,472
Investments	0	0	0	8,817,876
Accounts receivable	357,708	268,336	626,044	617,990
Prepaid expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>31,302</u>
Total Current Assets	<u>5,772,140</u>	<u>1,296,514</u>	<u>7,068,654</u>	<u>22,170,640</u>
Noncurrent Assets				
Accounts receivable	2,883	0	2,883	2,883
Capital assets, net of accumulated depreciation	<u>13,046,660</u>	<u>24,891,951</u>	<u>37,938,611</u>	<u>39,111,201</u>
Total Noncurrent Assets	<u>13,049,543</u>	<u>24,891,951</u>	<u>37,941,494</u>	<u>39,114,084</u>
Total Assets	<u>18,821,683</u>	<u>26,188,465</u>	<u>45,010,148</u>	<u>61,284,724</u>
<u>Liabilities</u>				
Current liabilities				
Accounts payable	33,043	8,285	41,328	172,855
Deposits	18,600	7,396	25,996	25,996
Deferred revenues	58,400	200,000	258,400	263,267
Retainage payable	<u>0</u>	<u>0</u>	<u>0</u>	<u>108,906</u>
Total Current Liabilities	<u>110,043</u>	<u>215,681</u>	<u>325,724</u>	<u>571,024</u>
Noncurrent Liabilities				
Accrued compensated absences	<u>56,632</u>	<u>56,632</u>	<u>113,264</u>	<u>101,412</u>
Total Noncurrent Liabilities	<u>56,632</u>	<u>56,632</u>	<u>113,264</u>	<u>101,412</u>
Total Liabilities	<u>166,675</u>	<u>272,313</u>	<u>438,988</u>	<u>672,436</u>
<u>Net Position</u>				
Net investment in capital assets	13,046,660	24,891,951	37,938,611	39,111,201
Unrestricted	<u>5,608,348</u>	<u>1,024,201</u>	<u>6,632,549</u>	<u>21,501,087</u>
Total Net Position	<u>\$ 18,655,008</u>	<u>\$ 25,916,152</u>	<u>\$ 44,571,160</u>	<u>\$ 60,612,288</u>

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 POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	
			<u>2012</u>	<u>2011</u>
Operating Revenues				
Charges for services	\$ 2,801,685	\$ 1,451,880	\$ 4,253,565	\$ 4,061,608
Charges for services Lockheed Martin Agreement	0	342,010	342,010	384,419
Permit fees	4,375	8,095	12,470	3,600
Outside treatment	212,060	22,032	234,092	175,526
Miscellaneous	<u>98,368</u>	<u>41,025</u>	<u>139,393</u>	<u>149,072</u>
Total Operating Revenues	<u>3,116,488</u>	<u>1,865,042</u>	<u>4,981,530</u>	<u>4,774,225</u>
Operating Expenses				
Personnel services	407,916	388,317	796,233	779,132
Operations	2,247,435	1,277,677	3,525,112	3,455,628
Depreciation	<u>569,789</u>	<u>920,289</u>	<u>1,490,078</u>	<u>1,404,855</u>
Total Operating Expenses	<u>3,225,140</u>	<u>2,586,283</u>	<u>5,811,423</u>	<u>5,639,615</u>
Operating Loss	<u>(108,652)</u>	<u>(721,241)</u>	<u>(829,893)</u>	<u>(865,390)</u>
Non-Operating Revenues (Expenses)				
Investment income	32,603	4,053	36,656	70,965
Availability charges	<u>72,202</u>	<u>59,366</u>	<u>131,568</u>	<u>70,158</u>
Total Non-Operating Revenue (Expenses)	<u>104,805</u>	<u>63,419</u>	<u>168,224</u>	<u>141,123</u>
Net Loss Before Transfers and Capital contributions	(3,847)	(657,822)	(661,669)	(724,267)
Transfer in	340,000	200,000	540,000	540,000
Transfer out	(16,572,202)	(59,366)	(16,631,568)	(115,740)
Capital contributions	<u>566,342</u>	<u>145,767</u>	<u>712,109</u>	<u>577,459</u>
Change in net position	(15,669,707)	(371,421)	(16,041,128)	277,452
Net position, beginning	<u>34,324,715</u>	<u>26,287,573</u>	<u>60,612,288</u>	<u>60,334,836</u>
Net position, ending	<u>\$ 18,655,008</u>	<u>\$ 25,916,152</u>	<u>\$ 44,571,160</u>	<u>\$ 60,612,288</u>

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, 2012

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	
			<u>2012</u>	<u>2011</u>
<u>Cash Flows from Operating Activities</u>				
Cash received from customers	\$ 3,098,613	\$ 1,862,171	\$ 4,960,784	\$ 4,661,963
Cash payments to suppliers	(2,335,123)	(1,290,214)	(3,625,337)	(3,385,588)
Cash payments to employees	(401,990)	(382,391)	(784,381)	(763,680)
Other cash received	<u>98,368</u>	<u>41,025</u>	<u>139,393</u>	<u>149,072</u>
Net Cash Provided by Operating Activities	<u>459,868</u>	<u>230,591</u>	<u>690,459</u>	<u>661,767</u>
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers from other funds	340,000	200,000	540,000	540,000
Transfers to other funds	<u>(16,572,202)</u>	<u>(59,366)</u>	<u>(16,631,568)</u>	<u>(115,740)</u>
Net Cash Provided by (Used in) Non Financing Activities	<u>(16,232,202)</u>	<u>140,634</u>	<u>(16,091,568)</u>	<u>424,260</u>
<u>Cash Flows from Capital and Related Financing Activities</u>				
Acquisition and construction of capital assets	(337,131)	(89,263)	(426,394)	(3,513,955)
Capital charges received	<u>566,342</u>	<u>145,767</u>	<u>712,109</u>	<u>577,459</u>
Net Cash Provided By (Used in) Capital and Related Financing Activities	<u>229,211</u>	<u>56,504</u>	<u>285,715</u>	<u>(2,936,496)</u>
<u>Cash Flows from Investing Activities</u>				
Purchases of investment	8,817,876	0	8,817,876	(39,827)
Investment income	<u>32,603</u>	<u>4,053</u>	<u>36,656</u>	<u>70,965</u>
Net Cash Provided by Investing Activities	<u>8,850,479</u>	<u>4,053</u>	<u>8,854,532</u>	<u>31,138</u>
Net increase (decrease)	(6,692,644)	431,782	(6,260,862)	(1,819,331)
Cash and cash equivalents, beginning	<u>12,107,076</u>	<u>596,396</u>	<u>12,703,472</u>	<u>14,522,803</u>
Cash and cash equivalents, ending	<u>\$ 5,414,432</u>	<u>\$ 1,028,178</u>	<u>\$ 6,442,610</u>	<u>\$12,703,472</u>

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, 2012

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	
			<u>2012</u>	<u>2011</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities				
Operating loss	\$ (108,652)	\$ (721,241)	\$ (829,893)	\$ (865,390)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation	569,789	920,289	1,490,078	1,404,855
Receipt of system availability charges	72,202	59,366	131,568	70,158
Changes in assets and liabilities:				
Accounts receivable	13,158	(21,212)	(8,054)	(28,482)
Prepaid expenses	15,651	15,651	31,302	(31,302)
Accounts payable	(103,339)	(28,188)	(131,527)	101,342
Deferred revenues	(4,867)	0	(4,867)	(4,866)
Accrued compensated absences	<u>5,926</u>	<u>5,926</u>	<u>11,852</u>	<u>15,452</u>
Net Cash Provided by Operating Activities	<u>\$ 459,868</u>	<u>\$ 230,591</u>	<u>\$ 690,459</u>	<u>\$ 661,767</u>

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO 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 position 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.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO 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.

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.

The *Capital Projects Fund* accounts for the acquisition and construction of the government's major capital facilities, other than those financed by proprietary funds.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

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, 2012, 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 lease proceeds which have not been earned, and as more fully described in Note 9, amounts received from the sale of its waste water treatment plant.

*Deferred Outflows/Inflows of Resources* – In addition to assets, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Accordingly, the item, *unavailable revenue*, is reported for property taxes levied in the current year but collected for use in the next fiscal period.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Fund Balances (Continued)

*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.

*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 position. Premiums and discounts 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 during the current year. The face amount of debt issued is reported as other financing sources.

Fund Balance

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances 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. At December 31, 2012, the District had no nonspendable fund balances.

*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.

*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.

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.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Fund Balances (Continued)

Net Position

Net position in the government-wide Statement of Net Position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulators of other governments.

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, 2012, cash and investments consisted of the following:

Deposits	\$ 9,834,075
Investments	<u>20,478,322</u>
Total	<u>\$ 30,312,397</u>

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, 2012, the District had bank deposits, with a book balance of \$9,834,075, comprised of \$2,475,751 which was covered by FDIC insurance and \$7,451,013 which was 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.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

- 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

*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 statutes do not limit the amount the District may invest in one issuer.

*Local Government Investment Pools* – At December 31, 2012, the District had \$11,647,269 and \$8,831,053 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. 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. COLOTRUST and CSAFE are rated AAAM by Standard and Poor's.

The District has interest rate risk related only to the investment in COLOTRUST and CSAFE. At December 31, 2012, COLOTRUST's portfolio had a weighted average maturity of 35 days to reset and 55 days to maturity. Also, at December 31, 2012, CSAFE had a weighted average maturity of 51 days.

NOTE 3 - INTERFUND BALANCES AND TRANSACTIONS

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Sewer Fund	General Fund	\$ 200,000
Water Fund	General Fund	340,000
Debt Service Fund	Water Fund	72,202
Debt Service Fund	Sewer Fund	59,366
Capital Projects Fund	Water Fund	16,500,000
Capital Projects Fund	Debt Service	6,500,000

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - INTERFUND BALANCES AND TRANSACTIONS (CONTINUED)

Availability charges collected by the Water and Sewer Funds are required by State statute 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 transfers to the Capital Projects Fund from the Water and Debt Service funds are to accumulate resources to build the new water treatment plant.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012, is summarized below:

	Balances 12/31/11	Additions	Deletions	Balances 12/31/12
<u>Governmental Activities</u>				
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	(96,141)	(738)	0	(96,879)
Total Accumulated Depreciation	(96,141)	(738)	0	(96,879)
Total Capital Assets, Being Depreciated, Net	1,844	(738)	0	1,106
Governmental Activities Capital Assets	\$ 1,844	\$ (738)	\$ 0	\$ 1,106
<u>Business-Type Activities</u>				
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 distribution	48,351,916	317,488	0	48,669,404
Vehicles and equipment	361,344	0	0	361,344
Total Capital Assets, Being Depreciated	48,718,774	317,488	0	49,036,262
Less Accumulated Depreciation				
Land improvements	(5,514)	0	0	(5,514)
Collection and distribution	(15,755,202)	(1,478,933)	0	(17,234,135)
Vehicles and equipment	(342,757)	(11,145)	0	(353,902)
Total Accumulated Depreciation	(16,103,473)	(1,490,078)		(17,593,551)
Total Capital Assets, Being Depreciated, Net	32,615,301	(1,172,590)	0	31,442,711
Business-Type Activities Capital Assets, Net	\$ 39,111,201	\$ (1,172,590)	\$ 0	\$ 37,938,611

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

**NOTE 4 - CAPITAL ASSETS (CONTINUED)**

All water rights of the District are for sale at December 31, 2012.

Depreciated expense was charged to programs of the District as follows:

Governmental activities	
General Government	\$ <u>738</u>
Business-type activities	
Water	\$ 569,789
Sewer	920,289
Total	<u>\$ 1,490,078</u>

**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, 2012:

	<u>Balance</u> <u>12/31/11</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/12</u>	<u>Due Within</u> <u>One Year</u>
<b>Governmental Activities</b>					
Accrued Compensated					
Absences	\$ 16,091	\$ 1,314	\$ 0	\$ 17,405	\$ 0
2005 CWRPDA Loan	7,450,000	0	395,000	7,055,000	410,000
Loan premium	<u>324,406</u>	<u>0</u>	<u>23,133</u>	<u>301,273</u>	<u>0</u>
Total	<u>\$ 7,790,497</u>	<u>\$ 1,314</u>	<u>\$ 418,133</u>	<u>\$ 7,373,678</u>	<u>\$ 410,000</u>

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:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest and</u> <u>Admin. Fees</u>	<u>Total</u>
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	465,000	220,353	685,353
2018-2022	2,530,000	897,041	3,427,041
2023-2026	<u>2,340,000</u>	<u>466,522</u>	<u>2,806,522</u>
Total	<u>\$ 7,055,000</u>	<u>\$ 2,602,721</u>	<u>\$ 9,657,721</u>

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

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, 2012:

	Balance 12/31/11	Additions	Balance Payments	Due Within 12/31/12	One Year
<b>Business-Type Activities</b>					
Accrued compensated absences	\$ 101,412	\$ 11,852	\$ 0	\$ 113,264	\$ 0

The District has a line of credit with a financial institution for \$4,000,000 which is secured by the proprietary fund revenues. The interest rate on the note is variable and is the financial institution's prime rate of 3.25%. The line of credit matures on May 1, 2013. No amounts were drawn on the line during the fiscal year ending December 31, 2012.

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.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

**NOTE 7 - RETIREMENT COMMITMENTS (CONTINUED)**

The District may contribute up to 15% of each participating employee's compensation. During the year ended December 31, 2012, the District contributed \$94,164 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.

**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 - CONCENTRATIONS**

One company paid 10.3% of all revenue for the year ended December 31, 2012. This same company was responsible for 26.9% of the property tax collected.

**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, 2012, the emergency reserve of \$7,441 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.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 9 - 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 build a water treatment plant.

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, 2012.

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 10 - CHANGE IN ACCOUNTING PRINCIPLES

During the year ended December 31, 2012, the District implemented GASB Statement Number 62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement incorporates into the GASB authoritative literature certain guidance from the Financial Accounting Standards Board (FASB) Statements and Interpretations, the Accounting Principles Board Opinions, and the Accounting Research Bulletins of the American Institute of Certified Public Accountants (AICPA) Committee on Accounting Procedure issued on or before November 30, 1989 which does not conflict with GASB pronouncements. Implementation of this standard did not have a material effect on the District.

During the year ended December 31, 2012, the District implemented GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. As the result of implementing this statement the computation of equity on the Statement of Net Position was changed and equity was retitled to be net position.

During the year ended December 31, 2012, the District also early implemented GASB Statement Number 65, *Items Previously Reported as Assets and Liabilities*. This statement requires certain items which were previously reported as assets and liabilities to be reported as deferred outflows of resources, deferred inflows of resources and as revenues or expenditures. As a result of implementing this statement, loan issuance costs of \$62,491 which were amortized under the prior standards are expensed in the new standards. In addition, unearned property taxes were reclassified to deferred inflows of resources.

NOTE 11 - SUBSEQUENT EVENTS

During 2013, the Colorado Water Conservation Board (CWCBC) approved the District's application for a thirty year loan. The loan principal balance shall not exceed \$18,538,550 at an annual interest rate of 3.25%.

## REQUIRED SUPPLEMENTARY INFORMATION

ROXBOROUGH WATER AND SANITATION DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2012

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues</u>			
Property taxes	\$ 786,067	\$ 795,329	\$ 9,262
Specific ownership taxes	50,000	60,450	10,450
Investment income	2,000	3,439	1,439
Miscellaneous revenues	<u>500</u>	<u>0</u>	<u>(500)</u>
Total Revenues	<u>838,567</u>	<u>859,218</u>	<u>20,651</u>
<u>Expenditures</u>			
Salaries and benefits	120,000	119,713	287
Accounting and audit	20,000	17,587	2,413
Contract labor	1,000	0	1,000
Director fees	8,000	7,000	1,000
Election expense	20,000	0	20,000
Education	20,000	9,616	10,384
Engineering	15,000	14,677	323
Insurance	12,000	8,944	3,056
Legal fees	20,000	16,156	3,844
Miscellaneous	5,000	2,608	2,392
Office expense	20,000	10,555	9,445
Permits, dues and subscriptions	1,500	0	1,500
Rent	15,000	9,427	5,573
Repairs and maintenance	15,000	11,332	3,668
Treasurer fees	15,000	10,629	4,371
Utilities	7,500	5,938	1,562
Vehicle expense	3,000	3,860	(860)
Capital outlay	<u>10,000</u>	<u>0</u>	<u>10,000</u>
Total Expenditures	<u>328,000</u>	<u>248,042</u>	<u>79,958</u>
Excess of Revenues Over Expenditures	510,567	611,176	100,609
Other Financing Uses			
Transfers out	<u>(726,855)</u>	<u>(540,000)</u>	<u>186,855</u>
Net Change in Fund Balances	<u>\$ (216,288)</u>	71,176	<u>\$ 287,464</u>
Fund Balances, Beginning		<u>545,029</u>	
Fund Balances, Ending		<u>\$ 616,205</u>	

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2012

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  
CAPITAL PROJECTS FUND  
YEAR ENDED DECEMBER 31, 2012

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues</u>			
Investment income	\$ 0	\$ 9,143	\$ 9,143
<u>Expenditures</u>			
Capital outlay	<u>23,000,000</u>	<u>0</u>	<u>23,000,000</u>
Excess of Revenues Over (Under) Expenditures	(23,000,000)	9,143	23,009,143
Other Financing Sources (Uses)			
Transfers in	<u>23,949,635</u>	<u>23,000,000</u>	<u>(949,635)</u>
Net Change in Fund Balances	949,635	23,009,143	22,059,508
Fund Balances, Beginning	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances, Ending	<u>\$ 949,635</u>	<u>\$ 23,009,143</u>	<u>\$ 22,059,508</u>

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
YEAR ENDED DECEMBER 31, 2012

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues</u>			
Property taxes	\$ 893,670	\$ 881,957	\$ (11,713)
Specific ownership taxes	80,000	75,817	(4,183)
Investment income	<u>10,000</u>	<u>9,601</u>	<u>(399)</u>
Total Revenues	<u>983,670</u>	<u>967,375</u>	<u>(16,295)</u>
<u>Expenditures</u>			
General government	15,000	14,463	537
Principal	395,000	395,000	0
Interest	<u>286,926</u>	<u>286,926</u>	<u>0</u>
Total Expenditures	<u>696,926</u>	<u>696,389</u>	<u>537</u>
Excess of Revenues Over (Under) Expenditures	286,744	270,986	(15,758)
Other Financing Sources (Uses)			
Transfers in	118,000	131,568	13,568
Transfers out	<u>(6,663,480)</u>	<u>(6,500,000)</u>	<u>163,480</u>
Net Change in Fund Balances	(6,258,736)	(6,097,446)	161,290
Fund Balances, Beginning	<u>6,316,736</u>	<u>6,351,422</u>	<u>34,686</u>
Fund Balances, Ending	<u>\$ 58,000</u>	<u>\$ 253,976</u>	<u>\$ 195,976</u>

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT  
BUDGETARY COMPARISON SCHEDULE NON GAAP BASIS  
WATER FUND  
YEAR ENDED DECEMBER 31, 2012

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<u>Revenues</u>			
Charges for services	\$ 2,720,000	\$ 2,801,685	\$ 81,685
Permit fees	3,300	4,375	1,075
Other water sales	138,022	212,060	74,038
Miscellaneous	89,200	98,368	9,168
Investment income	75,000	32,603	(42,397)
Availability charges	60,000	72,202	12,202
Capital charges	325,000	487,504	162,504
System development charges	44,064	78,838	34,774
Transfers in	<u>340,000</u>	<u>340,000</u>	<u>0</u>
Total Revenues	<u>3,794,586</u>	<u>4,127,635</u>	<u>333,049</u>
<u>Expenditures</u>			
Accounting and audit	20,000	26,686	(6,686)
Permits, dues and subscriptions	15,000	17,138	(2,138)
Contract labor	10,000	8,400	1,600
Education	25,000	36,049	(11,049)
Engineering and other professional costs	125,000	184,705	(59,705)
GPS/GIS	15,000	11,518	3,482
Insurance	23,000	18,315	4,685
Lab and test fees	17,000	10,756	6,244
Legal fees	40,000	38,739	1,261
Meter expense	150,000	74,045	75,955
Miscellaneous	12,000	8,077	3,923
Office expense	30,000	21,813	8,187
Operating supplies	90,000	87,312	2,688
Payroll, taxes and benefits	390,000	407,916	(17,916)
Repairs and maintenance	250,000	235,132	14,868
Utilities	105,000	96,865	8,135
Vehicle expense	15,000	13,089	1,911
Dominion	35,000	22,920	12,080
Water cost	1,500,000	1,325,900	174,100
Capital outlay	1,015,000	228,225	786,775
Conservation rebates	10,000	4,250	5,750
Chatfield reallocation	20,000	0	20,000
Water rights capital	20,000	5726	14,274
Transfers out	<u>17,143,400</u>	<u>16,572,202</u>	<u>571,198</u>
Total Expenditures	<u>21,075,400</u>	<u>19,455,778</u>	<u>1,619,622</u>
Change in Net Assets, Budgetary Basis	<u><u>\$ (17,280,814)</u></u>	<u>(15,328,143)</u>	<u><u>\$ 1,952,671</u></u>

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT  
BUDGETARY COMPARISON SCHEDULE NON GAAP BASIS  
WATER FUND (CONTINUED)  
YEAR ENDED DECEMBER 31, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Reconciliation to GAAP Basis			
Capital outlay		\$ 228,225	
Depreciation		<u>(569,789)</u>	
Change in Net Assets, GAAP Basis		(15,669,707)	
Fund Balances, Beginning		<u>34,324,715</u>	
Fund Balances, Ending		<u>\$ 18,655,008</u>	

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT  
BUDGETARY COMPARISON SCHEDULE NON GAAP BASIS  
SEWER FUND  
YEAR ENDED DECEMBER 31, 2012

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<u>Revenues</u>			
Charges for services	\$ 1,430,000	\$ 1,451,880	\$ 21,880
Charges for services – Lockheed Martin Agreement	415,000	342,010	(72,990)
Permit fees	3,300	8,095	4,795
Ravenna service charge	20,000	22,032	2,032
Miscellaneous	42,000	41,025	(975)
Investment income	1,500	4,053	2,553
Availability charges	58,000	59,366	1,366
Capital charges	132,000	125,715	(6,285)
System development charges	30,252	20,052	(10,200)
Transfer in	<u>200,000</u>	<u>200,000</u>	<u>0</u>
Total Revenues	<u>2,332,052</u>	<u>2,274,228</u>	<u>(57,824)</u>
<u>Expenditures</u>			
Accounting and audit	20,000	16,718	3,282
Contract labor	1,000	0	1,000
Dominion expense	1,000	0	1,000
Education	20,000	9,203	10,797
Engineering	75,000	144,915	(69,915)
GPS/GIS	15,000	11,518	3,482
Insurance	23,000	18,315	4,685
Lab and test fees	300	300	0
Legal fees	20,000	26,327	(6,327)
Miscellaneous	12,000	2,531	9,469
Office expense	30,000	21,113	8,887
Operating supplies	45,000	37,351	7,649
Permits, dues and subscriptions	1,500	3,720	(2,220)
Payroll, taxes and benefits	390,000	388,317	1,683
Repairs and maintenance	200,000	161,717	38,283
Service fees	810,000	732,494	77,506
Utilities	115,000	78,273	36,727
Vehicle expense	15,000	13,182	1,818
Capital outlay	648,000	89,263	558,737
Transfer out	<u>237,380</u>	<u>59,366</u>	<u>178,014</u>
Total Expenditures	<u>2,679,180</u>	<u>1,814,623</u>	<u>864,557</u>
Change in Net Assets, Budgetary Basis	<u>\$ (347,128)</u>	459,605	<u>\$ 806,733</u>
Reconciliation to GAAP Basis			
Capital outlay		89,263	
Depreciation		<u>(920,289)</u>	
Change in Net Assets, GAAP Basis		(371,421)	
Fund Balances, Beginning		<u>26,287,573</u>	
Fund Balances, Ending		<u>\$ 25,916,152</u>	

See the accompanying Independent Auditors' Report.



**ROXBOROUGH WATER AND  
SANITATION DISTRICT  
FINANCIAL STATEMENTS  
December 31, 2013**

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## 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, 2013, and the related notes to the financial statements, which collectively comprise the Roxborough Water and Sanitation District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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AICPA GOVERNMENT AUDIT QUALITY CENTER, COLORADO SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

## 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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other-Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages iii through ix and 21 and 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual major fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The individual major fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.

April 23, 2014  
Denver, Colorado

*Paysti & Adams, LLC*

## 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, 2013

### Financial Highlights

- Assets exceeded liabilities by \$62,998,739 at the close of the fiscal year. Of this amount, \$30,882,833 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 \$25,291,977.
- Total net position increased by \$2,035,199.
- Total cash and investments increased by \$1,922,844 as compared to the prior year.
- General fund expenditures increased by \$2,093 as compared to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$ 542,712 or 216.97% of total general fund expenditures.
- Total debt decreased by \$410,000 or 5.8% 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 position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 2013, the District implemented GASB Statement 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*.

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 23-27 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District's net position was \$62,998,739 at the close of the most recent fiscal year. Of this amount \$30,882,833 is unrestricted and is available to meet the District's ongoing financial obligations.

Statements of Net Position

	2013			2012		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current Assets	\$ 27,007,485	\$ 7,861,650	\$ 34,869,135	\$ 25,573,977	\$ 7,068,654	\$ 32,642,631
Other Assets	-	-	-	-	2,883	2,883
Capital Assets, net	663	37,458,372	37,459,035	1,106	37,938,611	37,939,717
Total Assets	27,008,148	45,320,022	72,328,170	25,575,083	45,010,148	70,585,231
Current Liabilities	537,660	448,889	986,549	524,372	325,724	850,096
Long-Term Obligations	6,515,338	115,504	6,630,842	6,963,678	113,264	7,076,942
Total Liabilities	7,052,998	564,393	7,617,391	7,488,050	438,988	7,927,038
Deferred Inflow of Resources						
Unavailable Revenue	1,712,040	-	1,712,040	1,694,653	-	1,694,653
Net Investment in						
Capital Assets	(6,922,477)	37,458,372	30,535,895	(7,356,167)	37,938,611	30,582,444
Restricted Net Position	1,580,011	-	1,580,011	261,417	-	261,417
Unrestricted Net Position	23,585,576	7,297,257	30,882,833	23,487,130	6,632,549	30,119,679
Total Net Position	<u>\$ 18,243,110</u>	<u>\$ 44,755,629</u>	<u>\$ 62,998,739</u>	<u>\$ 16,392,380</u>	<u>\$ 44,571,160</u>	<u>\$ 60,963,540</u>

Statements of Activities

	2013			2012		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenue						
Program Revenue						
Charges for Services	\$ -	\$ 4,913,424	\$ 4,913,424	\$ -	\$ 4,981,530	\$ 4,981,530
Operating Grants and Contributions	-	129,655	129,655	-	131,568	131,568
Capital Grants and Contributions	-	1,300,101	1,300,101	-	712,109	712,109
General Revenue						
Property Taxes	1,680,142	-	1,680,142	1,677,286	-	1,677,286
Specific Ownership Taxes	142,841	-	142,841	136,267	-	136,267
Investment Income	31,933	6,649	38,582	22,183	36,656	58,839
Total Revenue	<u>1,854,916</u>	<u>6,349,829</u>	<u>8,204,745</u>	<u>1,835,736</u>	<u>5,861,863</u>	<u>7,697,599</u>
Expenses						
General Government	263,853	-	263,853	264,557	-	264,557
Interest on Long-Term Debt	246,179	-	246,179	258,613	-	258,613
Water/Sewer Facilities	-	5,659,514	5,659,514	-	5,811,423	5,811,423
Total Expenses	<u>510,032</u>	<u>5,659,514</u>	<u>6,169,546</u>	<u>523,170</u>	<u>5,811,423</u>	<u>6,334,593</u>
Excess	1,344,884	690,315	2,035,199	1,312,566	50,440	1,363,006
Transfers	<u>505,846</u>	<u>(505,846)</u>	<u>-</u>	<u>16,091,568</u>	<u>(16,091,568)</u>	<u>-</u>
Change in Net Position	1,850,730	184,469	2,035,199	17,404,134	(16,041,128)	1,363,006
Net Position - Beginning	16,392,380	44,571,160	60,963,540	(1,011,754)	60,612,288	59,600,534
Net Position - Ending	<u>\$ 18,243,110</u>	<u>\$ 44,755,629</u>	<u>\$ 62,998,739</u>	<u>\$ 16,392,380</u>	<u>\$ 44,571,160</u>	<u>\$ 60,963,540</u>

**Governmental activities.** Governmental activities increased the District's net position by \$1,850,730, several highlights are as follows:

- Property taxes increased \$2,856 (.17%) over the prior year.
- Specific ownership taxes increased \$6,574.
- General Government expenses decreased by \$704 this year.
- A new subdivision was formed due to the inclusion of the Plum Valley Heights neighborhood into the District.

**Business-type activities.** Business-type activities increased the District's net position by \$184,469. Some of the key elements of the change in net position are as follows:

- Service charges decreased \$68,106 (1.36%) over prior year.
- Investment income decreased \$30,007 due to decreasing interest rates, and the transfer to the Capital Projects Fund.
- Total operating expenses are decreased \$151,909 as a result of a decrease in operations expenses \$164,670, and an increase in personnel expenses of \$13,407.

### **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 \$25,291,977 of which \$542,712 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 \$542,712 out of a total fund balance of \$680,328. 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, 2013, the emergency reserve was \$8,129.

The debt service fund has a total fund balance of \$1,571,882, all of which is restricted for the repayment of long-term indebtedness. The long term loans payable as of December 31, 2013 is \$6,645,000.

On November 1, 2011 the District voted in favor of Ballot Issue 5A. This positive vote authorized 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 was 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 position of the proprietary fund at the end of the year amounted to \$7,279,257. The total net position of the District's proprietary funds as of December 31, 2013 was \$44,755,629. 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 2013 did not exceed the final budgeted appropriation. The difference between the original and final budgeted revenue of \$845,535 and the actual revenue of \$854,258 was \$8,723. The difference between the original budgeted expenditures of \$325,000 and the actual expenditures of \$250,135 was \$74,865.

### **Capital Assets**

The District has invested \$37,459,035 in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of the year ended December 31, 2013. This investment in capital assets includes water and sewer facilities, water rights and vehicles and equipment. This includes \$967,268 of upgrades and improvements to the District's collection and distribution systems in 2013.

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 \$6,940,338. Accrued compensated absences accounts for \$17,198 of this amount. The remaining \$6,923,140 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 2014 budget reflects a slight increase in property tax revenue. The total assessed value for 2014 is \$ 129,054,751 up from \$127,743,991 in 2013. The total mill levy in 2013 is 13.2658 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 2013 of \$36,313,150, representing purchase of a permanent water supply from the City of Aurora and expenses related to the construction of a new Water Treatment Plant.

**Proprietary funds.** Water and sewer sales are expected to increase slightly over 2013 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.**

### **Denver Water Emergency Interconnect:**

In 2013 the District completed our emergency interconnect with Denver Water which would allow the District to obtain potable water in an emergency situation such as a Water Treatment Plant failure. The District constructed emergency connections on two of Denver Water's main pipelines coming from Denver Water's Foothills Water Treatment Facility. The cost for the project was \$613,856.

### **Replacement Water Treatment Plant:**

The District began the design of the replacement Water Treatment Plant in 2013. This is the beginning of a 3 year project from start to finish. Design will continue through 2014 with construction in 2015 and into 2016.

### **Aurora Water Supply:**

The District has entered into an agreement to purchase its water supply 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 December 2015, although the District may purchase taps before that date. The District estimates that this fee will be \$ 24,985,000. It is anticipated the District will purchase these fees during 2014 from a loan the District has received from the Colorado Water Conservation Board.

## **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 POSITION  
DECEMBER 31, 2013

	<u>Govern- mental Activities</u>	<u>Business- Type Activities</u>	<u>Totals</u>	
			<u>2013</u>	<u>2012</u>
<u>Assets</u>				
Cash and investments	\$ 25,274,184	\$ 6,961,057	\$ 32,235,241	\$ 30,312,397
Accounts receivable	21,027	848,073	869,100	638,464
Internal balances	(11,306)	11,306	0	0
Property taxes receivable	1,712,040	0	1,712,040	1,694,653
Prepaid expenses	11,540	41,214	52,754	0
Capital assets, not being Depreciated	0	6,862,071	6,862,071	6,495,900
Capital assets, net of accumulated depreciation	<u>663</u>	<u>30,596,301</u>	<u>30,596,964</u>	<u>31,443,817</u>
Total Assets	<u>27,008,148</u>	<u>45,320,022</u>	<u>72,328,170</u>	<u>70,585,231</u>
<u>Liabilities</u>				
Accounts payable	3,468	169,360	172,828	41,328
Deposits	0	25,996	25,996	25,996
Deferred revenue	0	253,533	253,533	258,400
Accrued interest payable	109,192	0	109,192	114,372
Non current liabilities				
Due within one year	425,000	0	425,000	410,000
Due in more than one year	<u>6,515,338</u>	<u>115,504</u>	<u>6,630,842</u>	<u>7,076,942</u>
Total Liabilities	<u>7,052,998</u>	<u>564,393</u>	<u>7,617,391</u>	<u>7,927,038</u>
<u>Deferred Inflows of Resources</u>				
Unavailable revenue-property taxes	<u>1,712,040</u>	<u>0</u>	<u>1,712,040</u>	<u>1,694,653</u>
<u>Net Position</u>				
Net investment in capital assets	(6,922,477)	37,458,372	30,535,895	30,582,444
Restricted for debt service	1,571,882	0	1,571,882	253,976
Restricted for emergencies	8,129	0	8,129	7,441
Unrestricted	<u>23,585,576</u>	<u>7,297,257</u>	<u>30,882,833</u>	<u>30,119,679</u>
Total Net Position	<u>\$ 18,243,110</u>	<u>\$ 44,755,629</u>	<u>\$ 62,998,739</u>	<u>\$ 60,963,540</u>

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, 2013

		<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<u>Function/Programs</u>				
Governmental Activities				
General government	\$ 263,853	\$ 0	\$ 0	\$ 0
Interest on long-term debt	<u>246,179</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Governmental Activities	<u>510,032</u>	<u>0</u>	<u>0</u>	<u>0</u>
Business-Type Activities				
Water	3,028,075	3,090,602	72,444	1,110,500
Sewer	<u>2,631,439</u>	<u>1,822,822</u>	<u>57,211</u>	<u>189,601</u>
Total Business-Type Activities	<u>5,659,514</u>	<u>4,913,424</u>	<u>129,655</u>	<u>1,300,101</u>
Total Primary Government	<u>\$ 6,169,546</u>	<u>\$ 4,913,424</u>	<u>\$ 129,655</u>	<u>\$ 1,300,101</u>

General Revenues  
Property taxes  
Specific ownership taxes  
Investment income  
Transfers

Total General Revenues and  
Transfers

Change in net position

Net Position, Beginning

Net Position, Ending

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenues and Changes in Net Position			
Primary Government			
Govern- mental Activities	Business- Type Activities	Totals	
		2013	2012
\$ (263,853)	\$ 0	\$ (263,853)	\$ (264,557)
<u>(246,179)</u>	<u>0</u>	<u>(246,179)</u>	<u>(258,613)</u>
<u>(510,032)</u>	<u>0</u>	<u>(510,032)</u>	<u>(523,170)</u>
0	1,245,471	1,245,471	529,892
<u>0</u>	<u>(561,805)</u>	<u>(561,805)</u>	<u>(516,108)</u>
<u>0</u>	<u>683,666</u>	<u>683,666</u>	<u>13,784</u>
<u>(510,032)</u>	<u>683,666</u>	<u>173,634</u>	<u>(509,386)</u>
1,680,142	0	1,680,142	1,677,286
142,841	0	142,841	136,267
31,933	6,649	38,582	58,839
<u>505,846</u>	<u>(505,846)</u>	<u>0</u>	<u>0</u>
<u>2,360,762</u>	<u>(499,197)</u>	<u>1,861,565</u>	<u>1,872,392</u>
1,850,730	184,469	2,035,199	1,363,006
<u>16,392,380</u>	<u>44,571,160</u>	<u>60,963,540</u>	<u>59,600,534</u>
<u>\$ 18,243,110</u>	<u>\$ 44,755,629</u>	<u>\$ 62,998,739</u>	<u>\$ 60,963,540</u>

ROXBOROUGH WATER AND SANITATION DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2013

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Plum Valley Heights</u>	<u>Total Governmental Funds</u>	
					<u>2013</u>	<u>2012</u>
<u>Assets</u>						
Cash and investments	\$ 667,707	\$ 23,039,767	\$ 1,566,710	\$ 0	\$ 25,274,184	\$ 23,869,787
Accounts receivable	4,549	0	5,172	11,306	21,027	9,537
Property taxes receivable	801,172	0	910,868	0	1,712,040	1,694,653
Prepaid items	<u>11,540</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,540</u>	<u>0</u>
Total Assets	<u>\$ 1,484,968</u>	<u>\$ 23,039,767</u>	<u>\$ 2,482,750</u>	<u>\$ 11,306</u>	<u>\$ 27,018,791</u>	<u>\$ 25,573,977</u>
<u>Liabilities and Fund Balances</u>						
<u>Liabilities</u>						
Accounts payable	3,468	0	0	0	3,468	0
Due to other funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,306</u>	<u>11,306</u>	<u>0</u>
Total Liabilities	<u>3,468</u>	<u>0</u>	<u>0</u>	<u>11,306</u>	<u>14,774</u>	<u>0</u>
<u>Deferred Inflows of Resources</u>						
Unavailable revenue property taxes	<u>801,172</u>	<u>0</u>	<u>910,868</u>	<u>0</u>	<u>1,712,040</u>	<u>1,694,653</u>
<u>Fund Balances</u>						
Nonspendable						
Prepaid items	11,540	0	0	0	11,540	0
Restricted for:						
Emergencies	8,129	0	0	0	8,129	7,441
Debt service	0	0	1,571,882	0	1,571,882	253,976
Committed to:						
Construction of water treatment plant	0	23,039,767	0	0	23,039,767	23,009,143
Assigned to:						
Subsequent year's budget:						
Appropriation of fund balance	117,947	0	0	0	117,947	234,596
Unassigned	<u>542,712</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>542,712</u>	<u>374,168</u>
Total Fund Balances	<u>680,328</u>	<u>23,039,767</u>	<u>1,571,882</u>	<u>0</u>	<u>25,291,977</u>	<u>23,879,324</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,484,968</u>	<u>\$ 23,039,767</u>	<u>\$ 2,482,750</u>	<u>\$ 11,306</u>	<u>\$ 27,018,791</u>	<u>\$ 25,573,977</u>

(Continued)

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2013

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balances of governmental funds	\$ 25,291,977	\$ 23,879,324
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 \$97,322.	663	1,106
Long-term liabilities, including related items, including loans payable (\$6,645,000), loan premium (\$278,140), accrued compensated absences (\$17,198), and accrued interest payable (\$109,192) are not due and payable in the current year and, therefore, are not reported in the funds.	<u>(7,049,530)</u>	<u>(7,488,050)</u>
Total Net Assets of Governmental Activities	<u>\$ 18,243,110</u>	<u>\$ 16,392,380</u>

ROXBOROUGH WATER AND SANITATION DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Plum Valley Heights</u>	<u>Total Governmental Funds</u>	
					<u>2013</u>	<u>2012</u>
<u>Revenues</u>						
Property taxes	\$ 788,605	\$ 0	\$ 891,537	\$ 0	\$ 1,680,142	\$ 1,677,286
Specific ownership taxes	64,505	0	78,336	0	142,841	136,267
Investment income	1,148	30,624	161	0	31,933	22,183
Miscellaneous revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,822</u>	<u>20,822</u>	<u>0</u>
Total Revenues	<u>854,258</u>	<u>30,624</u>	<u>970,034</u>	<u>20,822</u>	<u>1,875,738</u>	<u>1,835,736</u>
<u>Expenditures</u>						
General government	250,135	0	13,482	20,822	284,439	262,505
Debt service						
Principal	0	0	410,000	0	410,000	395,000
Interest and fiscal charges	<u>0</u>	<u>0</u>	<u>274,492</u>	<u>0</u>	<u>274,492</u>	<u>286,926</u>
Total Expenditures	<u>250,135</u>	<u>0</u>	<u>697,974</u>	<u>20,822</u>	<u>968,931</u>	<u>944,431</u>
Excess of Revenues Over Expenditures	<u>604,123</u>	<u>30,624</u>	<u>272,060</u>	<u>0</u>	<u>906,807</u>	<u>891,305</u>
<u>Other Financing Sources (Uses)</u>						
Transfers in	0	0	1,045,846	0	1,045,846	23,131,568
Transfers out	<u>(540,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(540,000)</u>	<u>(7,040,000)</u>
Total Other Financing Sources (Uses)	<u>(540,000)</u>	<u>0</u>	<u>1,045,846</u>	<u>0</u>	<u>505,846</u>	<u>16,091,568</u>
Net change in fund balances	64,123	30,624	1,317,906	0	1,412,653	16,982,873
Fund balances, beginning	<u>616,205</u>	<u>23,009,143</u>	<u>253,976</u>	<u>0</u>	<u>23,879,324</u>	<u>6,896,451</u>
Fund balances, ending	<u>\$ 680,328</u>	<u>\$ 23,039,767</u>	<u>\$ 1,571,882</u>	<u>\$ 0</u>	<u>\$ 25,291,977</u>	<u>\$ 23,879,324</u>

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, 2013

Amounts reported for governmental activities in the statements of activities are different because:

	<u>2013</u>	<u>2012</u>
Net change in fund balances, total governmental funds	\$ 1,412,653	\$ 16,982,873
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 position 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.	(443)	(738)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. 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, and change in accrued interest payable \$5,180.	28,313	28,313
Loan payments \$410,000 and changes in compensated absences \$207 are expenditures in the governmental funds, but they change long-term liabilities in the statement of net position and do not affect the statement of activities.	<u>410,207</u>	<u>393,686</u>
Change in Net Assets of Governmental Activities	<u>\$ 1,850,730</u>	<u>\$ 17,404,134</u>

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2013

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	
			<u>2013</u>	<u>2012</u>
<u>Assets</u>				
Current Assets				
Cash and cash equivalents	\$ 5,445,289	\$ 1,515,768	\$ 6,961,057	\$ 6,442,610
Accounts receivable	577,092	270,981	848,073	626,044
Due from other funds	11,306	0	11,306	0
Prepaid expenses	<u>20,607</u>	<u>20,607</u>	<u>41,214</u>	<u>0</u>
Total Current Assets	<u>6,054,294</u>	<u>1,807,356</u>	<u>7,861,650</u>	<u>7,068,654</u>
Noncurrent Assets				
Accounts receivable	0	0	0	2,883
Capital assets, net of accumulated depreciation	<u>13,457,037</u>	<u>24,001,335</u>	<u>37,458,372</u>	<u>37,938,611</u>
Total Noncurrent Assets	<u>13,457,037</u>	<u>24,001,335</u>	<u>37,458,372</u>	<u>37,941,494</u>
Total Assets	<u>19,511,331</u>	<u>25,808,691</u>	<u>45,320,022</u>	<u>45,010,148</u>
<u>Liabilities</u>				
Current liabilities				
Accounts payable	123,992	45,368	169,360	41,328
Deposits	18,600	7,396	25,996	25,996
Deferred revenues	<u>53,533</u>	<u>200,000</u>	<u>253,533</u>	<u>258,400</u>
Total Current Liabilities	<u>196,125</u>	<u>252,764</u>	<u>448,889</u>	<u>325,724</u>
Noncurrent Liabilities				
Accrued compensated absences	<u>57,752</u>	<u>57,752</u>	<u>115,504</u>	<u>113,264</u>
Total Noncurrent Liabilities	<u>57,752</u>	<u>57,752</u>	<u>115,504</u>	<u>113,264</u>
Total Liabilities	<u>253,877</u>	<u>310,516</u>	<u>564,393</u>	<u>438,988</u>
<u>Net Position</u>				
Net investment in capital assets	13,457,037	24,001,335	37,458,372	37,938,611
Unrestricted	<u>5,800,417</u>	<u>1,496,840</u>	<u>7,297,257</u>	<u>6,632,549</u>
Total Net Position	<u>\$ 19,257,454</u>	<u>\$ 25,498,175</u>	<u>\$ 44,755,629</u>	<u>\$ 44,571,160</u>

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 POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	
			<u>2013</u>	<u>2012</u>
Operating Revenues				
Charges for services	\$ 2,651,112	\$ 1,481,358	\$ 4,132,470	\$ 4,253,565
Charges for services Lockheed Martin Agreement	0	307,299	307,299	342,010
Permit fees	1,550	5,670	7,220	12,470
Reimbursed expenses	169,340	0	169,340	0
Outside treatment	176,018	22,412	198,430	234,092
Miscellaneous	<u>92,582</u>	<u>6,083</u>	<u>98,665</u>	<u>139,393</u>
Total Operating Revenues	<u>3,090,602</u>	<u>1,822,822</u>	<u>4,913,424</u>	<u>4,981,530</u>
Operating Expenses				
Personnel services	404,820	404,820	809,640	796,233
Operations	2,052,494	1,307,948	3,360,442	3,525,112
Depreciation	<u>570,761</u>	<u>918,671</u>	<u>1,489,432</u>	<u>1,490,078</u>
Total Operating Expenses	<u>3,028,075</u>	<u>2,631,439</u>	<u>5,659,514</u>	<u>5,811,423</u>
Operating Income (Loss)	<u>62,527</u>	<u>(808,617)</u>	<u>(746,090)</u>	<u>(829,893)</u>
Non-Operating Revenues (Expenses)				
Investment income	5,610	1,039	6,649	36,656
Availability charges	<u>72,444</u>	<u>57,211</u>	<u>129,655</u>	<u>131,568</u>
Total Non-Operating Revenue (Expenses)	<u>78,054</u>	<u>58,250</u>	<u>136,304</u>	<u>168,224</u>
Net Income (Loss) Before Transfers and Capital contributions	140,581	(750,367)	(609,786)	(661,669)
Transfer in	340,000	200,000	540,000	540,000
Transfer out	(988,635)	(57,211)	(1,045,846)	(16,631,568)
Capital contributions	<u>1,110,500</u>	<u>189,601</u>	<u>1,300,101</u>	<u>712,109</u>
Change in net position	602,446	(417,977)	184,469	(16,041,128)
Net position, beginning	<u>18,655,008</u>	<u>25,916,152</u>	<u>44,571,160</u>	<u>60,612,288</u>
Net position, ending	<u>\$ 19,257,454</u>	<u>\$ 25,498,175</u>	<u>\$ 44,755,629</u>	<u>\$ 44,571,160</u>

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, 2013

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	
			<u>2013</u>	<u>2012</u>
<u>Cash Flows from Operating Activities</u>				
Cash received from customers	\$ 2,679,756	\$ 1,871,305	\$ 4,551,061	\$ 4,960,784
Cash payments to suppliers	(2,035,383)	(1,291,472)	(3,326,855)	(3,625,337)
Cash payments to employees	(403,700)	(403,700)	(807,400)	(784,381)
Other cash received	<u>261,922</u>	<u>6,083</u>	<u>268,005</u>	<u>139,393</u>
Net Cash Provided by Operating Activities	<u>502,595</u>	<u>182,216</u>	<u>684,811</u>	<u>690,459</u>
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers from other funds	340,000	200,000	540,000	540,000
Transfers to other funds	<u>(988,635)</u>	<u>(57,211)</u>	<u>(1,045,846)</u>	<u>(16,631,568)</u>
Net Cash Provided by (Used in) Non Financing Activities	<u>(648,635)</u>	<u>142,789</u>	<u>(505,846)</u>	<u>(16,091,568)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>				
Acquisition and construction of capital assets	(939,213)	(28,055)	(967,268)	(426,394)
Capital charges received	<u>1,110,500</u>	<u>189,601</u>	<u>1,300,101</u>	<u>712,109</u>
Net Cash Provided By Capital and Related Financing Activities	<u>171,287</u>	<u>161,546</u>	<u>332,833</u>	<u>285,715</u>
<u>Cash Flows from Investing Activities</u>				
Purchases of investment	0	0	0	8,817,876
Investment income	<u>5,610</u>	<u>1,039</u>	<u>6,649</u>	<u>36,656</u>
Net Cash Provided by Investing Activities	<u>5,610</u>	<u>1,039</u>	<u>6,649</u>	<u>8,854,532</u>
Net increase (decrease)	30,857	487,590	518,447	(6,260,862)
Cash and cash equivalents, beginning	<u>5,414,432</u>	<u>1,028,178</u>	<u>6,442,610</u>	<u>12,703,472</u>
Cash and cash equivalents, ending	<u>\$ 5,445,289</u>	<u>\$ 1,515,768</u>	<u>\$ 6,961,057</u>	<u>\$ 6,442,610</u>

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, 2013

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	
			<u>2013</u>	<u>2012</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating income (loss)	\$ 62,527	\$ (808,617)	\$ (746,090)	\$ (829,893)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	570,761	918,671	1,489,432	1,490,078
Receipt of system availability charges	72,444	57,211	129,655	131,568
Changes in assets and liabilities:				
Accounts receivable	(216,501)	(2,645)	(219,146)	(8,054)
Prepaid expenses	(20,607)	(20,607)	(41,214)	31,302
Due from other funds	(11,306)	0	(11,306)	0
Accounts payable	49,024	37,083	86,107	(131,527)
Deferred revenues	(4,867)	0	(4,867)	(4,867)
Accrued compensated absences	<u>1,120</u>	<u>1,120</u>	<u>2,240</u>	<u>11,852</u>
Net Cash Provided by Operating Activities	<u>\$ 502,595</u>	<u>\$ 182,216</u>	<u>\$ 684,811</u>	<u>\$ 690,459</u>

The accompanying notes are an integral part of these financial statements.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO 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. Blended component units are, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus blended component units are appropriately presented as funds of the District.

Based upon the application of this criteria, the District reports Plum Valley Heights as a blended component unit. Colorado State Statutes allow for the formation of subdistricts. Under the statute, subdistricts are independent quasi-municipal corporations, for whom the District’s Board of Directors constitutes the Plum Valley Heights Board of Directors. In addition, management of the District is also management of the subdistrict. Plum Valley Heights does not prepare separate financial statements.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position 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.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements (Continued)

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.

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.

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.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(Continued)

The *Capital Projects Fund* accounts for the acquisition and construction of the government's major capital facilities, other than those financed by proprietary funds.

The *Debt Service Fund* accounts for resources accumulated for, and payments made on, long-term obligations of the District.

The *Plum Valley Heights Fund* accounts for the activity in the subdistrict of Plum Valley Heights. This fund is reported as a special revenue fund, as the revenues derived from this subdistrict are used to support its operations.

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, 2013, 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 lease proceeds which have not been earned, and as more fully described in Note 9, amounts received from the sale of its waste water treatment plant.

*Deferred Outflows/Inflows of Resources* – In addition to assets, the statement of financial position will sometimes report a separate section for deferred inflows of resources.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Fund Balances (Continued)

This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Accordingly, the item, *unavailable revenue*, is reported for property taxes levied in the current year but collected for use in the next fiscal period.

*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.

*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 position. Premiums and discounts 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 during the current year. The face amount of debt issued is reported as other financing sources.

Fund Balance

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances 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.

*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.

*Unassigned* – All other spendable amounts.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Fund Balances (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. 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 Position

Net position in the government-wide Statement of Net Position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulators of other governments.

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, 2013, cash and investments consisted of the following:

Deposits	\$ 10,618,997
Investments	<u>21,616,244</u>
Total	<u>\$ 32,235,241</u>

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, 2013, the District had bank deposits, with a book balance of \$10,618,997, comprised of \$500,000 which was covered by FDIC insurance and \$10,149,200 which was collateralized with securities held by the financial institution's agent but not in the District's name.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

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

*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 statutes do not limit the amount the District may invest in one issuer.

*Local Government Investment Pools* – At December 31, 2013, the District had \$12,776,005 and \$8,840,239 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. 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. COLOTRUST and CSAFE are rated AAAM by Standard and Poor's.

The District has interest rate risk related only to the investment in COLOTRUST and CSAFE. At December 31, 2013, COLOTRUST's portfolio had a weighted average maturity of 40 days to reset and 68 days to maturity. Also, at December 31, 2013, CSAFE had a weighted average maturity of 51 days.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - INTERFUND BALANCES AND TRANSACTIONS

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Sewer Fund	General Fund	\$ 200,000
Water Fund	General Fund	340,000
Debt Service Fund	Water Fund	988,635
Debt Service Fund	Sewer Fund	57,211

Availability charges collected by the Water and Sewer Funds are required by State statute 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.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013, is summarized below:

	<u>Balances</u> <u>12/31/12</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>12/31/13</u>
<u>Governmental Activities</u>				
Capital assets, being depreciated				
Furniture and equipment	\$ 97,985	\$ 0	\$ 0	\$ 97,985
Less accumulated depreciation				
Furniture and equipment	(96,879)	(443)	0	(97,322)
Total Capital Assets, Being Depreciated, Net	1,106	(443)	0	663
Governmental Activities Capital Assets	\$ 1,106	\$ (443)	\$ 0	\$ 663
<u>Business-Type Activities</u>				
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
Construction in progress	0	366,171	0	366,171
Total Capital Assets, Not Being Depreciated	6,495,900	366,171	0	6,862,071
Capital assets, being depreciated				
Land improvements	5,514	0	0	5,514
Collection and distribution	48,669,404	643,022	0	49,312,426
Vehicles and equipment	361,344	0	0	361,344
Total Capital Assets, Being Depreciated	49,036,262	643,022	0	49,679,284
Less Accumulated Depreciation				
Land improvements	(5,514)	0	0	(5,514)
Collection and distribution	(17,234,135)	(1,483,056)	0	(18,717,191)
Vehicles and equipment	(353,902)	(6,376)	0	(360,278)
Total Accumulated Depreciation	(17,593,551)	(1,489,432)	0	(19,082,983)
Total Capital Assets, Being Depreciated, Net	31,442,711	(846,410)	0	30,596,301
Business-Type Activities Capital Assets, Net	\$ 37,938,611	\$ (480,239)	\$ 0	\$ 37,458,372

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CAPITAL ASSETS (CONTINUED)

All water rights of the District are for sale at December 31, 2013.

Depreciated expense was charged to programs of the District as follows:

Governmental activities	
General Government	\$ <u>433</u>
Business-type activities	
Water	\$ 570,761
Sewer	918,671
Total	<u>\$ 1,489,432</u>

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, 2013:

	<u>Balance</u> <u>12/31/12</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/13</u>	<u>Due Within</u> <u>One Year</u>
<b>Governmental Activities</b>					
Accrued Compensated					
Absences	\$ 17,405	\$ 0	\$ 207	\$ 17,198	\$ 0
2005 CWRPDA Loan	7,055,000	0	410,000	6,645,000	425,000
Loan premium	<u>301,273</u>	<u>0</u>	<u>23,133</u>	<u>278,140</u>	<u>0</u>
Total	<u>\$ 7,373,678</u>	<u>\$ 0</u>	<u>\$ 433,340</u>	<u>\$ 6,940,338</u>	<u>\$ 425,000</u>

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:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest and</u> <u>Admin. Fees</u>	<u>Total</u>
2014	\$ 425,000	\$ 261,587	\$ 686,587
2015	435,000	248,209	683,209
2016	450,000	234,517	684,517
2017	465,000	220,353	685,353
2018	480,000	205,716	685,716
2019-2023	2,595,000	830,080	3,425,080
2024-2026	<u>1,795,000</u>	<u>327,767</u>	<u>2,122,767</u>
Total	<u>\$ 6,645,000</u>	<u>\$ 2,328,229</u>	<u>\$ 8,973,229</u>

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

**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, 2013:

	Balance 12/31/12	Additions	Payments	Balance 12/31/13	Due Within One Year
<b>Business-Type Activities</b>					
Accrued compensated absences	\$ 113,264	\$ 2,240	\$ 0	\$ 115,504	\$ 0

**Loan Commitments**

During 2013, the Colorado Water Conservation Board (CWCB) approved the District's application for a thirty year loan. The loan principal balance shall not exceed \$18,538,550 at an annual interest rate of 3.25%.

**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.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - RETIREMENT COMMITMENTS (CONTINUED)

The District may contribute up to 15% of each participating employee's compensation. During the year ended December 31, 2013, the District contributed \$50,782 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.

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 - CONCENTRATIONS

One company paid 9.4% of all revenue for the year ended December 31, 2013. This same company was responsible for 27.5% of the property tax collected.

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, 2013, the emergency reserve of \$8,129 was reported as a restriction of fund balance in the General Fund.

Other Commitments And Contingencies

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.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 9 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

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. As more fully described in Note 5, the District has received a loan from the CWCB to finance a portion of these tap fees.

In November 2011, the District electors approved an increase in District debt of \$6,500,000. These funds will be used to build a water treatment plant. At December 31, 2013, the District had entered into an engineering contract related to the plant which totals \$1,333,000.

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, 2013.

During the 1970's the District presold approximately 2,500 taps. For the year ended December 31, 2013 each prepaid tap had a credit value of \$14,757 against the total tap cost of approximately \$37,125. At December 31, 2013, 87 presold taps remained.

NOTE 10 - CHANGE IN ACCOUNTING PRINCIPLES

During the year ended December 31, 2013, the District implemented GASB Statement Number 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. Implementation of this standard did not have a material effect on the District.

## REQUIRED SUPPLEMENTARY INFORMATION

ROXBOROUGH WATER AND SANITATION DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2013

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues</u>			
Property taxes	\$ 793,035	\$ 788,605	\$ (4,430)
Specific ownership taxes	50,000	64,505	14,505
Investment income	2,000	1,148	(852)
Miscellaneous revenues	<u>500</u>	<u>0</u>	<u>(500)</u>
Total Revenues	<u>845,535</u>	<u>854,258</u>	<u>8,723</u>
<u>Expenditures</u>			
Salaries and benefits	120,000	118,900	1,100
Accounting and audit	25,000	16,928	8,072
Contract labor	1,000	0	1,000
Director fees	8,000	6,700	1,300
Education	20,000	9,486	10,514
Engineering	15,000	14,417	583
Insurance	13,000	11,176	1,824
Legal fees	20,000	19,796	204
Miscellaneous	5,000	5,637	(637)
Office expense	20,000	13,214	6,786
Permits, dues and subscriptions	1,500	1,238	262
Rent	20,000	2,694	17,306
Repairs and maintenance	25,000	10,606	14,394
Treasurer fees	15,000	11,862	3,138
Utilities	7,500	4,529	2,971
Vehicle expense	4,000	2,952	1,048
Capital outlay	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total Expenditures	<u>325,000</u>	<u>250,135</u>	<u>74,865</u>
Excess of Revenues Over Expenditures	520,535	604,123	83,588
Other Financing Uses			
Transfers out	<u>(540,000)</u>	<u>(540,000)</u>	<u>0</u>
Net Change in Fund Balances	<u>\$ (19,465)</u>	64,123	<u>\$ 83,588</u>
Fund Balances, Beginning		<u>616,205</u>	
Fund Balances, Ending		<u>\$ 680,328</u>	

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2013

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.

As Plum Valley Heights was formed in 2013, the subdistrict does not have a budget for the twelve months ending December 31, 2013. This maybe a violation of Colorado State Statutue.

## INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

ROXBOROUGH WATER AND SANITATION DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FUND  
YEAR ENDED DECEMBER 31, 2013

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues</u>			
Investment income	\$ 0	\$ 30,624	\$ 30,624
<u>Expenditures</u>			
Capital outlay	<u>23,000,000</u>	<u>0</u>	<u>23,000,000</u>
Net Change in Fund Balances	(23,000,000)	30,624	23,030,624
Fund Balances, Beginning	<u>0</u>	<u>23,009,143</u>	<u>23,009,143</u>
Fund Balances, Ending	<u>\$(23,000,000)</u>	<u>\$ 23,039,767</u>	<u>\$ 46,039,767</u>

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
YEAR ENDED DECEMBER 31, 2013

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues</u>			
Property taxes	\$ 901,617	\$ 891,537	\$ (10,080)
Specific ownership taxes	80,000	78,336	(1,664)
Investment income	<u>10,000</u>	<u>161</u>	<u>(9,839)</u>
Total Revenues	<u>991,617</u>	<u>970,034</u>	<u>(21,583)</u>
<u>Expenditures</u>			
General government	15,000	13,482	1,518
Principal	410,000	410,000	0
Interest	<u>274,492</u>	<u>274,492</u>	<u>0</u>
Total Expenditures	<u>699,492</u>	<u>697,974</u>	<u>1,518</u>
Excess of Revenues Over (Under) Expenditures	292,125	272,060	(20,065)
Other Financing Sources (Uses)			
Transfers in	<u>118,000</u>	<u>1,045,846</u>	<u>927,846</u>
Net Change in Fund Balances	410,125	1,317,906	907,781
Fund Balances, Beginning	<u>6,316,736</u>	<u>253,976</u>	<u>(6,062,760)</u>
Fund Balances, Ending	<u>\$ 6,726,861</u>	<u>\$ 1,571,882</u>	<u>\$ (5,154,979)</u>

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT  
BUDGETARY COMPARISON SCHEDULE NON GAAP BASIS  
WATER FUND  
YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<u>Revenues</u>			
Charges for services	\$ 2,720,000	\$ 2,651,112	\$ (68,888)
Permit fees	3,300	1,550	(1,750)
Other water sales	138,022	176,018	37,996
Miscellaneous	89,200	92,582	3,382
Investment income	10,000	5,610	(4,390)
Availability charges	60,000	72,444	12,444
Capital charges	500,000	1,064,714	564,714
Dominion reimbursements	0	169,340	169,340
System development charges	21,000	45,786	24,786
Transfers in	<u>340,000</u>	<u>340,000</u>	<u>0</u>
Total Revenues	<u>3,881,522</u>	<u>4,619,156</u>	<u>737,634</u>
<u>Expenditures</u>			
Accounting and audit	25,000	16,528	8,472
Permits, dues and subscriptions	27,000	20,511	6,489
Contract labor	10,000	8,400	1,600
Education	25,000	33,978	(8,978)
Engineering and other professional costs	120,000	77,090	42,910
GPS/GIS	15,000	19,251	(4,251)
Insurance	25,000	22,278	2,722
Lab and test fees	15,000	11,585	3,415
Legal fees	40,000	24,986	15,014
Meter expense	150,000	116,393	33,607
Miscellaneous	12,000	8,021	3,979
Office expense	30,000	26,865	3,135
Operating supplies	90,000	98,484	(8,484)
Payroll, taxes and benefits	390,000	404,820	(14,820)
Repairs and maintenance	250,000	218,435	31,565
Utilities	105,000	104,965	35
Vehicle expense	15,000	13,164	1,836
Loan fees	0	26,201	(26,201)
Dominion	35,000	15,534	19,466
Water cost	1,500,000	1,172,469	327,531
Capital outlay	2,050,000	981,138	1,068,862
Conservation rebates	5,000	5,875	(875)
Chatfield reallocation	20,000	1,941	18,059
Water rights capital	10,000	9,540	460
Transfers out	<u>60,000</u>	<u>988,635</u>	<u>(928,635)</u>
Total Expenditures	<u>5,024,000</u>	<u>4,427,087</u>	<u>596,913</u>
Change in Net Assets, Budgetary Basis	<u>\$ (1,142,478)</u>	192,069	<u>\$ 1,334,547</u>

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT  
BUDGETARY COMPARISON SCHEDULE NON GAAP BASIS  
WATER FUND (CONTINUED)  
YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Reconciliation to GAAP Basis			
Capital outlay		\$ 981,138	
Depreciation		<u>(570,761)</u>	
Change in Net Assets, GAAP Basis		602,446	
Fund Balances, Beginning		<u>18,655,008</u>	
Fund Balances, Ending		<u>\$ 19,257,454</u>	

See the accompanying Independent Auditors' Report.

ROXBOROUGH WATER AND SANITATION DISTRICT  
BUDGETARY COMPARISON SCHEDULE NON GAAP BASIS  
SEWER FUND  
YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues</u>			
Charges for services	\$ 1,430,000	\$ 1,481,358	\$ 51,358
Charges for services – Lockheed Martin Agreement	415,000	307,299	(107,701)
Permit fees	1,000	5,670	4,670
Ravenna service charge	22,000	22,412	412
Miscellaneous	42,000	6,083	(35,917)
Investment income	1,500	1,039	(461)
Availability charges	58,000	57,211	(789)
Capital charges	120,000	158,581	38,581
System development charges	30,252	31,020	768
Transfer in	<u>200,000</u>	<u>200,000</u>	<u>0</u>
Total Revenues	<u>2,319,752</u>	<u>2,270,673</u>	<u>(49,079)</u>
<u>Expenditures</u>			
Accounting and audit	25,000	16,723	8,277
Contract labor	1,000	0	1,000
Dominion expense	10,000	5,230	4,770
Education	20,000	7,387	12,613
Engineering	100,000	98,261	1,739
GPS/GIS	15,000	19,431	(4,431)
Insurance	25,000	22,207	2,793
Lab and test fees	300	400	(100)
Legal fees	20,000	23,146	(3,146)
Miscellaneous	12,000	7,716	4,284
Office expense	30,000	26,600	3,400
Operating supplies	45,000	56,540	(11,540)
Permits, dues and subscriptions	5,000	7,025	(2,025)
Payroll, taxes and benefits	390,000	404,820	(14,820)
Repairs and maintenance	200,000	135,225	64,775
Service fees	810,000	778,362	31,638
Utilities	115,000	92,304	22,696
Vehicle expense	15,000	11,391	3,609
Capital outlay	200,000	28,055	171,945
Transfer out	<u>58,000</u>	<u>57,211</u>	<u>789</u>
Total Expenditures	<u>2,096,300</u>	<u>1,798,034</u>	<u>298,266</u>
Change in Net Assets, Budgetary Basis	<u>\$ 223,452</u>	472,639	<u>\$ 249,187</u>
Reconciliation to GAAP Basis			
Capital outlay		28,055	
Depreciation		<u>(918,671)</u>	
Change in Net Assets, GAAP Basis		(417,977)	
Fund Balances, Beginning		<u>25,916,152</u>	
Fund Balances, Ending		<u>\$ 25,498,175</u>	

See the accompanying Independent Auditors' Report.

## Appendix J

### 2014 Unaudited Financials

ROXBOROUGH WATER & SANITATION DISTRICT  
FINANCIAL STATEMENTS

December 31, 2014

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## Accountant's Compilation Report

Board of Directors  
Roxborough Water & Sanitation District  
Douglas County, Colorado

We have compiled the accompanying financial statements of the governmental and business-type activities as of and for the Twelve months ended December 31, 2014, which basically comprise Roxborough Water and Sanitation District's basic financial statements as listed in the table of contents. We 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.

Management 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 control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct 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.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting and for placing basic financial statements in an appropriate operational, economic, or historical context. Such information was compiled by us without audit or review and, accordingly, we do not express an opinion or provide any assurance on it.

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.

The Supplemental Information is presented for purpose of additional analysis and is not a required part of the basic financial statements. This information has been compiled from information that is the representation of management. We have not audited or reviewed such statements and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

Management has omitted Management's Discussion and Analysis that is required by accounting principles generally accepted in the United States of America required to be presented to supplement the basic financial statements. Such missing 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context.

We are not independent with respect to Roxborough Water & Sanitation District.

TWS Financial, Inc.  
Littleton, CO 80128  
January 9, 2015

**Roxborough Water & Sanitation District**  
**Balance Sheet - All Fund Types**  
**December 31, 2014**

	Governmental Funds			Business - Type Funds		
	General Fund	Debt Service Fund	Capital Projects	Water Fund	Sewer Fund	Total
<b>ASSETS</b>						
Checking & Savings	\$ 3,886,391	\$ 1,679,678	\$ 3,803	\$ 35,061	\$ 1,043,876	\$ 6,648,808
Wells Fargo Bond Redemption		\$ 811,889	\$ -			\$ 811,889
Davidson Investments	-	-	8,845,428	-	-	\$ 8,845,428
Wells Fargo Premium Fund	-	-	4,857,729	-	-	\$ 4,857,729
Investment in Colostrust	1,438,315	683,015	4,079,363	3,719,131	1,006,359	\$ 10,926,183
Firstbank CD	-	-	-	3,118,402	-	\$ 3,118,402
A/R - Taxes	801,258	916,040	-	2,232	2,232	\$ 1,721,761
A/R - Service	-	-	-	340,400	209,893	\$ 550,292
A/R- Misc	-	-	-	18,794	15,421	\$ 34,215
A/R - Availability	-	-	-	44,288	28,905	\$ 73,193
A/R - Non-Current Amer. Golf	-	-	-	2,883	-	\$ 2,883
Prepaid Insurance	8,398	-	-	16,797	16,797	\$ 41,992
Construction in Process	-	-	-	366,171	-	\$ 366,171
Capital Assets, net	-	-	-	12,766,421	23,229,755	\$ 35,996,175
<b>Total Assets</b>	<b>\$ 6,134,363</b>	<b>\$ 4,090,621</b>	<b>\$ 17,786,323</b>	<b>\$ 20,430,578</b>	<b>\$ 25,553,237</b>	<b>\$ 73,995,122</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ -	\$ -	\$ -	\$ 57,251	\$ -	\$ 57,251
Deferred Rental Income	-	-	-	53,533	-	53,533
Retainage Payable	-	-	-	-	-	-
Deferred Income Dominion	-	-	-	-	200,000	200,000
Deferred Income WTP Design	-	-	-	50,000	-	50,000
Deferred Taxes Receivable	801,172	905,794	-	-	-	1,706,966
Property Tax Abatements	-	-	-	-	-	-
Accrued Vac/Sick/Comp Payable	-	-	-	57,752	57,752	115,504
Due to Other Funds	4,719,788	-	-	-	-	4,719,788
Deposits	-	-	-	18,600	7,396	25,996
<b>Total Liabilities</b>	<b>\$ 5,520,960</b>	<b>\$ 905,794</b>	<b>\$ -</b>	<b>\$ 237,136</b>	<b>\$ 265,148</b>	<b>\$ 6,929,038</b>
<b>FUND BALANCES</b>						
<b>Total Fund Balances</b>	<b>\$ 613,403</b>	<b>\$ 3,184,827</b>	<b>\$ 17,786,323</b>	<b>\$ 20,193,442</b>	<b>\$ 25,288,089</b>	<b>\$ 67,066,084</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 6,134,363</b>	<b>\$ 4,090,621</b>	<b>\$ 17,786,323</b>	<b>\$ 20,430,578</b>	<b>\$ 25,553,237</b>	<b>\$ 73,995,122</b>

These financial statements should be read only in connection with the accompanying accountant's compilation report

**Roxborough Water & Sanitation District**  
**Statement of Revenues and Expenditures**  
**Budget Basis – Budget and Actual**  
**For the Twelve Months Ending December 30, 2014**

General Fund

	Annual	Current	Year to Date	Variance
	Budget	Month Actual	Actual	
<b>REVENUES</b>				
Investment Income	\$ 1,000	\$ 269	\$ 1,384	384
Property Taxes	801,172	16,013	808,373	7,201
Specific Ownership Taxes	50,000	4,936	69,380	19,380
Miscellaneous Income	500		902	402
Total Revenues	<u>852,672</u>	<u>21,218</u>	<u>880,039</u>	<u>26,965</u>
<b>EXPENDITURES</b>				
Payroll Expense	128,000	28,427	195,004	67,004
Accounting/Audit	25,000	1,267	17,127	(7,873)
Contract Labor	1,000	-	1,000	-
Directors' Fees	8,000	-	3,600	(4,400)
Education	20,000	1,475	10,289	(9,711)
Election Expense	20,000	-	643	(19,358)
Engineering	15,000	777	13,017	(1,983)
Insurance	13,000	859	9,926	(3,074)
Legal	25,000	2,823	21,679	(3,321)
Miscellaneous Expense	5,000	1,739	5,212	212
Office Expense	20,000	436	11,554	(8,446)
Permit/Dues/Subscriptions	1,500	-	1,238	(263)
Rent	20,000	-	2,694	(17,306)
Repairs and Maintenance	15,000	1,590	14,148	(852)
Treasurers' Fees	20,000	35	11,696	(8,305)
Utilities	6,500	359	4,302	(2,198)
Vehicle Expense	4,000	146	2,677	(1,323)
Capital Projects	10,000	15,012	21,159	11,159
Total Expenditures	<u>357,000</u>	<u>54,944</u>	<u>346,963</u>	<u>(10,037)</u>
Excess (Deficiency) of Revenues Over Expenditures	495,672	(33,726)	533,076	37,002
Transfers In (Out)	(640,000)	(600,000)	(600,000)	40,000
Transfers In (Out) - Reserve	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Beginning Fund Balance	680,500	-	680,327	(173)
Ending Fund Balance	<u>\$ 536,172</u>	<u>\$ (633,726)</u>	<u>\$ 613,403</u>	<u>\$ 76,829</u>

These financial statements should be read only in connection with the accompanying accountant's compilation report

**Roxborough Water & Sanitation District**  
**Statement of Revenues and Expenditures**  
**Budget Basis – Budget and Actual**  
**For the Twelve Months Ending December 31, 2014**

Debt Service Fund

	<u>Annual</u>	<u>Current</u>	<u>Year to Date</u>	
	<u>Budget</u>	<u>Month</u>	<u>Actual</u>	<u>Variance</u>
		<u>Actual</u>		
<b>REVENUES</b>				
Investment Income	\$ 100	\$ 228	\$ 1,146	\$ 1,046
Property Taxes	910,868	18,205	919,020	8,152
Specific Ownership Taxes	75,000	5,612	78,876	3,876
Total Revenues	<u>985,968</u>	<u>24,044</u>	<u>999,042</u>	<u>13,074</u>
<b>EXPENDITURES</b>				
Financing Fees CWCB		\$ -	\$ -	
Treasurers Fees	15,000	40	13,296	(1,704)
Water Supply Debt	976,643	-		(976,643)
Interest Payments	210,126	-	184,787	(25,339)
Loan Administrative Fees	76,800	-	76,800	-
Principle Payments	395,000	-	425,000	30,000
Total Expenditures	<u>1,673,569</u>	<u>40</u>	<u>699,883</u>	<u>(973,686)</u>
Excess (Deficiency) of Revenues Over Expenditures	(687,601)	24,005	299,159	986,760
Transfers In (Out)	123,000	(133)	204,734	81,734
Transfers In (Out) - Water Supply	<u>1,092,000</u>	<u>92,302</u>	<u>1,103,979</u>	<u>11,979</u>
Beginning Fund Balance	1,571,784	-	1,576,955	5,171
Ending Fund Balance	<u>\$ 2,099,183</u>	<u>\$ 116,174</u>	<u>\$ 3,184,827</u>	<u>\$ 1,085,644</u>

These financial statements should be read only in connection with the accompanying accountant's compilation report

**Roxborough Water & Sanitation District**  
**Statement of Revenues and Expenditures**  
**Budget Basis – Budget and Actual**  
**For the Twelve Months Ending December 31, 2014**

Capital Projects

	<u>Annual</u> <u>Budget</u>	<u>Current</u> <u>Month</u> <u>Actual</u>	<u>Year to Date</u> <u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Arrowhead Water Supply Funds		\$ 3,333,525	\$ 3,333,525	\$ 3,333,525
CWCB Loan Proceeds	\$ 18,538,550		\$ 18,538,550	
Investment Income	46,000	1,800	21,415	-24,585
Roxborough Village Water Supply			624,625	
Total Revenues	<u>18,584,550</u>	<u>3,335,325</u>	<u>22,518,115</u>	<u>3,308,940</u>
<b>EXPENDITURES</b>				
Aurora Water Supply Purchase	26,313,150	26,293,425	26,293,425	19,725
Financing Fees CWCB			183,550	
Capital Projects	10,000,000	-	-	10,000,000
Capital Water Treatment Plant		-	43,887	
Design Expenses - WTP		473,245	2,052,616	
Dominion Reimbursements		(244,265)	(801,919)	
Total Expenditures	<u>36,313,150</u>	<u>26,522,405</u>	<u>27,771,559</u>	<u>8,541,591</u>
Excess (Deficiency) of Revenues Over Expenditures	(17,728,600)	(23,187,079)	(5,253,444)	(11,850,531)
Transfers In (Out)	-	-	-	-
Transfers In (Out) - Water Supply	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Beginning Fund Balance	23,039,935	-	23,039,767	(168)
Ending Fund Balance	<u>\$ 5,311,335</u>	<u>\$ (23,187,079)</u>	<u>\$ 17,786,323</u>	<u>\$ (11,850,699)</u>

These financial statements should be read only in connection with the accompanying accountant's compilation report

**Roxborough Water & Sanitation District**  
**Statement of Operations**  
**And Changes in Retained Earnings**  
**For the Twelve Months Ending December 31, 2014**

	Water Fund	Current Month	Year to Date
<b>OPERATING REVENUES</b>			
Investment Income	\$	402	5,431
Transfers In PVH		0	-
Service Charges		187,077	2,636,137
Availability Charges		(96)	141,690
Permit Fee		1,650	19,725
Rental Income		1,100	11,163
Hydrant Water		461	8,820
Potable Irrigation Water		5,407	120,729
Irrigation Raw Water			38,805
Late Fee, Fines, & Penalties		5,261	66,748
Miscellaneous Income		5,829	7,295
Reimbursed Expenditures		-	-
System Development Charge		36,344	264,136
Capital – Surcharges		6,839	81,300
Capital Surcharge - Water Supply		92,302	1,103,979
Total Operating Revenues		<u>342,576</u>	<u>4,505,958</u>
<b>OPERATING EXPENDITURES</b>			
Payroll Expenses		21,801	379,198
Accounting/Audit		1,267	15,790
Bad Debt		-	622
Contract Labor		1,000	8,500
Dominion		1,444	(3,242)
Education		1,941	13,290
Engineering		3,658	41,630
Conservation Rebates		250	3,275
GPS/GIS		-	14,120
Insurance		1,717	20,240
Lab & Test Fees		267	12,068
Legal		6,879	30,639
Chatfield Reallocation		-	(9,646)
Meter Expense		36	181,395
Miscellaneous Expenses		3,703	5,068
Office Expense		867	22,782
Operating Supplies		4,246	78,449
Permits/Dues/Subscriptions		275	4,595
Repairs and Maintenance		21,932	257,665
Safety Equipment/Uniforms		191	102
Utilities		11,709	100,157
Vehicle Expense		714	15,995
Water Costs		57,251	1,044,916
Water Rights Capital		472	4,910
Capital Projects		131,484	155,461
Capital Water Treatment Plant		1,878	1,878
Design Expenses - WTP		-	-
Depreciation		27,037	324,445
Water Study Development		-	-
Total Operating Expenditures		<u>302,017</u>	<u>2,724,302</u>
Operating Income (Loss)		40,559	1,781,656
Transfer In		-	400,000
Transfers In (Out)		400,096	(141,690)
Transfers In (Out) - Water Supply		(92,302)	(1,103,979)
Net Income (Loss)		<u>\$ 348,352</u>	<u>935,988</u>
Beginning Retained Earnings			19,257,454
Ending Retained Earnings			<u>\$ 20,193,442</u>

These financial statements should be read only in connection with the accompanying accountant's compilation report

**Roxborough Water & Sanitation District**  
**Statement of Revenues and Expenditures**  
**Budget Basis – Budget and Actual**  
**For the Twelve Months Ending December 31, 2014**

	Water Fund			
	Annual	Current	Year to Date	Variance
	Budget	Month Actual	Actual	
<b>REVENUES</b>				
Investment Income	\$ 5,000	\$ 402	\$ 5,431	\$ 431
Transfers In PVH		\$ -	\$ -	\$ -
Service Charges	2,720,000	187,077	2,636,137	(83,863)
Availability Charges	65,000	(96)	141,690	76,690
Permit Fees	3,300	1,650	19,725	16,425
Rental Income	19,200	1,100	11,163	(8,037)
Hydrant Water	8,000	461	8,820	820
Potable Irrigation Water	60,000	5,407	120,729	60,729
Irrigation Raw Water	70,000	-	38,805	(31,195)
Late Fees, Fines, & Penalties	49,000	5,261	66,748	17,748
Miscellaneous Income	21,000	5,829	7,295	(13,705)
System Development Charge	44,000	36,344	264,136	220,136
Capital – Surcharges	80,000	6,839	81,300	1,300
Capital Surcharge - Water Supply	1,090,000	92,302	1,103,979	13,979
Total Revenues	4,234,500	342,576	4,505,958	271,458
<b>EXPENDITURES</b>				
Payroll Expenses	406,000	21,801	379,198	(26,802)
Accounting/Audit	20,000	1,267	15,790	(4,210)
Bad Debts	-	-	622	622
Contract Labor	10,000	1,000	8,500	(1,500)
Dominion	30,000	1,444	(3,242)	(33,242)
Education	30,000	1,941	13,290	(16,710)
Engineering	120,000	3,658	41,630	(78,370)
Conservation Rebates	5,000	250	3,275	(1,725)
GPS/GIS	15,000	-	14,120	(880)
Insurance	25,000	1,717	20,240	(4,760)
Lab & Test Fees	17,000	267	12,068	(4,932)
Legal	40,000	6,879	30,639	(9,361)
Chatfield Reallocation	5,000	-	(9,646)	(14,646)
Meter Expense	125,000	36	181,395	56,395
Miscellaneous Expenses	10,000	3,703	5,068	(4,932)
Office Expense	30,000	867	22,782	(7,218)
Operating Supplies	95,000	4,246	78,449	(16,551)
Permits/Dues/Subscriptions	20,000	275	4,595	(15,405)
Repairs and Maintenance	250,000	21,932	257,665	7,665
Safety Equipment/Uniforms	2,000	191	102	(1,898)
Utilities	110,000	11,709	100,157	(9,843)
Vehicle Expense	15,000	714	15,995	995
Water Cost	1,600,000	57,251	1,044,916	(555,084)
Water Rights - Capital	20,000	472	4,910	(15,090)
Capital Projects	500,000	131,484	155,461	(344,539)
Capital Water Treatment Plant	-	1,878	1,878	1,878
Design Expenses - WTP	-	-	-	-
Water Study Development	-	-	-	-
Total Expenditures	3,500,000	274,980	2,399,856	(1,100,144)
Net Income (Loss)	734,500	67,596	2,106,102	1,371,602
<b>Transfers In (Out) - PVH</b>				
Transfers In (Out)	400,000	340,096	(141,690)	(258,310)
Transfers In (Out) - Water Supply	(1,757,000)	(92,302)	(1,103,979)	653,021
<b>Excess (Deficiency) of</b>				
Revenues Over Expenditures	(622,500)	315,390	860,433	1,766,312
Beginning Fund Balance	18,384,304	-	10,385,623	(7,998,681)
Ending Fund Balance	\$ 17,761,804	\$ 315,390	\$ 11,246,056	\$ (6,232,369)

These financial statements should be read only in connection with the accompanying accountant's compilation report

**Roxborough Water & Sanitation District**  
**Statement of Operations**  
**And Changes in Retained Earnings**  
**For the Twelve Months Ending December 31, 2014**

Sewer Fund

	Current Month	Year to Date
<b>OPERATING REVENUES</b>		
Investment Income	\$ 90	\$ 1,154
Service Charges	124,380	1,477,267
Availability Charges	\$ (37)	63,044
Service Charges - LMA	25,000	315,066
Ravenna Service Charge	1,862	22,262
Permit Fee	1,650	15,395
Late Fees, Fines, & Penalties	2,464	28,741
Miscellaneous Income	(1,342)	8,290
System Development Charge	21,014	145,525
Capital – Surcharges	10,283	104,077
Total Operating Revenues	<u>185,363</u>	<u>2,180,820</u>
<b>OPERATING EXPENDITURES</b>		
Payroll Expenses	32,285	389,682
Accounting/Audit	1,267	15,652
Bad Debt	-	622
Contract Labor	-	-
Dominion	-	(11,467)
Education	1,879	12,921
Engineering	5,585	41,383
GPS/GIS	-	14,119
Insurance	1,717	20,631
Lab & Test Fees	-	67
Legal	5,788	25,860
Meter Expense	-	-
Miscellaneous Expenses	1,527	2,893
Littleton Service Fees	-	782,297
Office Expense	791	22,641
Operating Expense	8,440	41,027
Permits/Dues/Subscriptions	814	1,519
Repairs and Maintenance	11,819	179,127
Safety Equipment/Uniforms	191	818
Utilities	10,079	100,702
Vehicle Expense	691	15,524
Capital Projects	15,012	100,268
Depreciation	64,298	771,580
Total Operating Expenditures	<u>162,184</u>	<u>2,527,863</u>
Operating Income (Loss)	23,179	(347,043)
Transfers In	200,037	200,000
Transfers (Out) -	-	(63,044)
Net Income (Loss)	<u>\$ 223,216</u>	<u>(210,087)</u>
Beginning Retained Earnings		25,498,176
Ending Retained Earnings		<u>\$ 25,288,089</u>

These financial statements should be read only in connection with the accompanying accountant's compilation report

**Roxborough Water & Sanitation District**  
**Statement of Revenues and Expenditures**  
**Budget Basis – Budget and Actual**  
**For the Twelve Months Ending December 31, 2014**

Sewer Fund

	<u>Annual</u> <u>Budget</u>	<u>Current</u> <u>Month</u> <u>Actual</u>	<u>Year to Date</u> <u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Investment Income	\$ 1,500	\$ 90	\$ 1,154	\$ (346)
Service Charges	1,430,000	124,380	1,477,267	47,267
Availability Charges	58,000	(37)	63,044	5,044
Service Charges - LMA	325,000	25,000	315,066	(9,934)
Ravenna Service Charge	20,000	1,862	22,262	2,262
Permit Fees	1,200	1,650	15,395	14,195
Late Fees, Fines, & Penalties	20,000	2,464	28,741	8,741
Miscellaneous Income	8,000	(1,342)	8,290	290
System Development Charge	30,252	21,014	145,525	115,273
Capital – Surcharges	122,000	10,283	104,077	(17,923)
Total Revenues	<u>2,015,952</u>	<u>185,363</u>	<u>2,180,820</u>	<u>117,948</u>
<b>EXPENDITURES</b>				
Payroll Expenses	406,000	32,285	389,682	(16,318)
Accounting/Audit	20,000	1,267	15,652	(4,348)
Bad Debt			622	
Contract Labor	1,000	-	-	(1,000)
Dominion	10,000	-	(11,467)	(21,467)
Education	20,000	1,879	12,921	(7,079)
Engineering	100,000	5,585	41,383	(58,617)
GPS/GIS	15,000	-	14,119	(881)
Insurance	25,000	1,717	20,631	(4,369)
Lab & Test Fees	500	-	67	(433)
Legal	25,000	5,788	25,860	860
Meter Expense	-	-	-	-
Miscellaneous Expenses	10,000	1,527	2,893	(7,107)
Littleton Service Fees	825,000	-	782,297	(42,703)
Office Expense	30,000	791	22,641	(7,359)
Operating Supplies	60,000	8,440	41,027	(18,973)
Permits/Dues/Subscriptions	3,000	814	1,519	(1,481)
Repairs and Maintenance	200,000	11,819	179,127	(20,873)
Safety Equipment/Uniforms	2,000	191	818	(1,182)
Utilities	110,000	10,079	100,702	(9,298)
Vehicle Expense	15,000	691	15,524	524
Capital Projects	200,000	15,012	100,268	(99,732)
Total Expenditures	<u>2,077,500</u>	<u>97,886</u>	<u>1,756,284</u>	<u>(305,520)</u>
Net Income (Loss)	<u>(61,548)</u>	<u>87,477</u>	<u>424,537</u>	<u>423,468</u>
Transfers (out)	200,000	200,037	(63,044)	(136,956)
Transfers In	<u>(245,750)</u>	<u>-</u>	<u>200,000</u>	<u>445,750</u>
Excess (Deficiency) of Revenues Over Expenditures	(107,298)	287,514	561,492	732,262
Beginning Fund Balance	25,663,502	-	1,169,707	(24,493,795)
Ending Fund Balance	<u>\$ 25,556,204</u>	<u>\$ 287,514</u>	<u>\$ 1,731,199</u>	<u>\$ (23,761,533)</u>

These financial statements should be read only in connection with the accompanying accountant's compilation report

## SUPPLEMENTAL INFORMATION

Roxborough Water & Sanitation District

December 31, 2014

**Long Term Obligations**

CWCB- 2014 Loan	\$ 18,538,550
2005 CWRPDA Loan Payable	<u>\$ 6,007,500</u>
<b>TOTAL LONG TERM LIABILITIES</b>	<b>\$ 24,546,050</b>

The 2005 Bonds are callable on or after September 1, 2015 with no premium

**Cash and Reserves Balances**

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 construction of a new Water Treatment Plant. Construction has begun and the funds are being disbursed for this project. The balance in these funds as of November 30, 2014 is as follows:

	General Fund	Debt Service Water Fund	Debt Service Sewer Fund	Capital Projects Fund	Water Fund	Sewer Fund	Total
Operating Reserve	\$ -	\$ -	\$ -	\$ -	\$ 875,000	\$ 519,375	\$ 1,394,375
Capital Reserve	-	-	-	17,786,323	985,532	706,647	\$19,478,502
Operating Cash	<u>5,324,706</u>	<u>2,284,973</u>	<u>889,609</u>	<u>-</u>	<u>5,012,062</u>	<u>824,213</u>	<u>\$14,335,563</u>
<b>Total Cash on Hand</b>	<b><u>\$5,324,706</u></b>	<b><u>\$2,284,973</u></b>	<b><u>\$ 889,609</u></b>	<b><u>\$17,786,323</u></b>	<b><u>\$6,872,594</u></b>	<b><u>\$2,050,235</u></b>	<b><u>\$35,208,440</u></b>

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
<b>Cash Funds Available</b>												
Cash in Bank - Water Fund	\$ 5,449,210	\$ 5,514,018	\$ 5,560,976	\$ 5,838,380	\$ 5,822,517	\$ 5,831,723	\$ 5,735,441	\$ 5,938,553	\$ 6,483,295	\$ 6,525,406	\$ 6,445,988	\$ 6,872,594
Total Funds Available	\$ 5,449,210	\$ 5,514,018	\$ 5,560,976	\$ 5,838,380	\$ 5,822,517	\$ 5,831,723	\$ 5,735,441	\$ 5,938,553	\$ 6,483,295	\$ 6,525,406	\$ 6,445,988	\$ 6,872,594
<b>Distribution of Available Funds</b>												
Operating Reserve	\$ 875,000	\$ 875,000	\$ 875,000	\$ 875,000	\$ 875,000	\$ 875,000	\$ 875,000	\$ 875,000	\$ 875,000	\$ 875,000	\$ 875,000	\$ 875,000
25% of Budgeted Expenditures												
Capital Reserve	589,089	637,634	686,673	737,211	787,921	817,222	867,222	917,222	967,222	1,017,016	1,067,016	985,532
Operating Cash	3,985,121	4,001,384	3,999,303	4,226,169	4,159,596	4,139,501	3,993,219	4,146,331	4,641,073	4,633,390	4,503,972	5,012,062
Total Cash	\$ 5,449,210	\$ 5,514,018	\$ 5,560,976	\$ 5,838,380	\$ 5,822,517	\$ 5,831,723	\$ 5,735,441	\$ 5,938,553	\$ 6,483,295	\$ 6,525,406	\$ 6,445,988	\$ 6,872,594
<b>Capital Reserve</b>												
Beginning Reserve Balance	\$ 539,089	\$ 589,089	\$ 637,634	\$ 686,673	\$ 737,921	\$ 787,921	\$ 817,222	\$ 867,222	\$ 917,222	\$ 967,222	\$ 1,017,016	\$ 1,067,016
Additions to Reserve	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Use of Reserves	-	(1,455)	(961)	1,248	-	(20,699)	-	-	-	(206)	-	(131,484)
Ending Reserve Balance	\$ 589,089	\$ 637,634	\$ 686,673	\$ 737,921	\$ 787,921	\$ 817,222	\$ 867,222	\$ 917,222	\$ 967,222	\$ 1,017,016	\$ 1,067,016	\$ 985,532

These financial statements should be read only in connection with the accompanying accountant's compilation report

Roxborough Water and Sanitation  
Distribution of Cash in Bank- Sewer Fund  
December 31, 2014

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
<b>Cash Funds Available</b>												
Cash in Bank - Sewer Fund	\$ 1,640,407	\$ 1,678,442	\$ 1,770,196	\$ 1,810,554	\$ 1,949,070	\$ 2,063,854	\$ 1,771,956	\$ 1,711,647	\$ 1,784,178	\$ 1,481,525	\$ 1,744,612	\$ 2,050,235
Total Funds Available	\$ 1,640,407	\$ 1,678,442	\$ 1,770,196	\$ 1,810,554	\$ 1,949,070	\$ 2,063,854	\$ 1,771,956	\$ 1,711,647	\$ 1,784,178	\$ 1,481,525	\$ 1,744,612	\$ 2,050,235
<b>Distribution of Available Funds</b>												
Operating Reserve	\$ 519,375	\$ 519,375	\$ 519,375	\$ 519,375	\$ 519,375	\$ 519,375	\$ 519,375	\$ 519,375	\$ 519,375	\$ 519,375	\$ 519,375	\$ 519,375
25% of Budgeted Expenditures												
Capital Reserve	618,597	625,842	641,487	656,814	670,795	659,498	675,143	671,434	687,079	690,369	706,014	706,647
Operating Cash	502,435	533,225	609,334	634,365	758,900	884,981	577,438	520,838	577,724	271,781	519,223	824,213
Total Available Funds	\$ 1,640,407	\$ 1,678,442	\$ 1,770,196	\$ 1,810,554	\$ 1,949,070	\$ 2,063,854	\$ 1,771,956	\$ 1,711,647	\$ 1,784,178	\$ 1,481,525	\$ 1,744,612	\$ 2,050,235
<b>Capital Reserve</b>												
Beginning Reserve Balance	\$ 602,952	\$ 618,597	\$ 625,842	\$ 641,487	\$ 656,814	\$ 670,798	\$ 659,498	\$ 675,143	\$ 671,434	\$ 687,079	\$ 690,369	\$ 706,014
Additions to Reserve	15,645	15,645	15,645	15,645	15,645	15,645	15,645	15,645	15,645	15,645	15,645	15,645
Use of Reserves	-	(8,400)	-	(318)	(1,661)	(26,945)	-	(19,354)	-	(12,355)	-	(15,012)
Ending Reserve Balance	\$ 618,597	\$ 625,842	\$ 641,487	\$ 656,814	\$ 670,798	\$ 659,498	\$ 675,143	\$ 671,434	\$ 687,079	\$ 690,369	\$ 706,014	\$ 706,647

These financial statements should be read only in connection with the accompanying accountant's compilation report

**Roxborough Water and Sanitation**  
**Distribution of Cash in Bank - Debt Service**  
**December 31, 2014**

**Cash Funds Available - Water Treatment Plant**

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Beginning Cash Balance	\$ 976,261	\$ 1,111,223	\$ 1,202,685	\$ 1,288,973	\$ 1,417,383	\$ 1,509,311	\$ 1,601,074	\$ 1,783,999	\$ 1,877,178	\$ 1,969,388	\$ 2,100,593	\$ 2,192,804
Surcharge Collected	91,626	91,671	91,654	91,862	91,928	92,033	92,164	92,129	92,210	92,188	92,211	92,302
Availability of Service Transfers	43,336	(209)	(5,366)	36,548	-	(270)	90,761	1,050	-	39,017	-	(133)
Payment of Debt	-	-	-	-	-	-	-	-	-	-	-	-
Ending Cash Balance	\$ 1,111,223	\$ 1,202,685	\$ 1,288,973	\$ 1,417,383	\$ 1,509,311	\$ 1,601,074	\$ 1,783,999	\$ 1,877,178	\$ 1,969,388	\$ 2,100,593	\$ 2,192,804	\$ 2,284,973

**Cash Funds Available - Sewer Debt Service**

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Operating Cash	\$ 252,356	\$ 287,697	\$ 527,164	\$ 563,497	\$ 904,062	\$ 1,006,871	\$ 1,264,452	\$ 839,527	\$ 848,795	\$ 858,254	\$ 682,073	\$ 889,609
Total	\$ 1,363,579	\$ 1,490,382	\$ 1,816,137	\$ 1,980,880	\$ 2,413,373	\$ 2,607,945	\$ 3,048,451	\$ 2,716,705	\$ 2,818,183	\$ 2,958,847	\$ 2,874,877	\$ 3,174,582

Roxborough Water & Sanitation District  
Property Tax Schedule  
2014

SUMMARY – DOUGLAS & JEFFERSON COUNTIES

Property Taxes	Delinquent Tax, Rebates and Abatements	Specific Ownerships	2014				2013			
			Treasurer's Fees		HB 1006 Tax		HB 1006 Treasurer's Fee		Total Amount Received	Percentage of Levied Taxes Received
			Interest	Taxes	Interest	Taxes	Interest	Taxes		
January	\$ (1,938)	\$ -	\$ 11,689	\$ -	\$ (30)	\$ -	\$ -	\$ -	\$ 9,356	0.52%
February	\$ 55,101	\$ -	\$ 12,140	\$ -	\$ (827)	\$ -	\$ -	\$ -	\$ 30,713	1.70%
March	\$ 444,707	\$ -	\$ 12,050	\$ -	\$ (6,671)	\$ -	\$ -	\$ -	\$ 497,105	27.47%
April	\$ 38,744	\$ -	\$ 11,816	\$ -	\$ (581)	\$ -	\$ -	\$ -	\$ 43,223	2.39%
May	\$ 637,261	\$ -	\$ 11,659	\$ -	\$ (9,559)	\$ -	\$ -	\$ -	\$ 605,765	33.47%
June	\$ 183,939	\$ -	\$ 11,932	\$ -	\$ (2,759)	\$ -	\$ -	\$ -	\$ 189,454	10.47%
July	\$ 318,222	\$ -	\$ 12,191	\$ 139	\$ (4,775)	\$ -	\$ -	\$ -	\$ 310,989	17.19%
August	\$ 9,771	\$ -	\$ 13,233	\$ -	\$ (147)	\$ -	\$ -	\$ -	\$ 23,565	1.30%
September	\$ 4,901	\$ -	\$ 12,315	\$ 161	\$ (76)	\$ -	\$ -	\$ -	\$ 25,204	1.39%
October	\$ 4,888	\$ -	\$ 12,613	\$ 230	\$ (77)	\$ -	\$ -	\$ -	\$ 17,292	0.96%
November	\$ (437)	\$ -	\$ 14,133	\$ -	\$ 4	\$ -	\$ -	\$ -	\$ 34,693	1.92%
December	\$ 4,651	\$ -	\$ 10,549	\$ 325	\$ (35)	\$ -	\$ -	\$ -	\$ 13,132	0.73%
TOTAL	\$ 1,699,810	\$ -	\$ 146,320	\$ 855	\$ (25,533)	\$ -	\$ -	\$ -	\$ 1,800,491	99.49%

Douglas County		Jefferson County	
\$ 94,941,230	Assessed Value	\$ 34,113,521	
6.208	General Mill Levy	6.208	
\$ 589,395		\$ 211,777	
7.0580	Debt Mill Levy	7.0580	
\$ 670,076		\$ 240,766	

Property Taxes	Taxes Levied/Budgeted		Property Taxes Collected		% Collected to Amount Levied	
General Fund	\$ 801,172.00	46.80%	\$ 232,988.36	29.08%		
Debt Service	\$ 910,868.00	53.20%	\$ 264,881.64	29.08%		
	\$ 1,712,040.00	100.00%	\$ 497,870.00	29.08%		
Specific Ownership Tax						
General Fund	\$ 50,000.00	40.00%	\$ 16,790.31	33.58%		
Debt Service	\$ 75,000.00	60.00%	\$ 19,088.69	25.45%		
	\$ 125,000.00	100.00%	\$ 35,879.00	28.70%		
Treasurer's Fees						
General Fund	\$ 15,000.00	42.86%	\$ 3,522.88	23.49%		
Debt Service	\$ 20,000.00	57.14%	\$ 4,005.12	20.03%		
	\$ 35,000.00	100.00%	\$ 7,528.00	21.51%		

These financial statements should be read only in connection with the accompanying accountant's compilation report

Roxborough Water & Sanitation District  
Property Tax Schedule  
2014

DOUGLAS COUNTY

2014										2013		
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		Total Amount Received	Percentage of Levied Taxes Received	
								Monthly	Y-T-D		Monthly	Y-T-D
January	\$ (1,938)	\$ -	\$ 8,807	\$ -	\$ (30)	\$ -	\$ 6,839	-0.15%	-0.15%	\$ 7,018	0.01%	0.01%
February	\$ 55,101	\$ -	\$ 9,208	\$ -	\$ (827)	\$ -	\$ 63,482	4.37%	4.22%	\$ 27,858	1.38%	1.39%
March	\$ 444,707	\$ -	\$ 9,378	\$ -	\$ (6,671)	\$ -	\$ 447,414	35.31%	39.53%	\$ 494,304	32.49%	33.88%
April	\$ 38,744	\$ -	\$ 9,010	\$ -	\$ (581)	\$ -	\$ 47,173	3.08%	42.61%	\$ 40,459	2.14%	36.02%
May	\$ 195,654	\$ -	\$ 8,996	\$ -	\$ (2,935)	\$ -	\$ 201,715	15.53%	58.14%	\$ 156,300	9.95%	45.97%
June	\$ 172,996	\$ -	\$ 9,075	\$ -	\$ (2,595)	\$ -	\$ 179,476	13.74%	71.88%	\$ 176,891	11.25%	57.22%
July	\$ 318,222	\$ -	\$ 9,006	\$ 139	\$ (4,775)	\$ -	\$ 322,592	25.27%	97.14%	\$ 307,994	20.05%	77.27%
August	\$ 9,771	\$ -	\$ 10,066	\$ -	\$ (147)	\$ -	\$ 19,690	0.78%	97.92%	\$ 20,305	0.72%	77.99%
September	\$ 4,901	\$ -	\$ 9,353	\$ 161	\$ (76)	\$ -	\$ 14,339	0.39%	98.31%	\$ 22,193	0.83%	78.82%
October	\$ 4,888	\$ -	\$ 9,645	\$ 230	\$ (77)	\$ -	\$ 14,686	0.39%	98.70%	\$ 14,360	0.21%	79.03%
November	\$ (437)	\$ -	\$ 10,800	\$ -	\$ 4	\$ -	\$ 10,367	-0.03%	98.66%	\$ 31,404	1.41%	80.44%
December	\$ 4,651	\$ -	\$ 8,274	\$ 325	\$ (35)	\$ -	\$ 13,215	0.37%	99.03%	\$ 10,564	0.20%	80.64%
TOTAL	\$ 1,247,260	\$ -	\$ 111,618	\$ 855	\$ (18,745)	\$ -	\$ 1,340,988	99.03%	805.98%	\$ 1,309,650	80.64%	80.64%

JEFFERSON COUNTY

2014										2013		
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		Total Amount Received	Percentage of Levied Taxes Received	
								Monthly	Y-T-D		Monthly	Y-T-D
January	\$ -	\$ 2,882	\$ -	\$ -	\$ -	\$ -	\$ 2,882	0.00%	0.00%	\$ 2,518	0.00%	0.00%
February	\$ -	\$ 2,932	\$ -	\$ -	\$ -	\$ -	\$ 2,932	0.00%	0.00%	\$ 2,855	0.00%	0.00%
March	\$ -	\$ 2,672	\$ -	\$ -	\$ -	\$ -	\$ 2,672	0.00%	0.00%	\$ 2,801	0.04%	0.04%
April	\$ -	\$ 2,806	\$ -	\$ -	\$ -	\$ -	\$ 2,806	0.00%	0.00%	\$ 2,764	0.00%	0.04%
May	\$ 441,607	\$ -	\$ 2,663	\$ -	\$ (6,624)	\$ -	\$ 437,646	97.58%	97.58%	\$ 449,465	94.87%	94.91%
June	\$ 10,943	\$ -	\$ 2,857	\$ -	\$ (164)	\$ -	\$ 13,636	2.42%	100.00%	\$ 12,563	2.05%	96.96%
July	\$ -	\$ 3,185	\$ -	\$ -	\$ -	\$ -	\$ 3,185	0.00%	100.00%	\$ 2,995	0.04%	97.00%
August	\$ -	\$ 3,169	\$ -	\$ -	\$ -	\$ -	\$ 3,169	0.00%	100.00%	\$ 3,260	0.00%	97.00%
September	\$ -	\$ 2,962	\$ -	\$ -	\$ -	\$ -	\$ 2,962	0.00%	100.00%	\$ 3,011	0.00%	97.00%
October	\$ -	\$ 2,968	\$ -	\$ -	\$ -	\$ -	\$ 2,968	0.00%	100.00%	\$ 2,932	0.00%	97.00%
November	\$ -	\$ 3,333	\$ -	\$ -	\$ -	\$ -	\$ 3,333	0.00%	100.00%	\$ 3,289	0.00%	97.00%
December	\$ -	\$ 2,275	\$ -	\$ -	\$ -	\$ -	\$ 2,275	0.00%	100.00%	\$ 2,628	0.00%	97.00%
TOTAL	\$ 452,550	\$ -	\$ 34,704	\$ -	\$ (6,788)	\$ -	\$ 480,466	100.00%	797.59%	\$ 491,081	97.00%	97.00%

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