

SERVICE PLAN
FOR
MOUNT CARBON METROPOLITAN DISTRICT
LAKWOOD, COLORADO

PREPARED BY:
DENVER ENGINEERING CORPORATION
GOLDEN, COLORADO

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SERVICE PLAN
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SERVICE PLAN FOR THE
MOUNT CARBON METROPOLITAN DISTRICT

SECTION I

INTRODUCTION

1.1 ORGANIZATION

On September 14, 1976, the Mount Carbon Water and Sanitation District was created by Order and Decree of the District Court of Jefferson County, pursuant to Part 1 of Article 4 of Title 32, Colorado Revised Statutes 1973. At that time, the District was located entirely within the city limits of the City of Lakewood. Because the District was formed entirely within the City, no service plan was prepared for the District. The purposes of the District were:

- (a) To provide a complete water supply treatment, storage, transmission and distribution system, works and service, together with all necessary, incidental and pertinent facilities, for said District and inhabitants thereof;
- (b) To provide a complete sanitary sewage collection, transmission, treatment and disposal system, works, and service, together with all necessary incidental pertinent facilities, for said District and the inhabitants thereof.

The Mount Carbon Water and Sanitation District has been in continual existence since that time.

1.2 CONVERSION TO A METROPOLITAN DISTRICT

On July 23, 1982, the Board of Directors of the District determined that it was in the District's best interest to convert the District to a metropolitan district under the provisions §32-1-1006(2) CRS 1973 (as amended, 1981) and thus expand the District's powers and ability to serve its residents. The resolution of the Board of Directors was approved by Order of Court entered October 4, 1982, and the District was thereby converted to a metropolitan district to be known as the Mount Carbon Metropolitan District.

Section 32-1-1006(2), CRS 1973 (as amended, 1981) authorizes the conversion of a water and sanitation district into a metropolitan district upon the filing of a resolution of the Board of Directors with the district court which has jurisdiction over the district and the entry of the judge's order thereon. The recent decision by the Colorado Court of Appeals in Board of County

Commissioners of the County of Clear Creek vs. Upper Bear Creek Sanitation District, 82CAL1131 (September 22, 1983) that an amended service plan must be submitted to and approved by the county when a water and sanitation district converts to a metropolitan district has given the District cause to validate its conversion by submitting this Service Plan. This plan is an original Service Plan because the District was not required to submit a Service Plan during organization.

By converting to a metropolitan district, the Mount Carbon Water and Sanitation District added to its water and sanitation powers the following authorities: street improvements, safety protection, and park and recreation. The District will not, at this time, exercise the other authorities granted to metropolitan districts as services are presently provided by other governmental entities. However, should these other entities cease providing these services and the District determine that these other authorities are necessary and in the District's best interest, the District would then exercise those additional powers.

The purpose of combining all of these powers into a single district is to avoid the difficulty of overlapping districts and overlapping mill levies. Such a conversion is in compliance with the legislative mandate, as stated in Section 32-1-102, CRS 1973, (as amended, 1981) "to prevent unnecessary proliferation and fragmentation of local government and to avoid excess diffusion of local tax sources."

The District is located primarily within the boundaries of the City of Lakewood and within the Bancroft Fire Protection District.

1.3 AREA OF THE DISTRICT

The Mount Carbon Metropolitan District consists of approximately 751 acres in Jefferson County, generally located south of West Alameda Parkway, east of the geographical formation known as the "Hogback", north of Morrison Road, and west of Bear Creek Boulevard. A vicinity map is shown on Figure 1, a map showing the boundaries of the District is included as Figure 2, and a legal description is attached as Appendix A.

1.4 NEED FOR SERVICES

The District was originally organized to provide only water and sanitary sewer services. Additional services which the metropolitan district provides are parks and recreation, traffic safety control and street improvements. These new services are not presently provided except by the District and there are no existing municipal or quasi-municipal corporations able to provide these services in a reasonable time and on a comparable basis. Inclusion of these services will assure that the area

continues to develop in an orderly manner, that amenities and services will be maintained, and the development will become and remain a substantial aesthetic and economic asset of the county.

The District was originally formed to, and as converted to a metropolitan district will continue to, provide service to the area within the District. Two areas, encompassing 486.442 acres, the Red Rocks Business Park and the Springfield Green residential development, have already received plat approval from the City of Lakewood. Since its organization, the District has actively pursued various courses of action necessary to implement the original purpose of providing water and sanitary sewer service to these developments. This Service Plan sets forth the actions the District has taken so far to implement water and sanitary sewer service, as well as the new services of the Metropolitan District. The plan will also set forth the projected population growth, the projected assessed valuation, and the economic feasibility of the District.

1.5 WATER AND SEWER SERVICE

In order to permit and sustain developments within the District, the District has taken action to provide water and sanitation service within its boundaries. Those actions include obtaining a reliable and adequate source of water supply and the development of a plan for storage and transmission of potable water and the collection/transmission of wastewater.

To insure an adequate supply of potable water, the District has been pursuing various tributary and nontributary sources of water supply for use within the District. The review of the nature and status of these sources follows.

- A. Hock-Hocking Mine. In a contract executed May 19, 1983, the District obtained the right to purchase 0.37 cfs of nontributary water rights from the Hock-Hocking Mine in Park County, Colorado and an option to purchase additional nontributary water rights up to the maximum 8.4 cfs decreed to the Mine for all beneficial uses in Case No. W-1318, together with the right of first refusal to purchase additional rights above 8.4 cfs should they be developed.

On August 3, 1983, the District purchased 0.37 cfs and on November 30, 1983, the District filed a plan with the Water Court for Division 1 for the augmentation of such water rights to permit the water to be withdrawn from Bear Creek at the diversion point of the Town of Morrison.

- B. Soda Lakes and Harriman Ditch. The District also contracted on May 23, 1983 to purchase 5.15 shares out of a total of 400 shares of water rights, which are tributary to Bear Creek Drainage Basin. The contract states that the rights in Soda Lakes total 1,794 acre-feet per year, and that the rights in Harriman Ditch total 57.13 cfs.

- C. Pike Well. As part of its efforts to attempt to secure an adequate supply of water for district inhabitants, the District has negotiated an agreement with Southwestern Development Company ("Southwestern") involving the transfer of title and water rights associated with a certain well located near the southern border of the District, which have already been decreed by the water court (the "Pike Well").
- D. Metropolitan Water Development Agreement. The District has also executed the Metropolitan Water Development Agreement ("Water Agreement") with the Board of Water Commissioners of the City and County of Denver. The District agreed to pay for a 1.16% share of the Environmental Impact Statement, thereby entitling it to share up to 1.16% in any project offered by the Water Board. The Two Forks Project ("South Platte Reservoir and Joint Use Project") has been offered but the District has not yet decided whether to participate.
- E. Agreement With the Town of Morrison For the facilities for storage and transmission of water and wastewater, on November 16, 1982, the Board of Directors of the District approved an agreement with the Town of Morrison ("Morrison") for the joint use of water and sewer facilities. A copy of the agreement is attached as Appendix B. Pursuant to the agreement, the District will construct the facilities necessary to provide treated water and sanitary sewer service to the District and to the Town. The jointly used facilities will be owned and operated by Morrison. The District pays its prorata share of the costs of operation and maintenance including a pro rata share of the administrative expenses of Morrison. The District is responsible for the operation and maintenance of those facilities which are used only by the District. (See Sections IV and V.)

1.6 STREET IMPROVEMENTS AND TRAFFIC SAFETY CONTROL

As part of the overall plan for development within its boundaries, the District is building a system of arterial and collector streets together with appropriate traffic safety controls, lane striping, and other safety features to facilitate the safe and efficient management of traffic within the commercial and residential areas of the District. The initial construction of a portion of the street improvements for the Business Park and residential development will occur in 1983 with subsequent street improvements for the remainder of the Business Park and residential areas to occur as needed over the next ten years. (See Section III.)

1.7 PARK AND RECREATION FACILITIES

As a metropolitan district, the District is authorized to provide park and recreation facilities, both within and outside the District for the benefit of district residents and users of the business park.

The District is planning a joint venture with the City of Lakewood to develop a park between West Alameda Parkway and the Springfield Green Development.

Landscaped areas will be provided adjacent to the roadways and at the entrance to the Red Rocks Business Park.

SECTION II

DESCRIPTION OF AREA SERVED BY DISTRICT

2.1 LAND USE

The Mount Carbon Metropolitan District encompasses approximately 751 acres of land, more particularly described in Appendix A and shown on the enclosed District Boundary Map (Figure 2). Property within the District will be used for open space, recreation, residential, municipal service area, and commercial purposes.

2.2 POPULATION

Presently, the District has no residential population. That number will gradually increase as the residential and commercial areas of the District are completed. Because of the nature of the developments in the District, services must be based not on population of the District, but on total residential population and users of the commercial area. Estimates of population and commercial use are as follows:

Residential Population	4,700
Commercial Use Population	<u>14,350</u>
Total Residential and Commercial Use	19,050

2.3 ASSESSED VALUATION

The land in Mount Carbon Metropolitan District has a current assessed value of \$32,430 and an estimated actual value of \$204,133.

Conservatively, the assessments provided in the following tables are based on 30% of 1973 valuation (with subsequent improvement). This basis is used in future projections. Development is expected to proceed according to the developer's projections for moderate growth. The following figures on Table I and Table II have been derived in conjunction with the Jefferson County Assessor and current estimates of development.

TABLE 1

MOUNT CARBON METROPOLITAN DISTRICT
 FORECASTED ASSESSED VALUATION - RESIDENTIAL LIVING UNITS (AVERAGE 900 SQUARE FEET)
 1986 - 1998

YEAR UNITS COMPLETED	YEAR CERTIFIED TO DISTRICT	YEAR DISTRICT WILL RECEIVE TAXES	# OF INCREMENTAL UNITS COMPLETED	# OF CUMULATIVE UNITS COMPLETED	ESTIMATED (1) ASSESSED VALUATION/ UNIT (000 OMITTED)	ESTIMATED CUMULATIVE ASSESSED VALUATION (000 OMITTED)
1984	1985	1986	100	100	\$11,250	\$ 1,125
1985	1986	1987	100	200	11,250	2,250
1986	1987	1988	200	400	11,250	4,500
1987	1988	1989	200	600	11,250	6,750
1988	1989	1990	400	1,000	11,250	11,250
1989	1990	1991	400	1,400	11,250	15,750
1990	1991	1992	400	1,800	11,250	20,250
1991	1992	1993	400	2,200	11,250	24,750
1992	1993	1994	229	2,429	11,250	27,326
1993	1994	1995	0	2,429	11,250	27,326
1994	1995	1996	0	2,429	11,250	27,326
1995	1996	1997	0	2,429	11,250	27,326
1996	1997	1998	0	2,429	11,250	27,326

(1) Assume 15% of 1982 Market Value (15% x 75,000 = \$11,250)

TABLE 2
MOUNT CARBON METROPOLITAN DISTRICT
FORECASTED ASSESSED VALUATION - COMMERCIAL BUILDINGS
1988 - 1998

YEAR COMMERCIAL SPACE COMPLETED	YEAR CERTIFIED TO DISTRICT	YEAR DISTRICT WILL RECEIVE TAXES	# OF INCREMENTAL SQUARE FEET OFFICE SPACE	# OF CUMULATIVE SQUARE FEET OFFICE SPACE	ESTIMATED (1) ASSESSED VALUATION/ SQ. FT.	ESTIMATED CUMULATIVE ASSESSED VALUATION (000 OMITTED)
1986	1987	1988	64,000	64,000	\$12.50	\$ 800
1987	1988	1989	64,000	128,000	12.50	1,600
1988	1989	1990	128,000	256,000	12.50	3,200
1989	1990	1991	128,000	384,000	12.50	4,800
1990	1991	1992	256,000	640,000	12.50	8,000
1991	1992	1993	256,000	896,000	12.50	11,200
1992	1993	1994	384,000	1,280,000	12.50	16,000
1993	1994	1995	384,000	1,664,000	12.50	20,800
1994	1995	1996	512,000	2,176,000	12.50	27,200
1995	1996	1997	512,000	2,688,000	12.50	33,600
1996	1997	1998	312,000	3,000,000	12.50	37,500

(1) Assume 15% of 1982 Market Value (15% x \$83 = \$12.50)

SECTION III

STREET IMPROVEMENTS AND SAFETY PROTECTION FACILITIES

3.1 INTRODUCTION

Adequate road ingress and egress is of primary importance to the development of the lands within the District. As a metropolitan district, the District has the power to provide street improvements, including curb and gutter, storm sewers, culverts, and other drainage facilities, sidewalks, bridges, paving, lighting, grading, and other related improvements.

Present access to the District is from Rooney Road on the west. Future access will be from the proposed Centennial Parkway (C-470) on the west, from Alameda Parkway on the north via the future South McIntyre Street, and from the future West Yale Avenue on the south. See Figure 3. The District will make improvements outside and within the District's boundaries on certain arterial and collector roads to more efficiently handle the anticipated increased traffic volume.

3.2 DESIGN CRITERIA

All design features will comply with The City of Lakewood Engineering Regulations, Construction Specifications and Design Standards Manual, or where applicable, the requirements of other government entities, including Jefferson County. The road alignment optimizes access to lots and conforms to the existing topography. The intersection design maximizes traffic movement while maintaining uncompromised driver safety and comfort. A comprehensive traffic generation study was conducted by Leigh, Scott & Cleary, Inc. to establish a portrait of the turning movements, volume distribution and traffic composition expected to be generated by the Red Rocks Business Park and Springfield Green Residential Development. The design of these roads reflects the result of that study.

3.3 FACILITIES

The main arterial roads within the District will be four-lane with a raised median and detached sidewalk. Collector roads will have two lanes with detached sidewalks on each side. Local access roads will have two lanes with attached sidewalks on each side. Changes may be made to accommodate the City of Lakewood.

All roads will have 11 or 12 foot lanes with either a curb and gutter, or gutter section on each side. All road drainage is collected by inlets. In no case is the grade steeper than 8%. A plan of the street network as presently planned is presented in the Community Plan, Figure 3. Road rights-of-way within the City

of Lakewood will be dedicated to the City of Lakewood for ownership and maintenance. The District site is currently under construction with the street improvements to Red Rocks Business Park.

3.4 DRAINAGE

The District will construct the major components of a storm drainage system to serve the area within its boundaries. The District property is located within the Rooney Gulch Drainage Basin, which is tributary to Bear Creek. There are four natural drainage channels within the District boundaries, and no existing major drainage improvements.

Culverts and storm sewer for the proposed streets will be constructed by the District in accordance with the regulations contained in the City of Lakewood Storm Drainage Criteria Manual. At the request of the City, the Urban Drainage and Flood Control District (UD&FCD) will also review the design of these improvements. As per UD&FCD's guidelines, the existing channels will remain in their natural condition as much as possible.

The design and construction of on-site drainage facilities for each lot will be the responsibility of the individual builder. Each builder will be required by the City to provide on-site detention of stormwater, in accordance with the City's regulations, at the time of site development. The drainage facilities which are on publicly owned property will be dedicated for ownership and maintenance to the City of Lakewood.

3.5 LANDSCAPING AND STREET LIGHTING

Under its street improvement authority, the District is constructing landscaping and street lighting in the public rights-of-way. The landscape program for the District centers around a park to be constructed between Springfield Green and West Alameda Parkway.

Landscape costs are included as street improvements. Landscape maintenance within public rights-of-way will be borne by the District unless provided by another public entity.

3.6 TRAFFIC AND SAFETY PROTECTION

As a metropolitan district, the District has the power to provide safety protection through traffic and safety controls and devices on streets and highways.

The installation plan for traffic control devices will be contingent upon growth of occupancy and the concomitant growth of traffic demand. At the outset, selected intersections will have two way stop signs. Upgrading to fixed time or semi-actuated

signals will occur as traffic growth warrants. Ultimately, the anticipated volume will justify a fully actuated signal system at the intersection of Alameda Parkway/McIntyre Street, and at Red Rocks Business Drive/West Yale Avenue. The City of Lakewood will determine what level of signalization is appropriate for the various intersections. More signalization may be needed as development proceeds. Traffic and safety facilities provided by the District will be deeded to the City of Lakewood upon completion of construction. All operation and maintenance costs will be borne by the City of Lakewood.

3.7 PRELIMINARY CAPITAL COST ESTIMATE

Preliminary level design and capital cost estimates have been made for the street improvements for the District. The capital cost estimates are shown in Table III. Note that the costs include a 20% allowance for engineering, legal and general contingency, and are shown in 1983 dollars.

TABLE III
PRELIMINARY CAPITAL COST ESTIMATES
STREET IMPROVEMENTS

<u>Description</u>	<u>Cost</u>
A. Red Rocks Business Park	\$ 1,018,000.00
B. Springfield Green	1,000,000.00
C. McIntyre Street (Power Line Arterial)	<u>910,000.00</u>
 TOTAL STREET IMPROVEMENTS	 \$ 2,928,000.00

SECTION IV

Water System

4.1 INTRODUCTION

The District will construct a potable water system to serve the District, including improvements to the existing Town of Morrison facilities, according to the Agreement between the District and Morrison (Appendix B). The system will include rehabilitation of the existing diversion dam and intake facilities, expansion of the existing water treatment plant, new transmission lines and metering equipment, raw water reservoir and facilities, potable water storage tanks and pumping stations.

Description and analysis of the Mount Carbon Metropolitan District and Town of Morrison Water and Wastewater Systems can be found in the Master Plan Report, Water Supply and Sewage treatment Facilities prepared by McLaughlin Water Engineers, May, 1983, and in the Water and Sewer Demand Analysis of Red Rocks Business Park and Spring-field Green Residential Complex, prepared by Gingery Associates, Inc., March, 1983. Excerpts and quotations from both reports have been utilized in this section and in Section V, Sewer System..

4.2 DESIGN CRITERIA

The designs for the water system are responsive to good engineering practice and based on the following design criteria:

- a. The water supply and distribution facilities are to be constructed in accordance with the Colorado State Department of Health's requirements, resulting in reliable, continuous year-round service, even during the most adverse weather conditions.
- b. Adequate potable water supplies are available or will be developed to provide projected water requirements of the development.
- c. Water facilities are to be designed for phased construction, thus permitting responsible gradual investment, approximately paralleling actual needs, resulting in an economically feasible program.
- d. Fire protection flows and storage are to be available to all areas, in accordance with National Board of Fire Underwriter's standards and the requirements of the Bancroft Fire Protection District.

In addition, the design criteria for joint water and sewer facilities are based upon the requirements of the Mount Carbon Metropolitan District and those of the Town of Morrison.

4.21 Water Demands

According to the Gingery Associates, Inc. report, the peak day water demands for the Mount Carbon Metropolitan District would be as follows:

	<u>Maximum</u>	<u>Minimum</u>
Residential	0.675 MGD	0.320 MGD
Business Park	<u>N/A</u>	<u>0.399 MGD</u>
Total	N/A	0.719 MGD

According to the Master Plan Report (McLaughlin Water Engineers, May 1983), Morrison's peak day water demand has been projected to be 1.8 MGD.

4.3 WATER SUPPLY FACILITIES

A water supply system master plan which will provide treated water to both Morrison and the District in accordance with the Morrison/Mt. Carbon Agreement has been developed. The Master Plan is illustrated on Figure 4, enclosed herein.

Briefly, raw water is to be diverted primarily from Bear Creek at the site of the present Morrison Intake. The water flows by gravity either to the treatment plant, or is pumped to the reservoir for subsequent treatment. Treated water is pumped (low head) at the plant, through finished water transmission lines, to the Morrison and District distribution systems. Storage tanks hold treated water to satisfy peak demands and to provide system reliability.

4.31 Raw Water Source

The District has purchased rights, which have been incorporated in an augmentation plan, as described previously (Section 1.5).

To effectively utilize the water rights acquired, and for water quality reasons, the use of some raw water storage will be required. Morrison has an existing operational reservoir and is in the process of contracting for 50 acre-feet of storage in Mount Carbon Reservoir. Mount Carbon has purchased storage rights in Soda Lakes. Both of these reservoirs are downstream of Morrison and use will probably be limited to releasing replacement water. Morrison has filed for the Strain Gulch Reservoir. This storage, plus the existing operational reservoir, can furnish the physical raw water source to the treatment plant.

4.32 Raw Water Storage

a. Operational Reservoir

Morrison just completed, in 1982, an Operational Reservoir which is located on Figure 4. This has a useable capacity of 29 acre-feet. This reservoir furnishes operational reserve water to insure delivery flexibility. According to the Morrison/Mount Carbon Agreement, the District will be entitled to use 50% of the live storage in this reservoir.

b. Strain Gulch Reservoir

The proposed location of the Strain Gulch Reservoir is shown on Figure 4. The Town of Morrison has a conditional decree for Morrison Strain Gulch #1 Reservoir, to be filled by runoff from Strain Gulch, up to a maximum of 150 acre-feet annually. The primary purpose of this reservoir is to store water from transferred irrigation water rights in order to increase the firm yield of both Morrison's and Mount Carbon's water rights. According to the Morrison/Mount Carbon Agreement, the Mount Carbon Metropolitan District will be entitled to utilize 50% of the live storage in this reservoir.

It is proposed that the use of water from Strain Gulch Reservoir be flexible in that it can be used to provide raw water to the water treatment plant or to provide replacement water for "out of priority" diversions taken at Morrison's water intake on Bear Creek.

Preliminary design shows that approximately 192 acre-feet can be stored in Strain Gulch Reservoir with the normal high water mark at elevation 5,960 feet.

4.33 Improvements to Morrison Supply System

According to the Morrison/Mount Carbon Agreement, Morrison agrees to make such improvements in the existing raw water supply system, diversion dam, prefilter system and settling pond as may be recommended in the Master Plan, and agreed to by the parties, with funds provided by Mount Carbon.

A. Initial Improvement Program (Phase One)

The existing 12" line has adequate capacity for short term use. Initially needed facilities include:

1. Rebuild existing diversion dam. Design to minimize sand/sediment intake, and to incorporate sand trap.
2. Abandon existing settling basins.

3. Construct a section of raw water line from the intake to the existing 12" line.
4. Construct a low head raw water pumping station near the water treatment plant to pump raw water to Strain Gulch Reservoir.
5. Construct a raw water transmission line from the pump station at the raw water treatment plant to Strain Gulch Reservoir, with an interconnect at the Operational Reservoir.

B. Long-Range Plan

The long range plan for the raw water intake and transmission line provides for replacing the existing facilities with those having a design capacity of approximately 6.0 MGD. This will require a larger intake and a larger transmission line.

4.4 WATER TREATMENT PLANT

The Morrison water treatment plant is a modern rapid sand process plant. It has an installed capacity of 0.5 MGD; and was designed to be expanded, using 0.5 MGD modules, to an ultimate capacity of 2.0 MGD.

According to the Morrison/Mount Carbon Agreement, the initial capacity of the treatment plant should be 1.0 MGD with half reserved for each party. The ultimate capacity is anticipated to be 3.0 MGD. It would be possible to expand plant capacity to this higher amount, using 6 modules. The initial program, then, can consist of adding one 0.5 MGD treatment train, similar to the existing train.

4.5 TREATED WATER TRANSMISSION/STORAGE

The finished water transmission line from the water treatment plant to the two-way meter will be large enough to transmit the District's peak day requirements. These requirements will vary to a maximum of 1.0 MGD. In addition, this line would be interconnected to the Morrison system and sized so as to provide increased fire protection flows to downtown Morrison, and also increase supply reliability to the District.

The water meter station will be constructed for two-way flow, so that water in the storage tank or tanks from either entity can be provided to the other entity. The District will be able to provide fire protection water to Morrison and the Morrison storage tank can furnish fire protection to the District.

The transmission line and meter station will be needed as part of the initial improvement program.

It is anticipated that the District will construct a 1.0 million gallon clear water reservoir at about elevation 6,017 feet as shown on Figure 4. An additional 0.5 million gallon clear water reservoir will be constructed at about elevation 6,090 to serve the upper pressure zone of the Springfield Green Residential Area.

4.6 PRELIMINARY CAPITAL COST ESTIMATES

Preliminary level designs and capital cost estimates have been made for all joint use facilities which are included in the Initial Improvement Program (Phase One), and for the transmission lines, distribution lines and storage tanks required for service to the District (Phases 2 and 3). Note that all item costs include a percentage allowance as noted, and are expressed in 1983 dollars.

Table IV shows the preliminary capital cost estimates for Phases 1, 2 and 3.

TABLE IV

PRELIMINARY CAPITAL COST ESTIMATE
WATER IMPROVEMENTS PROGRAM

<u>Facility Description</u>	<u>Estimated Cost</u>
PHASE 1	
1. Water Transmission Line from existing line, through Morrison, to meter vault, including meter vault	\$ 370,000.00
2. Expansion of existing Morrison water treatment plant from 0.5 MGD to 1.0 MGD	285,000.00
3. Rehabilitate existing diversion dam and intake facilities	170,000.00
4. Replace 800 lineal feet old 10" raw water line with new larger line - from diversion dam to existing settling basins. Abandon settling basins.	50,000.00
5. Strain Gulch Reservoir, 190 acre-foot capacity with spillway, outlet works and return flow pumping station	1,476,000.00
6. Raw water pumping station at the water treatment plant and a new raw water line from the water treatment plant site to Strain Gulch Reservoir, including interconnect with the Operational Reservoir	295,000.00
Subtotal Phase 1	<u>2,646,000.00</u> (1,2)
PHASE 2	
1. Water Mains, Red Rocks Business Park	300,000.00
2. Water Transmission Main, Red Rocks Business Park to Morrison Transmission Main	329,000.00
3. Water Mains, other mains within the District	176,000.00
4. Water Storage Reservoir, 1.0 MG, aboveground	308,000.00 (4)
Subtotal Phase 2	<u>1,113,000.00</u> (3)
PHASE 3	
1. Water mains, Springfield Green Community	450,000.00
2. Water Transmission Mains, Springfield Green Community to Red Rocks Business Park	228,000.00
Subtotal Phase 3	<u>678,000.00</u>
TOTAL ESTIMATED PROJECT COST PHASES 1, 2 AND 3 WATER IMPROVEMENT PROGRAM (SEE NOTES - NEXT PAGE)	\$ 4,437,000.00

NOTES:

- 1) Phase 1 cost estimate items are from McLaughlin Water Engineers Master Plan, May, 1983, with water improvement cost estimates separated from total water and sewer.
- 2) Phase 1 cost estimate items include a 25% allowance for contingencies, engineering, administrative and miscellaneous expenses.
- 3) Phase 2 and 3 cost estimate items include a 20% allowance for engineering, legal, and general contingency, except as noted in (4).
- 4) Cost estimate items include a 25% allowance instead of 20% because of unknown soils conditions.

SECTION V

SEWER SYSTEM

5.1 INTRODUCTION

The Mount Carbon Metropolitan District is totally within the Bear Creek Drainage Basin and drains in a general north to southeast direction. With the District lying totally within Sections 25 and 26 of T4S, R70W, the drainage areas can be discussed as two major contributory areas.

The westerly drainage area centers along Rooney Gulch and adjoining Rooney Road as its core collection system. Wastewater generated by the 130 acre Red Rocks Business Park would be collected by a gravity main extending southerly along the major collector roadway within the office park.

The easterly drainage area is separated from the westerly drainage area by a ridge that runs through the District in a north to southeasterly direction, effectively separating the Red Rocks Business Park on the west from the Springfield Green residential area on the east.

The easterly drainage area flows in a general southerly direction. Wastewater generated by the residential development would be collected by gravity mains, following the internal collector streets as much as possible, to the south boundary of the District. A portion of the wastewater will possibly have to be lifted across the high points, from where it all would flow by gravity along a proposed sewer trunk along existing Rooney Road to the Morrison wastewater treatment plant.

The District is also pursuing the alternative of sewerage at least a portion of the District through the Green Mountain Water and Sanitation District, and from there to the Metropolitan Denver Sewage Disposal District No. 1 Treatment Plant. The District and Green Mountain have agreed to joint venture a sewer outfall line in order to enable the District to take advantage of this alternative.

5.2 DESIGN CRITERIA

Domestic sanitary flow criteria for the District are based on Denver Wastewater Management Division criteria. Details on the design criteria can be found in the Water and Sewer Demand Analysis of Red Rocks Business Park and Springfield Green Residential Complex, revised 14 March, 1983, prepared by Gingery Associates, Inc.

Wastewater collection and treatment design is based on the following criteria:

- a. Design complies with standards established by the Colorado State Department of Health, Colorado Water Pollution Control Commission, and the Jefferson County Health Department.
- b. Treatment facilities are designed to be aesthetically acceptable even during maximum load conditions and severe winter weather.
- c. Lift station facilities will be designed to be aesthetically acceptable and to preserve high land values.

5.3 SERVICE BY MORRISON

The Morrison/Mount Carbon Agreement (Appendix B) is the basis for intergovernmental cooperation in developing a joint use sewage treatment plant.

The Town of Morrison is now served by a conventional collection system and treatment plant, built in 1968. The plant location interferes with the proposed Morrison Road interchange for C-470 to be constructed by the Colorado Highway Department. Therefore, a new plant must be built at a new location, and the design of the new plant will incorporate Mount Carbon Metropolitan District wastewater flows. A site for the new plant has been purchased by the District pursuant to the Morrison/Mount Carbon Agreement.

The joint facilities are to be limited to the wastewater treatment and disposal facilities and (possibly) a short section of jointly used trunk sewer. The facilities are shown on Drawing 1. All collection systems and separate trunk sewers are to be the responsibility of the individual entities.

5.31 Existing Sewage Treatment Plant

The Morrison Sewage Treatment Plant is a 70,000 GPD secondary treatment plant employing the oxidation ditch type activated sludge process. Pretreatment consists of a stationary bar screen and a small grit chamber. The clarifier is a 14-foot diameter rim feed unit with sludge returned from the clarifier through a submersible sewage pump. Chlorination takes place by injecting chlorine solution into the wastewater stream by a submerged pump. Measurement of flow is taken at this point by means of a V-notch weir and level recorder.

Sludge drying beds were constructed in 1973 and an aerobic digester was added in 1978. The improvements made to the treatment plant in 1978 were designed to relieve the sludge wasting problem and provide adequate sludge handling facilities. Capacity of the plant was supplemented by the addition of a proprietary rotating biological contact unit in October, 1983.

These improvements were designed to be of a temporary nature, assuming the plant had a limited life. The effluent from the existing plant is expected to be of sufficient quality to meet the existing NPDES discharge permit requirements. Until the new treatment plant is built, and providing the existing plant has sufficient capacity, the District's sewage will be treated at the existing plant.

5.32 New Sewage Treatment Plant

The initial plant size is defined by the Morrison/Mount Carbon Agreement as 200,000 gpd. this size is reasonable and should provide sufficient capacity for near-future needs.

Treatment processes and facilities will be master planned for potential expansion to 1.0 MGD capacity. Preliminary process basic design includes:

- o Pretreatment Facilities
 - Measurement of each entity flow and totalization
 - Bar Screen
 - Aerated Grit Removal
- o Activated Sludge Secondary Treatment
 - Use low rate activated sludge to enhance nitrification during the summer months
- o Secondary Clarifiers
- o Flow Leveling Tank for Secondary Effluent
- o Filtration Advanced Waste Treatment Using Alum For Coagulation and Precipitation of Phosphorous
- o Disinfection by Chlorination, Contact and Dechlorination.

The resulting effluent would be essentially clear, have low phosphorous and coliform concentrations, and of a quality which will meet the standards of the Colorado Department of Health.

Unless otherwise required by the State, the initial program plant of 0.2 MGD capacity would incorporate only efficient secondary and disinfection processes.

5.33 Trunk Sewers

Using the assumed plant site, it is probable that no joint trunks will be required. For the short lower reach, where a common

sewer might offer a minor cost saving, it will be preferable to construct two separate sewers. This will allow flows from each entity to be separately measured, with the flow metering equipment being located at the plant.

5.4 ROONEY ROAD TRUNK SEWER

The trunk sewer which will connect the District's collector system to the Morrison treatment plant will be constructed along existing Rooney Road (shown on Figure 4). Efforts at coordination with the Colorado Department of Highways between the trunk sewer route and the route of proposed C-470 have been mainly unsuccessful due to the differences in schedule. Construction of the trunk sewer will have to be completed before CDOT's right-of-way negotiations can be finalized. Therefore, the Rooney Road route is the only viable alternative for the trunk sewer installation.

The Rooney Road Trunk Sewer is planned to be installed initially at the expected ultimate capacity. Actual size will depend on design slope. Approximate size will be 15" based on an average daily flow rate of 0.7 MGD and a peak hourly design flow rate of 1.6 MGD.

5.5 WASTEWATER COLLECTION SYSTEM

Sanitary sewer mains follow road alignments wherever possible. Only in a few instances is it necessary to route sewer mains through a development block, when mains along the road would be inaccessible to lower lying lots. Mains following road alignments are located along the centerline of two lane local roads and between the sidewalk and pavement of the divided parkways. Provisions are made to maintain at least the minimum separation between sewer and potable water lines required by the State Health Department. Numerous stubs are provided, extending from manholes or sewer lines to the right-of-way. By providing stubs at the time of construction of the lines, the District will assure sewer service to all lots envisioned and minimize the need to disturb road pavement in the future.

Collector sewer grades and manhole spacings conform to the appropriate review agencies' requirements. All sewers will be sized to accommodate peak flows from predicted ultimate densities. Gravity sewer mains and force mains within the District Boundaries will be located in public rights-of-way or easements dedicated without cost to the District. Any required sewage lift stations will be located on land parcels that will be deeded to the District at minimal cost.

If possible, the District will avoid the use of sewage force mains and lift stations. If the District has lift stations, each lift station will consist of a wet well and drywell, and be accessible by a driveway from a nearby road. A small parking

area will be provided adjacent to the station, allowing ample room to maneuver and turn around trucks.

The pump station will not be subject to flooding. Positive surface drainage will be provided in the pump station vicinity, and finished ground elevation will be above the 100-year floodplain. Pump stations will be of the dry well type; wet and dry wells are completely separated. Dual power sources or auxilliary power units will furnish power to each lift station.

Working space will be provided around each major component, and there will be adequate room for maintenance and repair. Ample ventilation will be provided by an exhaust fan and a ducted air inlet. Diesel exhaust from any generator will be piped outside the station. Shut off valves in the pump suction and discharge lines allow each pump to be isolated for maintenance. Force mains will be designed to maintain minimum safe velocities and are deep enough to prevent freezing. Provisions are made at high points on force mains for air release to prevent the occurrence of air locks.

5.6 PRELIMINARY CAPITAL COST ESTIMATE

Preliminary level designs and capital cost estimates have been made for all joint use wastewater facilities which are included in the initial improvement program (Phase 1) and for the gravity trunks, mains, lift stations and force mains required for service to the District (Phases 2 and 3). Phase 4 includes treatment plant expansion work and possible requirements for advanced treatment, which will be dictated by Department of Health requirements. Note that all items include a percentage allowance as noted, and are expressed in 1983 dollars.

Table V shows the capital cost estimates for Phases 1, 2, 3 and 4.

TABLE V

PRELIMINARY CAPITAL COST ESTIMATE
SEWER IMPROVEMENTS PROGRAM

<u>Facility Description</u>	<u>Estimated Cost</u>
PHASE 1	
1. 0.2 MGD, Initial Secondary Sewage Treatment Plant	\$ 534,000.00
a. Add Advanced Water Treatment Processes (\$236,000) Should these be required by the State Water Quality Control Commission	
2. 12" Trunk Sewer, existing Morrison plant to new plant	<u>110,000.00</u>
Subtotal Phase 1	644,000.00 ⁽¹⁾
PHASE 2	
1. Sewers, Red Rocks Business Park	190,000.00
2. Trunk Sewer, Red Rocks Business Park to Morrison Wastewater Treatment Plant	<u>357,000.00</u>
Subtotal Phase 2	547,000.00 ⁽²⁾
PHASE 3	
1. Sewers, Springfield Green Community	392,400.00
2. Trunk Sewer, Springfield Green Community to Red Rocks Business Park, Lift Station and Force Main	242,000.00
3. Sewers, other sewers within the District	<u>147,000.00</u>
Subtotal Phase 3	781,400.00 ⁽²⁾
PHASE 4	
1. Possible Advanced Wastewater Treatment Facilities at the Treatment Plant, initial phase	395,000.00
2. Additional capacity of 0.8 MGD, secondary facilities	1,870,000.00
3. Possible Additional Advanced Wastewater Treatment Facilities at the Treatment Plant	<u>762,000.00</u>
Subtotal Phase 4	<u>\$ 3,027,600.00</u> ⁽²⁾
TOTAL ESTIMATED PROJECT COST PHASES 1, 2, 3 AND 4 SEWER IMPROVEMENT PROGRAM	\$ 5,000,000.00

(SEE NOTES NEXT PAGE)

NOTES:

- 1) Phase 1 estimate items are from McLaughlin Water Engineers' Master Plan, May, 1983, with sewer cost estimates separated from water. Includes a 25% allowances for engineering, administrative, contingencies and miscellaneous expense.
- 2) Phases 2, 3 and 4 include a 20% allowance for engineering, legals and general contingency.

SECTION VI

PARKS AND RECREATION FACILITIES

6.1 INTRODUCTION

An approximately 20 acre park has been planned between West Alameda Avenue and the Springfield Green Development on property which is owned by the City of Lakewood. The location is shown on the Community Plan for Springfield Green, Figure 3. Two baseball diamonds and two soccer fields are planned, with surrounding landscaping. This park will be a joint venture with the City of Lakewood.

In addition, entranceway landscaping will be provided for the Red Rocks Business Park.

6.2 CAPITAL COST ESTIMATES

Capital cost estimates are as follows:

Park	\$ 250,000
Miscellaneous Landscaping	<u>\$ 50,000</u>
TOTAL	\$ 300,000

SECTION VII

FINANCE

7.1 FINANCING

It is the intention of the Board of Directors of the District to proceed with the enumerated services on a phased basis to coincide with, if not precede, the needs of development within the District. Should development within the District not proceed as projected, certain phases of the expansion of facilities and development of services will be delayed in order not to jeopardize the ability of the District to satisfy its existing obligations.

The District will have three main sources of income:

1. Service Charges: Periodic billing to water and sewer and recreation facilities customers, to pay for operation and maintenance of these utilities and to repay a portion of the debt service.
2. System Development and Tap: Payment for the privilege of receiving service from the District to repay a portion of the debt service and costs of construction of the water and sanitary sewer systems.
3. Ad Valorem Tax: A mill levy placed on privately owned property within the District, to repay a portion of the debt service plus the cost of operating and maintaining District facilities.

It is incumbent upon the District to set the amounts of the income sources so that they are well balanced and provide income to service all debt requirements, as well as to meet the operation and maintenance expenses of the District.

The District has established a schedule of water and sewer tap fees and system development fees. These fees are as follows:

WATER AND SEWER FEES

<u>Meter Size</u>	<u>Water System Development Fee</u>	<u>Water Tap Fee</u>	<u>Sewer System Development Fee</u>	<u>Sewer Tap Fee</u>
3/4"	\$ 2,850	\$ 650	\$ 1,500	\$ 500
1"	7,104	896	7,000	3,000
1-1/2"	14,496	3,504	14,000	6,000
2"	23,000	5,000	6,000	6,000

The Board of Directors will determine, in the best interest of the District, the future schedule of fees, charges and ad valorem taxes.

The Board of Directors will determine, in the best interest of the entire district, the specific areas to be improved and the extent of improvements to be constructed. These phased construction plans must be flexible, providing a basic program guide to orderly development of the facilities. The proposed phasing shown in the preceding sections of this plan is based on various assumptions regarding the progress of development, with costs based on 1983 estimates. These cost estimates must be adjusted for inflation in the year of construction.

7.2 FINANCIAL PLAN

In February, 1983, the District had a financing plan prepared by Stanley F. Bernstein, Inc., Certified Public Accountants. The financing plan shows that the District can retire \$18,385,000 general obligation bonds with reasonable tap fees, service charges and a 10 mill levy. (Table VIII of the plan, and following exhibits). A copy of the financing plan is attached as Appendix C.

The forecasted capital improvement requirements of the District are shown on page 4 of the financing plan. Estimates for sanitary sewer and roads have been revised slightly in this Service Plan but the total forecasted costs are still estimated at \$14,071,500.

The District's adopted tap fees and service charges are those recommended in the financial plan.

The District intends to continue to revise its financing plan to reflect changes in development phasing and construction cost estimates. The District believes a financing plan to be an important tool in assuring the continued financial feasibility of the District.

7.3 GENERAL OBLIGATION BONDS

The District intends to finance the proposed improvements through the issuance of general obligation bonds.

At an election held October 26, 1982, a majority of the qualified electors of the District authorized the Board of Directors of the District to issue general obligation indebtedness in an amount not to exceed an aggregate amount of \$15,800,000 at a net effective interest rate not to exceed 18% per annum.

Table III (page 5) of the District's financing plan (Appendix C) which was prepared in February, 1983, shows a proposed issuance schedule. This table shows a total issuance of \$18,385,000 is required in order for the District to meet its funding obligations. It is anticipated that the District will go back to its electors in the future to increase its present \$15,800,000 authorization to \$18,385,000, which the financing plan shows to be required and feasible. Table III shows the costs of issuance, including proposed discount rates varying between 3% and 6%, depending on the issue.

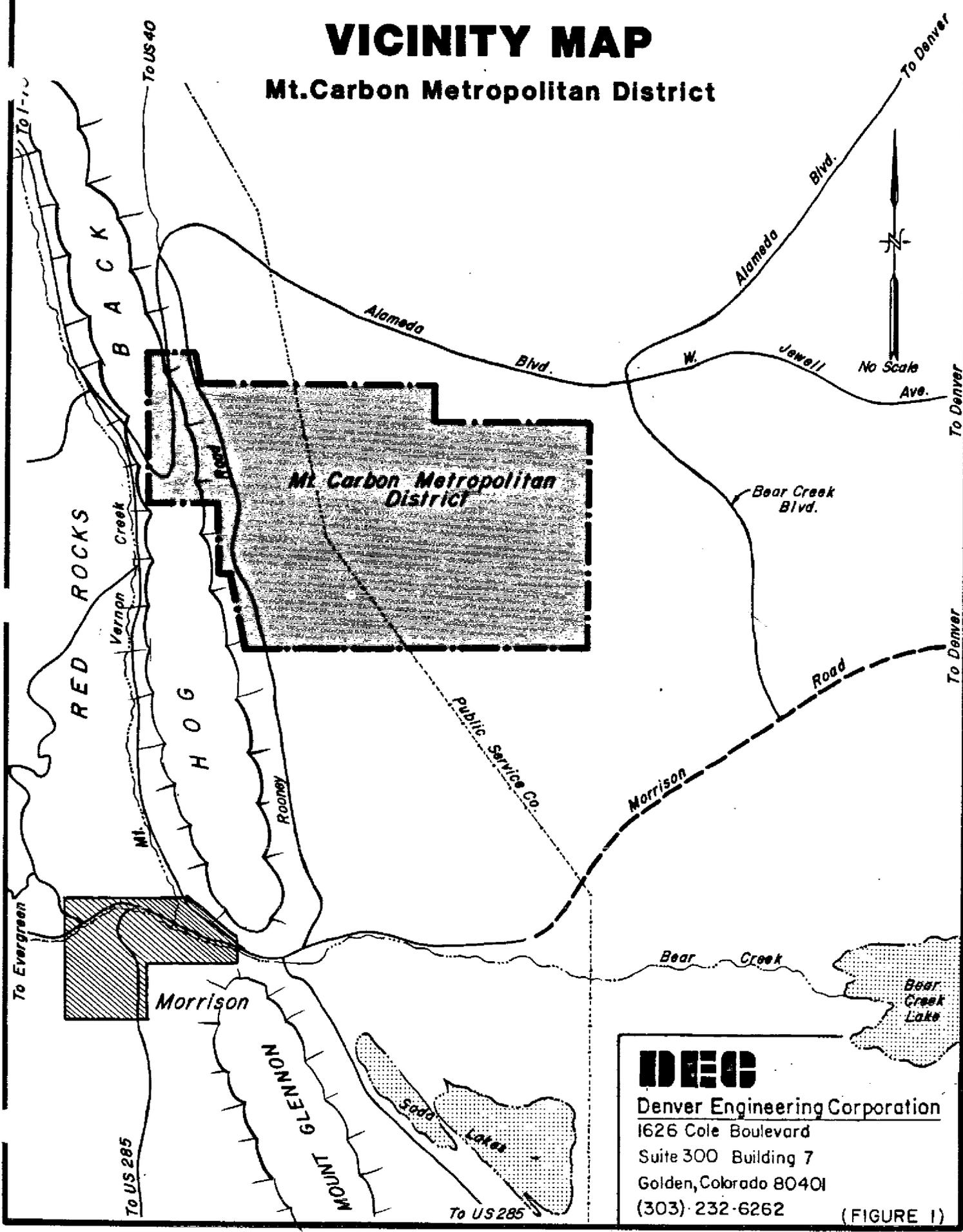
On June 30, 1983, the District issued its \$1,500,000 General Obligation Bond Anticipation Note, Series 1983A, dated June 1, 1983 and due December 1, 1986, with an interest rate of 8%. The Bond Anticipation Note will be retired in the next bond issue of the District, which the District plans will take place in 1984. The financing plan projected that \$2,000,000 in bond anticipation notes would be issued in 1983, with an interest rate of 9% per annum.

Although the District has varied slightly from the proposed issuance schedule, the District is operating well within the parameters of the schedule. As noted in the financing plan, the actual terms and features of each bond issue will vary from those presented; and this is to be expected. The District will issue its bonds to reflect the District's capital construction cost needs and to provide the facilities in a timely manner to aid development. It will only issue that amount which its consultants determine to be financially feasible.

A letter from Boettcher & Company, underwriters for the District, is attached stating their opinion that the issuance of \$18,385,000 in bonds is financially feasible for the District. It is anticipated that the District will go back to its electors in the future to obtain the authority to issue this amount of general obligation bonds.

VICINITY MAP

Mt. Carbon Metropolitan District



DEEC

Denver Engineering Corporation

1626 Cole Boulevard

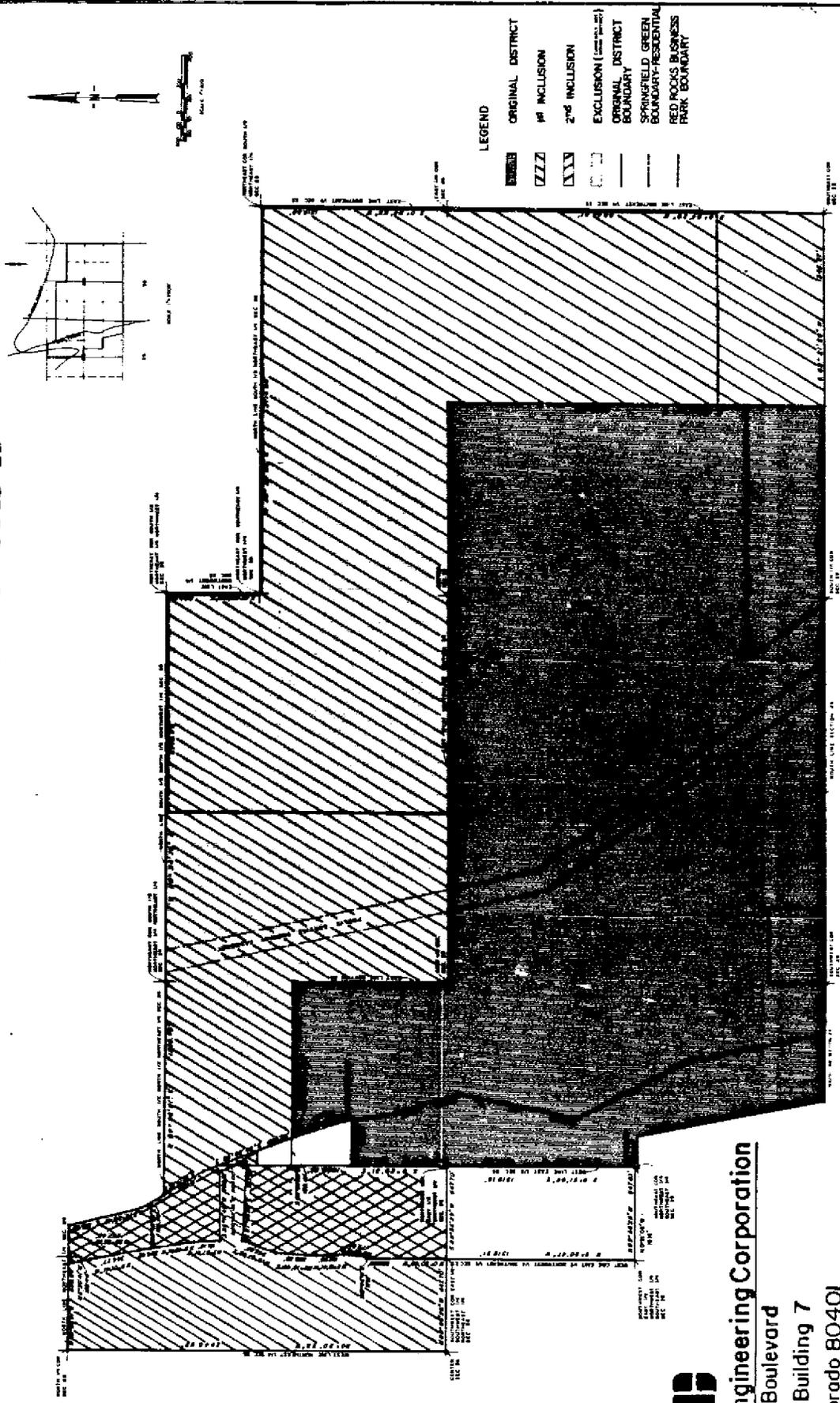
Suite 300 Building 7

Golden, Colorado 80401

(303) 232-6262

(FIGURE 1)

MOUNT CARBON METROPOLITAN DISTRICT DISTRICT BOUNDARY MAP



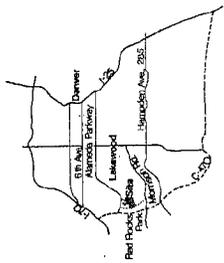
(FIGURE 2)



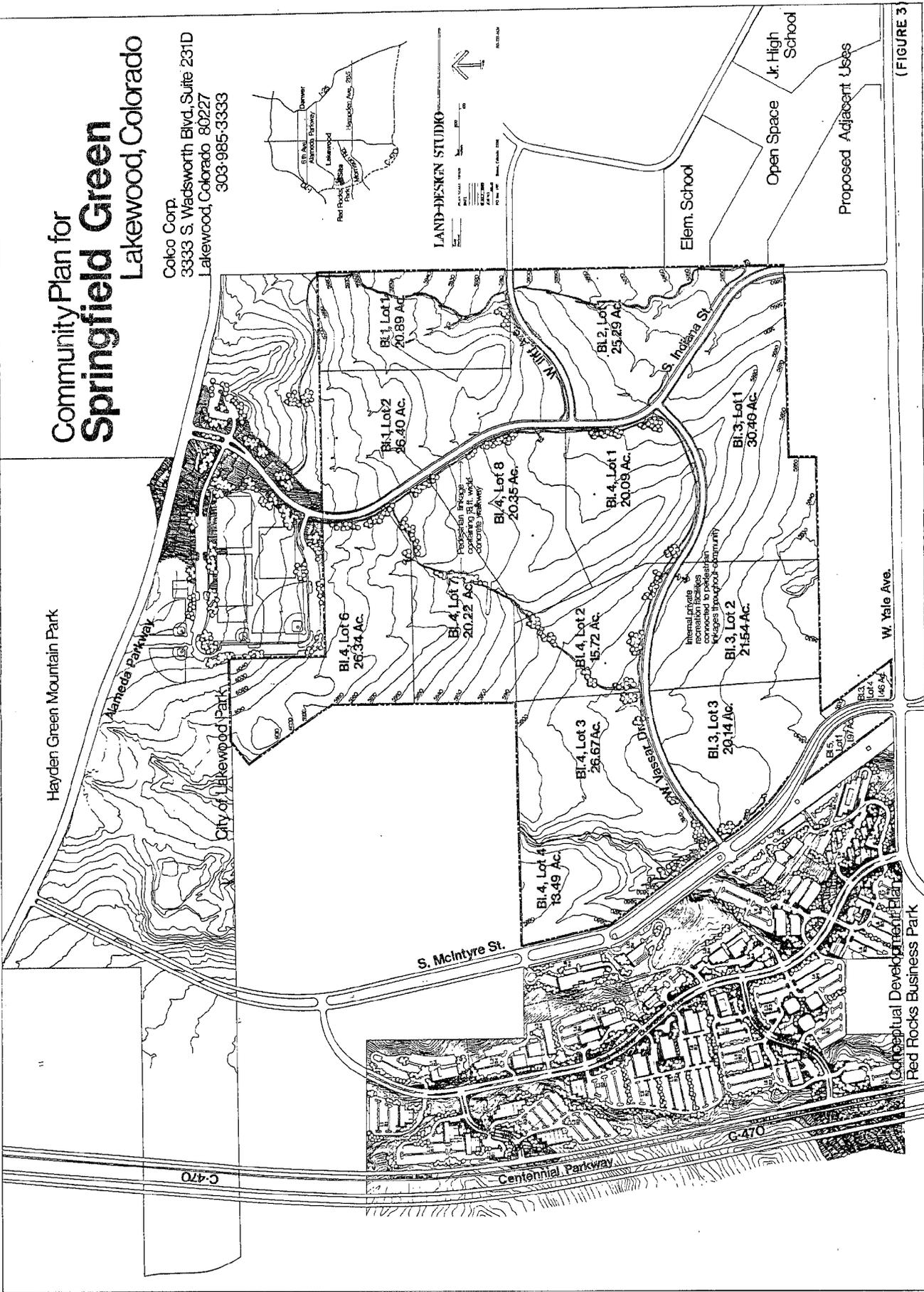
Denver Engineering Corporation
 1626 Cole Boulevard
 Suite 300 Building 7
 Golden, Colorado 80401
 (303) 232-6262

Community Plan for Springfield Green Lakewood, Colorado

Colco Corp.
3333 S. Wadsworth Blvd, Suite 231D
Lakewood, Colorado 80227
303-985-3333



LAND-DESIGN STUDIO



(FIGURE 3)

APPENDIX A

GINGERY ASSOCIATES, INC.



CONSULTING ENGINEERS

2840 SO. VALI EJO ST
ENGLEWOOD, COLO 80110
(303) 761-4860

MOUNT CARBON
JOB NO. 1523.003
NOVEMBER 4, 1982
SHEET 1 OF 2

TOTAL SERVICE AREA
MOUNT CARBON METROPOLITAN DISTRICT

A PARCEL OF LAND LOCATED IN ALL OF SECTION 25 AND THE EAST ONE-HALF OF SECTION 26, TOWNSHIP 4 SOUTH, RANGE 70 WEST OF THE SIXTH PRINCIPAL MERIDIAN, CITY OF LAKEWOOD, COUNTY OF JEFFERSON, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID SECTION 25; THENCE SOUTH $89^{\circ}21'28''$ WEST, ALONG THE SOUTH LINE OF SAID SECTION 25, A DISTANCE OF 5400.31 FEET TO THE SOUTHWEST CORNER OF SAID SECTION 25; THENCE NORTH $89^{\circ}53'28''$ WEST, ALONG THE SOUTH LINE OF SAID SECTION 26, A DISTANCE OF 825.92 FEET; THENCE NORTH $11^{\circ}12'21''$ WEST, A DISTANCE OF 1327.53 FEET; THENCE SOUTH $89^{\circ}38'54''$ WEST, A DISTANCE OF 220.00 FEET; THENCE NORTH $0^{\circ}21'06''$ WEST, A DISTANCE OF 19.16 FEET TO THE SOUTHEAST CORNER OF THE NORTHWEST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 26; THENCE NORTH $89^{\circ}58'29''$ WEST, ALONG THE SOUTH LINE OF SAID NORTHWEST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 26, A DISTANCE OF 647.83 FEET TO THE SOUTHWEST CORNER OF THE EAST ONE-HALF OF THE NORTHWEST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 26; THENCE NORTH $0^{\circ}20'47''$ WEST, ALONG THE WEST LINE OF THE EAST ONE-HALF OF THE NORTHWEST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 26, A DISTANCE OF 1318.21 FEET TO THE SOUTHWEST CORNER OF THE EAST ONE-HALF OF THE SOUTHWEST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 26; THENCE SOUTH $89^{\circ}56'29''$ WEST, ALONG THE SOUTH LINE OF THE SOUTHWEST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 26, A DISTANCE OF 647.70 FEET TO THE CENTER OF SAID SECTION 26; THENCE NORTH $0^{\circ}20'28''$ WEST, ALONG THE WEST LINE OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 26, A DISTANCE OF 2640.82 FEET TO THE NORTH ONE-QUARTER CORNER OF SAID SECTION 26; THENCE NORTH $89^{\circ}56'21''$ EAST, ALONG THE NORTH LINE OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 26, A DISTANCE OF 599.64 FEET; THENCE NORTH $89^{\circ}56'19''$ EAST, ALONG THE NORTH LINE OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 26, A DISTANCE OF 267.43 FEET TO A POINT ON THE EASTERLY LINE OF ROONEY ROAD; THENCE SOUTH $14^{\circ}26'47''$ EAST, ALONG SAID EASTERLY LINE, A DISTANCE OF 512.63 FEET; THENCE CONTINUING ALONG SAID EASTERLY LINE SOUTH $28^{\circ}43'03''$ EAST, A DISTANCE OF 186.50 FEET; THENCE NORTH $89^{\circ}56'21''$ EAST, ALONG THE NORTH LINE OF THE SOUTH ONE-HALF OF THE NORTH ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 26, A DISTANCE OF 1509.75 FEET TO THE NORTHEAST CORNER OF THE SOUTH ONE-HALF OF THE NORTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 26; THENCE NORTH $89^{\circ}24'18''$ EAST, ALONG THE NORTH LINE OF THE SOUTH ONE-HALF OF THE NORTH ONE-HALF OF THE NORTHWEST ONE-QUARTER OF

MOUNT CARBON
JOB NO. 1523.003
NOVEMBER 4, 1982
SHEET 2 OF 2

TOTAL SERVICE AREA
MOUNT CARBON METROPOLITAN DISTRICT

SAID SECTION 25, A DISTANCE OF 2718.32 FEET TO THE NORTHEAST CORNER OF THE SOUTH ONE-HALF OF THE NORTHEAST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER OF SAID SECTION 25; THENCE SOUTH $0^{\circ}09'40''$ EAST, ALONG THE EAST LINE OF THE NORTHWEST ONE-QUARTER OF SAID SECTION 25, A DISTANCE OF 659.28 FEET TO THE NORTHEAST CORNER OF THE SOUTHEAST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER OF SAID SECTION 25; THENCE NORTH $89^{\circ}24'09''$ EAST, ALONG THE NORTH LINE OF THE SOUTH ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 25, A DISTANCE OF 2714.04 FEET TO THE NORTHEAST CORNER OF THE SOUTH ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 25; THENCE SOUTH $0^{\circ}04'03''$ WEST, ALONG THE EAST LINE OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 25, A DISTANCE OF 1315.80 FEET TO THE EAST ONE-QUARTER CORNER OF SAID SECTION 25; THENCE SOUTH $0^{\circ}04'30''$ WEST, ALONG THE EAST LINE OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 25, A DISTANCE OF 2643.81 FEET TO THE POINT OF BEGINNING;

EXCEPT THAT PORTION OF THE FOLLOWING DESCRIBED PARCEL LYING WITHIN THE PREVIOUSLY DESCRIBED PARCEL AND LOCATED IN THE SOUTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 26, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE CENTER OF SAID SECTION 26; THENCE NORTH $89^{\circ}56'29''$ EAST, ALONG THE NORTH LINE OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 26, A DISTANCE OF 1295.40 FEET TO THE NORTHWEST CORNER OF THE EAST ONE-HALF OF THE SOUTHEAST ONE-QUARTER; THENCE NORTH $0^{\circ}20'51''$ WEST, ALONG THE WEST LINE OF THE EAST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 26, A DISTANCE OF 674.75 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID COURSE, A DISTANCE OF 414.60 FEET; THENCE NORTH $89^{\circ}56'25''$ EAST, A DISTANCE OF 189.41 FEET TO A POINT ON THE EASTERLY LINE OF ROONEY ROAD; THENCE ALONG SAID EASTERLY LINE OF ROONEY ROAD THE FOLLOWING THREE (3) COURSES:

- (1) SOUTH $20^{\circ}52'46''$ EAST, A DISTANCE OF 16.07 FEET;
- (2) SOUTH $18^{\circ}16'34''$ EAST, A DISTANCE OF 384.95 FEET;
- (3) SOUTH $8^{\circ}11'53''$ EAST, A DISTANCE OF 34.26 FEET;

THENCE SOUTH $89^{\circ}56'24''$ WEST, A DISTANCE OF 318.23 FEET TO THE TRUE POINT OF BEGINNING;

CONTAINING 32,724,922 SQUARE FEET OR 751.261 ACRES.

APPENDIX B

AGREEMENT

This Agreement made this 16th day of November, 1982, between the Town of Morrison, Colorado, a municipal corporation organized under the laws of the State of Colorado (hereinafter Morrison) and Mount Carbon Metropolitan District, a special district located in Jefferson County, Colorado and organized under the laws of the State of Colorado (hereinafter Mount Carbon).

RECITALS

1. The Mount Carbon Metropolitan District wants to assure for itself and its customers for the immediate future an adequate source for water storage, water treatment and sewage treatment.

2. The Town of Morrison wants to expand or reconstruct its water storage, water treatment and sewage treatment facilities.

3. The parties' purpose in entering this agreement is to create an intergovernmental relationship as authorized by C.R.S. 1973 29-1-203, whereby in exchange for the grant of certain funds, satisfaction of other financial commitments and contribution of certain water rights by Mount Carbon, Morrison shall provide, for the term specified in this agreement, certain water storage, water treatment and sewage treatment sources and services.

For the reasons recited above, and in consideration of the mutual covenants contained herein, the parties agree as follows:

SECTION ONE
Water Rights

A. Morrison owns the direct flow and storage water rights described in Exhibit A, attached hereto and incorporated herein by this reference (hereinafter referred to as "Morrison's water rights"). Morrison will proceed with its own plan of water augmentation for its present non-transferred water rights. Mt. Carbon agrees not to file as an objector to this plan.

B. Morrison shall have no obligation to furnish treated water under this agreement until such time as Mt. Carbon has obtained and dedicated to use under this agreement acceptable surface irrigation water rights. Those

water rights which shall be acceptable to Morrison are:

- 1.) Warrior Ditch Company
- 2.) Pioneer Union Ditch Company
- 3.) Hodgson Ditch Company
- 4.) Junior water rights may be acceptable if an operation study demonstrates that these junior water rights plus storage capacity will provide a firm yield during a dry cycle, as determined by the study described in D below.

Mt. Carbon may also acquire underground water rights which could allow for increased diversions to the Morrison water treatment plant. Mt. Carbon shall effect an augmentation plan which will, in effect, supplement the Morrison Augmentation Plan. All of the foregoing rights are hereinafter referred to as "Mount Carbon's Water Rights", or "contributed water rights".

C. Morrison agrees not to protest any transfers of Mt. Carbon's water rights to Morrison's intake or to storage reservoirs which are transferred from downstream of Morrison's present sewage treatment plant outfall, if Mt. Carbon agrees to subordinate under the priority system these transferred water rights to those diverted by Morrison.

D. Morrison shall have prepared, at Mt. Carbon's expense, a water rights yield study which will include simulated reservoir operations in order to determine the firm yield during a dry cycle of Mt. Carbon's contributed water rights and Morrison's water rights. If Mt. Carbon does not agree with Morrison's yield study, then Mt. Carbon may have an alternate study prepared which Morrison will consider. The yield study will be adjusted as necessary upon the completion of Morrison's Augmentation Plan and Mt. Carbon's Augmentation Plan. It is the intent of this agreement that Mt. Carbon may demand an equal amount of treated water (on an acre-feet per year basis) as the useable Mt. Carbon water rights contribute (on a net acre-feet per year basis), as determined by the yield study.

E. Morrison shall have no obligation to, and shall not, furnish treated water to Mt. Carbon, without regard to any steps taken by Mt. Carbon under this agreement and without regard to any development which may occur in reliance upon Mt. Carbon having rights under this agreement, until such time as Mt. Carbon has contributed water rights acceptable to Morrison and adequate, when used pursuant to an approved augmentation plan which may include, at Morrison's option, the use of Morrison water rights, to service the

anticipated needs of Mt. Carbon. In no event will Mt. Carbon be entitled to treated water in excess of raw water furnished by it under water rights contributed under this agreement. In the event that actual yields during a low probability drought period are less than that predicted by the yield study of paragraph D, and such yields result in actual shortages to both entities, then available water will be shared in proportion to the annual volumetric firm yield of water rights contributed by each entity.

SECTION TWO Financing

A. It is agreed that Mount Carbon is solely responsible for the financing of all site acquisition, design, engineering, construction costs (including both labor and materials) and equipment costs of the initial construction program as described in Section Three below, except as might be otherwise specifically provided in this Agreement.

B. It is agreed that Morrison shall not proceed with any phase of site acquisition, design, engineering or construction anticipated under this agreement until Mount Carbon has deposited in escrow cash funds sufficient to meet the estimated costs of that phase. Interest earned on escrowed funds shall accrue to the benefit of Mt. Carbon.

C. Mount Carbon agrees to hold harmless and defend Morrison from any claim on account of site acquisition, design, engineering, construction or equipping of the facilities described in Section Three of this Agreement arising out of actions of Mount Carbon, its agents, and employees.

D. As its financial commitment to the cost of initial facility construction contemplated by Section Three of this Agreement, Morrison agrees to turn over to Mount Carbon, as Morrison's contribution to the cost of construction of the sewage treatment plant, such funds as it may receive from the condemnation of its existing sewage treatment plant and site for purposes of the construction of I-470.

SECTION THREE Initial Construction Program

A. Prior to the construction of any facilities, a complete engineering study shall be performed which study shall identify the necessary capacities and estimated costs of the various described facilities. Such study shall be the "MASTER PLAN". The cost of the "Master Plan" shall be borne by Mount Carbon. Upon the completion of the "Master Plan" the parties shall meet and confer and agree to the phasing and financial arrangements with respect to the construction of each facility.

B. Morrison shall be responsible for the selection of

all individuals and entities whose service shall be necessary for the site acquisition, design, engineering, construction or equipping of the facilities described in this section. Such services shall be compensated by funds previously made available by Mount Carbon. Morrison shall consider any objections Mount Carbon may have to any selection hereunder, but has the right of final selection.

C. Initial Facility Construction.

1. Water Treatment Plant. At the present the Morrison water treatment plant has a capacity of 500,000 gallons per day. Mount Carbon will furnish the capital required to increase plant capacity to 1,000,000 gallons per day. Upon completion of the plant modifications, Mount Carbon shall have the right to demand up to 500,000 gallons per day upon the further conditions that: (1) all costs of the expansion have been paid by Mount Carbon; (2) Morrison has accepted as sufficient those water rights contributed to this Agreement by Mount Carbon in accordance with Section One above; (3) Mount Carbon's water rights have provided the amount of raw water demanded. Morrison shall have the right to use available treated water in excess of Mount Carbon's actual needs, to which Mount Carbon might otherwise be entitled under this agreement until Mt. Carbon needs it.

2. Raw Water Supply System. Morrison agrees to make such improvements in the existing raw water supply system diversion dam pre-filter system and settling pond as may be recommended in the Master Plan and agreed to by the parties with funds provided by Mount Carbon.

3. Finished Water Transmission Line. Morrison agrees to construct, with funds provided by Mount Carbon, a transmission line from the water treatment plant to a point to be agreed upon on the eastern edge of Morrison where said line will be tied into the Mount Carbon distribution system.

4. Water Meter Station. Morrison shall construct, with funds provided by Mount Carbon, a two directional water meter station at a point to be agreed upon by the parties on the eastern edge of Morrison located on the water transmission line described in Paragraph 3 above. All portions of the system down stream from this station shall be and remain the property and responsibility of Mount Carbon.

5. Storage Reservoir. Mount Carbon shall furnish the capital required for acquisition of land and construction of the Strain Gulch Reservoir as now proposed by the Town of Morrison. Upon completion of the Strain Gulch Reservoir, such Reservoir and the Morrison operational Reservoir (recently completed by the Town) shall be considered to be a unit so that each entity shall have reserved capacity in both units equal to 50%. Mount Carbon's rights under this sub section are further contingent upon satisfaction by it of the condi-

tions of Section One above.

6. Storage Tank. Mount Carbon shall construct a storage tank as a part of its distribution systems. Such storage tank shall be at a level so that water from it can be pumped directly through the Morrison low-level pressure zone. The storage tank and the transmission system and meter station described above, shall be designed for two-way flow so that this storage tank can furnish fire protection water to Morrison and the Morrison storage tank can furnish fire protection to Mount Carbon.

7. Sewage Treatment Plant. Mount Carbon shall furnish the funds required for the construction of a 200,000 gallon per day sewage treatment plant, designed to be expanded in modules to capacities above its initial 200,000 gpd capacity. As its sole financial commitment under this Section Three, Morrison shall contribute to construction, or pay to Mount Carbon, all monies received from the sale of its present sewage treatment plant, including site, to the State of Colorado, as stated in Section Two, paragraph D above. For such agreement, Morrison shall have reserved capacity equal to 50% (100,000 gallons per day) of the initial plant capacity.

8. Trunk sewers. Each party shall construct and pay for the trunk sewer to the sewage treatment plant to serve that party. If Morrison's engineer concludes that a joint trunk sewer for some part of the distance would be beneficial, each party would then share the cost of the joint trunk sewer in proportion to each entities reserve capacity in the sewage treatment plant.

SECTION FOUR

Future Capital Improvements

A. It is anticipated that the parties may at some future date desire that the facilities described in Section Three above, or any of them, be expanded. At such time the parties shall meet and confer regarding the terms and conditions under which such expansion shall be undertaken.

B. Each party shall share in such expanded capacity in the same proportion as its share of the cost of such expansion shall bear to the total cost of expansion of the particular facility, unless the parties shall otherwise agree.

SECTION FIVE

Facility Modification and Allocation of Capacity

A. It is anticipated by the parties that state or

federal requirements with respect to sewage treatment and discharge may change over time, necessitating modification of the sewage treatment facility. The costs of such modification shall be shared by the parties in the same proportion as their use of the facility bears to the total use except that Morrison's use shall first be reduced by 100,000 gallons per day in computing proportionate use, it being agreed by both parties that advanced treatment would not be needed should the plant capacity be limited to 100,000 gallons per day. For example if advanced waste treatment facilities were needed for a 400,000 gallons per day plant and each entity had reserved 200,000 gallons per day of plant capacity, Mount Carbon would be required to pay two-thirds (2/3) of such cost. As a further example, if the total capacity was 600,000 gallons per day, with each party reserving 50%, then Mount Carbon would be required to pay three-fifths (3/5) of the modification costs.

B. It is agreed that if allocation of the sewage treatment plant capacity should be required for any reason, the following priorities will be used:

- (1) First 100,000 gpd of capacity - Morrison
- (2) Second 100,000 gpd of capacity - Mount Carbon
- (3) Third 100,000 gpd of capacity - Morrison
- (4) Fourth 100,000 gpd of capacity - Mount Carbon
- (5) Allocations beyond 400,000 gpd shall be shared in the same proportions as the cost of the facility was shared.

C. In the event of a short-term shortage of treated water or with wastewater treatment or disposal because of equipment or facility problems or similar difficulty, the two entities shall share in the shortages in proportion to their respective average daily demands over the six month period predating the shortage.

SECTION SIX Ownership, Management and Operations

A. Ownership of all facilities and contributed water rights which are the subject of this agreement unless specifically and expressly provided otherwise in this agreement, shall be in Morrison.

B. Management and operation of all facilities which are the subject of this agreement shall be the right and the responsibility of Morrison, unless specifically and expressly provided otherwise in this agreement.

C. Morrison agrees to use all reasonable efforts to provide potable water of quality meeting state standards and to treat sewage to meet state standards. The quality of

water furnished to Mount Carbon and Morrison shall be essentially the same and the sewage treatment efficiency shall be identical. In the event that corrective actions are required or penalties are imposed, these shall be considered as operating costs and shall be borne by the parties in the same manner as operating costs are shared.

D. Morrison will be responsible for administrative reporting to the State Engineer and be responsible for maintaining and protecting such water rights as may be committed to this agreement pursuant to Section One above. The costs incurred shall be a joint cost except that costs incurred in defending a water right are chargeable to the party committing that particular right.

E. It is agreed that Mount Carbon shall provide no treated water or sewage treatment for customers located outside the boundaries of Section 25, Township 4S, Range 70W, and that part of Section 26, Township 4S, Range 70W, east of the hog back, unless said customers have first made application to Morrison and Morrison has refused service. Additionally, no contract for the provision of water or for sewage disposal which shall require Mount Carbon to exceed its reserved capacity in the facilities described in this Agreement shall be binding upon Morrison unless previously agreed to in writing by Morrison.

F. Upon completion of the facilities contemplated by this agreement, Morrison agrees to provide treated water to Mount Carbon in the amounts demanded by Mount Carbon but not exceeding the daily capacity reserved by Mount Carbon in the water treatment facility and the amount of water delivered under water rights contributed by Mount Carbon as described in Section One above.

G. Upon completion of the sewage treatment facilities contemplated by this agreement, Morrison agrees to accept from Mount Carbon sewage for treatment and disposal, in amounts transported to the facility by Mount Carbon but not exceeding the daily capacity reserved by Mount Carbon in the sewage treatment facility.

H. Amendments, approvals and acceptances made or required under this Agreement shall not be effective unless in writing, signed by the parties.

SECTION SEVEN Operating Costs and Fees

A. Morrison agrees that it shall establish separate water and sewer enterprise funds or separate departments and

shall segregate costs records for all water and sewer wholesale costs. Such costs shall apply to all water supply and treatment and sewage treatment facilities discussed herein, including the water transmission/distribution line and raw water facilities. It shall not include costs for the Morrison water distribution system, the Morrison tanks or the Morrison collection system, to the extent that these facilities are used exclusively for Morrison customers; which costs shall be accounted for separately. Costs for purposes of establishing appropriate charges to Mount Carbon shall include operations and maintenance including utilities, labor and material used, consultant services, replacement items, contingency funds, staff, office space and supplies, reserves for replacement and expansion, and such a proportion of town management costs as may be attributable to the facilities.

B. Mount Carbon will advance, based upon projected demand, its proportionate share of the annual facilities budget as estimated by Morrison. At the end of the fiscal year, which shall be the calendar year, Morrison will determine the actual unit cost per gallon of treated, delivered water and the unit cost per gallon of treated sewage and adjust the charges through an additional charge or a refund based upon Mount Carbon's actual metered water usage or actual metered sewage flow.

C. In addition to the pro rated costs described above, Mount Carbon agrees to pay Morrison a fee equal to 12% of the estimated total charges to Mount Carbon for each year, in advance, subject to adjustment at the close of each year based upon actual charges as determined under paragraph B above. In no event shall the monthly payment be less than the following minimum payments:

(1) For the first 12 months after signing this Agreement, the minimum premium shall be \$200 per month, being deemed as \$100 for water and \$100 for sewer.

(2) For the second year of the contract, the minimum premium charge shall be \$400 per month, such charge deemed as \$200 per month minimum water and \$200 per month minimum sewer.

(3) The minimum premium for succeeding years shall be \$400, adjusted by the Consumer Price Index, or similar index, using 1982 as the base year.

D. Mount Carbon agrees to pay all billing under this Agreement within thirty days of the date of the billing. Any

amounts paid more than thirty days from the date of the billing shall be subject to a penalty of 10% of the amount past due. In addition delinquent payments shall bear interest at the rate of 1-1/2% per month or part thereof overdue. Failure to pay amounts due within ninety days of the date of the initial billing shall be a default and shall constitute good and sufficient grounds for termination of this agreement by Morrison. Such termination shall be effective upon mailing of a notice of termination by Morrison to Mount Carbon at the address of Mount Carbon appearing on the records of Morrison. Upon such termination all rights of Mount Carbon and obligations of Morrison under this agreement shall be ended.

SECTION EIGHT Term and Termination

A. This agreement shall remain in effect in perpetuity unless terminated as provided in Section 7(D) or this Section 8.

B. 1. Morrison may terminate this Agreement on ten days written notice if Mount Carbon has not placed in an escrow account, in a form acceptable to Morrison, within 24 months of the date of execution of this Agreement, twenty five percent of the projected total cost of all facilities described under Section Three above as estimated in the Master Plan. Failure to have prepared a Master Plan within the twenty four month period shall be an additional ground for termination.

2. Morrison may terminate this Agreement on ten days written notice if, within twenty four months of the date of execution of this Agreement, Mount Carbon has not under contract water rights in satisfaction of its obligations under Section 1 above, or, in the opinion of Morrison, has not made satisfactory progress toward the acquisition and contribution of such rights.

3. Upon termination of this Agreement for any reason, the ownership of all facilities, contributed water rights and storage rights shall remain with Morrison and all rights of Mount Carbon under this agreement shall cease except as provided hereinafter in subparagraph C of this Section.

C. In the event of termination of this Agreement, Morrison will determine, in a manner consistent with the yield study conducted pursuant to Section 1, Paragraph D, above, the amount of useable water available, at the time of termination, to Morrison alone as a result of the joint

TABLE VIII

DEBT COUNCIL DISTRICT OF COLUMBIA
 FISCAL YEAR FORECAST
 1983 - 1998
 (DOLLAR MILLIONS)

YEAR	WATER & SEWER TAP FEES (EXHIBIT A)		PROPERTY TAXES (EXHIBIT B)		INTEREST EARNINGS (1)		INVESTMENT EARNINGS (2)		TOTAL AVAILABLE REVENUES (3)		ADMINISTRATIVE EXPENDITURES (EXHIBIT D)		WATER & SEWER TREATMENT PLANT OPERATING EXPENSES (EXHIBIT E)		WATER & SEWER MAINS & INSPECTION REPAIRS (EXHIBIT F)		DEBT SERVICE (EXHIBIT G)		AVAILABLE REVENUES AFTER DEBT SERVICE (EXHIBIT H)		DEBT SERVICE (EXHIBIT I)		AVAILABLE REVENUES AFTER DEBT SERVICE (EXHIBIT J)		DEBT SERVICE (EXHIBIT K)		AVAILABLE REVENUES AFTER DEBT SERVICE (EXHIBIT L)		CUMULATIVE SURPLUS (M)	
	\$	000	\$	000	\$	000	\$	000	\$	000	\$	000	\$	000	\$	000	\$	000	\$	000	\$	000	\$	000	\$	000	\$	000	\$	000
1983	176	22	0	0	561	0	0	0	0	1,084	75	0	0	0	0	0	0	0	0	1,084	0	0	0	0	1,084	0	0	0	0	
1984	176	22	0	0	64	0	0	0	0	1,172	62	0	0	0	0	0	0	0	0	1,110	0	0	0	0	1,110	0	0	0	0	
1985	176	22	0	0	0	0	0	0	0	1,172	71	0	0	0	0	0	0	0	0	1,101	0	0	0	0	1,101	0	0	0	0	
1986	176	22	0	0	0	0	0	0	0	1,172	71	0	0	0	0	0	0	0	0	1,101	0	0	0	0	1,101	0	0	0	0	
1987	176	22	0	0	0	0	0	0	0	1,172	71	0	0	0	0	0	0	0	0	1,101	0	0	0	0	1,101	0	0	0	0	
1988	176	22	0	0	0	0	0	0	0	1,172	71	0	0	0	0	0	0	0	0	1,101	0	0	0	0	1,101	0	0	0	0	
1989	176	22	0	0	0	0	0	0	0	1,172	71	0	0	0	0	0	0	0	0	1,101	0	0	0	0	1,101	0	0	0	0	
1990	176	22	0	0	0	0	0	0	0	1,172	71	0	0	0	0	0	0	0	0	1,101	0	0	0	0	1,101	0	0	0	0	
1991	176	22	0	0	0	0	0	0	0	1,172	71	0	0	0	0	0	0	0	0	1,101	0	0	0	0	1,101	0	0	0	0	
1992	176	22	0	0	0	0	0	0	0	1,172	71	0	0	0	0	0	0	0	0	1,101	0	0	0	0	1,101	0	0	0	0	
1993	176	22	0	0	0	0	0	0	0	1,172	71	0	0	0	0	0	0	0	0	1,101	0	0	0	0	1,101	0	0	0	0	
1994	176	22	0	0	0	0	0	0	0	1,172	71	0	0	0	0	0	0	0	0	1,101	0	0	0	0	1,101	0	0	0	0	
1995	176	22	0	0	0	0	0	0	0	1,172	71	0	0	0	0	0	0	0	0	1,101	0	0	0	0	1,101	0	0	0	0	
1996	176	22	0	0	0	0	0	0	0	1,172	71	0	0	0	0	0	0	0	0	1,101	0	0	0	0	1,101	0	0	0	0	
1997	176	22	0	0	0	0	0	0	0	1,172	71	0	0	0	0	0	0	0	0	1,101	0	0	0	0	1,101	0	0	0	0	
1998	176	22	0	0	0	0	0	0	0	1,172	71	0	0	0	0	0	0	0	0	1,101	0	0	0	0	1,101	0	0	0	0	

- (1) Assume 2% of Bond Issue
- (2) Assume 8% of Beginning Surplus through 1988; \$0 after 1988.
- (3) Does Not Include Cumulative Surpluses

EXHIBIT A
TOWN OF MORRISON
DIRECT FLOW AND STORAGE RIGHTS

Name of Structure	Ownership		Date of Adjudication	Date of Appropriation	Priority Number	Decreed Flow (cfs)	Decreed Storage (Acre-feet)	Amount Owned	
	Total	Town's						(cfs)	(Ac/ft)
<u>Water rights transferred to town's intake on Bear Creek:</u>									
Warrior	160 shs.	2 shs.	02/04/1884 02/04/1884 02/04/1884	12/01/1861 10/31/1864 04/15/1865	4 14 16	12.33 25.47 11.49		0.1233 0.2547 0.1149	
Pioneer Union	80 shs.	4 shs.	02/04/1884 02/04/1884 02/04/1884	12/10/1861 09/01/1862 03/15/1865	5 11 15	12.41 8.13 25.13		0.4964 0.3252 1.0052	
Hodgson	400 shs.	35 shs.	02/04/1884	06/01/1861	3	8.250		0.7219	
Morrison Domestic	--	--	09/24/1935	09/21/1867	4D	3.500		3.5000	
<u>Water Rights not yet changed to municipal use:</u>									
Warrior	160 shs.	2.5 shs.	02/04/1884 02/04/1884 02/04/1884 02/04/1884	12/01/1861 04/16/1862 10/31/1864 04/15/1865	4 8 14 16	12.33 2.86 25.47 11.49		0.1927 0.0447 0.3980 0.1795	
Lewis & Strouse	200 Ins.	100 ins.	02/04/1884	03/01/1863	13	5.20833		2.6042	
Soda Lakes Reservoir & Mineral Water Co. Soda Lake No. 1 Soda Lake No. 2	400 shs.	5 shs.	09/24/1935 09/24/1935	02/11/1893 02/11/1893				598.0 1794.0	

APPENDIX C

MOUNT CARBON METROPOLITAN DISTRICT

FINANCIAL FEASIBILITY STUDY

1983 - 1998

February 7, 1983

MOUNT CARBON METROPOLITAN DISTRICT

FINANCIAL FEASIBILITY STUDY

1983 - 1998

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MOUNT CARBON METROPOLITAN DISTRICT

FINANCIAL FEASIBILITY STUDY

1983 - 1998

SUMMARY OF FINDINGS AND CONCLUSIONS

INTRODUCTION

During the summer of 1982, Stanley F. Bernstein, Inc., Certified Public Accountant from Denver and Vail, Colorado, was retained by Boettcher & Company to evaluate the financial feasibility of the Mount Carbon Metropolitan District (the "District") located in Lakewood, Colorado.

The District is a quasi-municipal corporation and political subdivision of the State of Colorado, created as a Water and Sanitation District on September 14, 1976, pursuant to Part I of Article 4 of Title 32, Colorado Revised Statutes 1973, for the purposes of water treatment and supply and sanitary sewage disposal. On October 4, 1982, the District was converted to a Metropolitan District, having the additional power to provide streets, traffic safety controls and devices, and park and recreation facilities. The District is authorized by Statute to own property, levy taxes, fix charges for services, contract bonded indebtedness, condemn private property, accept water rights for public use, and pledge revenue for the payment of any indebtedness of the District.

Mr. Gary Vose, through various corporations, owns all the land that is in the District with the exception of five parcels owned by various individuals; one parcel owned by Woods Bros. Homes, Inc., one parcel owned by Andromeda Corporation, and one parcel owned by the Good Partnership. The total acreage within the District owned by Gary Vose through his corporations is approximately 450 acres.

APPROACH AND METHODOLOGY

The financial planning approach that was used by Stanley F. Bernstein, Inc., is set forth as follows:

- o A schedule of the real estate development anticipated to occur within the District was provided to Stanley F. Bernstein, Inc., by Mr. Gary Vose, the primary real estate developer within the District. This real estate development schedule provided forecasts by year of the real estate activity that is anticipated to occur within the District from 1983 through 1996.
- o An estimate of the anticipated District's capital improvement costs was provided to Stanley F. Bernstein, Inc. by the District's consulting engineers, Gingery Associates, Inc. The estimated capital improvement costs were translated into annual financing requirements and the annual debt service requirements (assuming a series of tax-exempt general obligation municipal bond issues) were then calculated.
- o Reasonable operating expenditure allowances for administration, maintenance, and direct water and sewage treatment were determined based upon discussions with Mr. Gary Vose, and Gingery Associates, Inc.
- o Based upon the real estate development anticipated to occur within the District, forecasts of the District's revenues (property taxes, water and sewer tap and system development fees, and monthly user fees) were prepared.
- o Forecasts of the District's annual and cumulative surpluses (fund balances) were prepared based upon revenue and expenditure forecasts and an evaluation of the District's financial feasibility was then made.

FORECASTED REAL ESTATE DEVELOPMENT WITHIN THE DISTRICT 1983 - 1996

Table I sets forth a summary of the forecasted real estate development within the District's boundaries that was used to develop the forecasted

District's revenues and expenditures. Appendix I of this Study sets forth a more detailed forecast of real estate development within the District. The District's forecasted revenues and expenditures are extremely sensitive to the rate of real estate development within the District.

TABLE I
MOUNT CARBON METROPOLITAN DISTRICT
FORECASTED REAL ESTATE DEVELOPMENT(1)
1983 - 1996

<u>Year Construction Started</u>	<u>Year Construction Completed</u>	<u>Residential Living Units</u>		<u>Commercial Square Feet</u>	
		<u>Cumulative Developed</u>	<u>% of Total</u>	<u>Cumulative Developed</u>	<u>% of Total</u>
1983	1984	100	5%	0	0%
1984	1985	200	9%	0	0%
1985	1986	400	18%	64,000	2%
1986	1987	600	27%	128,000	4%
1987	1988	1,000	45%	256,000	9%
1988	1989	1,400	63%	384,000	13%
1989	1990	1,800	81%	640,000	21%
1990	1991	2,200	99%	896,000	30%
1991	1992	2,229	100%	1,280,000	43%
1992	1993	2,229	100%	1,664,000	55%
1993	1994	2,229	100%	2,176,000	73%
1994	1995	2,229	100%	2,688,000	90%
1995	1996	2,229	100%	3,000,000	100%

(1) Source: Mr. Gary Vose

ACTUAL AND FORECASTED DISTRICT CAPITAL IMPROVEMENT COSTS AND BOND ISSUES 1983 - 1998

Table II sets forth a summary of the forecasted capital improvement requirements for the District. The cost estimates include 20% allowances for engineering, legal, and general contingencies, and have been inflated 8% per year (above 1983 dollars) to reflect future price increases.

TABLE II
MOUNT CARBON METROPOLITAN DISTRICT
FORECASTED DISTRICT CAPITAL IMPROVEMENT REQUIREMENTS
1983 - 1990

<u>Improvement</u>	<u>1983</u>	<u>1990</u>	<u>Total</u>
Water	\$3,236,500	\$2,057,000	\$5,293,500
Sanitary Sewer	2,386,000	5,092,000	7,478,000
Roads	1,000,000 ⁽²⁾	-0-	1,000,000
Parks	<u>300,000⁽³⁾</u>	<u>-0-</u>	<u>300,000</u>
Total Forecasted Costs ⁽¹⁾	<u>\$6,922,500</u>	<u>\$7,149,000</u>	<u>\$14,071,500</u>

(1) Source: Gingery Associates, Inc. - 1983 Dollars inflated by 8% per year (includes 10% for legal/engineering and 10% contingency).

(2) Excludes \$1,570,000 to be funded through contributions and possibly recovered through "Cost Recovery Contracts".

(3) Excludes \$300,000 to be funded through contributions and possibly recovered through "Cost Recovery Contracts".

Table II indicates that based upon the forecasted real estate development schedule, the District will require large capital expenditures for infrastructure improvements during 1983 and 1990; after 1990, minimal District capital expenditures will be required. It should also be noted that approximately \$1,900,000 of road and park improvements will be funded during 1983 or 1984 by the primary developer who may be reimbursed by the District in future years through "Cost-Recovery Contracts".

Table III sets forth a summary of the forecasted general obligation bond issues from 1983 through 1998.

TABLE III

MOUNT CARBON METROPOLITAN DISTRICT
 FORECASTED BOND ISSUE AMOUNTS
 1873 - 1990

<u>Year</u>	<u>Net Bond Proceed Requirements</u>	<u>Assumed Interest Rate</u>	<u>Capitalized Interest</u>	<u>Cost of Issuance</u>	<u>Amount of Bond Issue</u>	<u>Length of Issue</u>
1983	\$1,800,000	9%	\$ 80,000	\$120,000	\$2,000,000	3 years
1983	5,122,500	10%	792,500	185,000	6,100,000	8 years
1986	2,000,000	12%	-0-	60,000	2,060,000	20 years
1990	<u>7,149,000</u>	11%	<u>776,000</u>	<u>300,000</u>	<u>8,225,000</u>	20 years
Totals	<u>\$16,071,500</u>		<u>\$1,648,500</u>	<u>\$665,000</u>	<u>\$18,385,000</u>	

The forecasted bond issue amounts as set forth in Table III assume capitalized interest ranging from $\frac{1}{2}$ to $1\frac{1}{2}$ years, issuance costs of 3 to 6 points, and interest rates ranging from 9% - 12%. Maturities of the various bond issues range from 3 to 20 years. The actual terms and features of each bond issue will probably vary from those presented, as municipal bond markets and real estate development activity within the District change.

FORECASTED DEBT SERVICE REQUIREMENTS TO MATURITY 1983 - 1998

Table IV sets forth the District's forecasted net debt service requirements based upon the assumptions in Table III.

TABLE IV

MOUNT CARBON METROPOLITAN DISTRICT
 FORECASTED NET⁽¹⁾ DEBT SERVICE REQUIREMENTS
 1983 - 1998
 (000's OMITTED)

YEAR	-----FORECASTED BOND ISSUES-----				TOTAL ALL ISSUES
	\$2,000,000 1983 NOTE ⁽²⁾	\$6,100,000 1983 BONDS ⁽³⁾	\$2,060,000 1986 BONDS ⁽⁴⁾	\$8,225,000 1990 BONDS ⁽⁵⁾	
1983	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
1984	180	0	0	0	180
1985	180	305	0	0	485
1986	90	610	124	0	824
1987	0	1,310	247	0	1,557
1988	0	1,440	279	0	1,719
1989	0	1,750	279	0	2,029
1990	0	2,120	279	0	2,399
1991	0	1,540	279	0	1,819
1992	0	0	279	1,034	1,313
1993	0	0	279	1,034	1,313
1994	0	0	279	1,034	1,313
1995	0	0	279	1,034	1,313
1996	0	0	279	1,034	1,313
1997	0	0	279	1,034	1,313
1998	0	0	279	1,034	1,313

- (1) Net of Capitalized Interest
- (2) Assume 9% Interest Rate / 1/2 Year Capitalized Interest / Issue Dated March 1, 1983
- (3) Assume 10% Interest Rate / 1½ Year Capitalized Interest / Issue Dated August 1, 1983 - 9-Year Serial Bonds - See Exhibit H-1
- (4) Assume 1983 \$2,060,000 Note Refunded March 1, 1986 with 20-Year Serial Bonds - 12% Interest Rate
- (5) Assume 11% Interest Rate / 1 Year Capitalized Interest - Issue Dated August 1, 1990 - 20-Year Serial Bonds

The District's forecasted debt service requirements have been structured to coincide with the District's forecasted revenue flow. In the event that the development in the District occurs at a rate different than that forecasted, debt service requirements would be structured accordingly.

FORECASTED ADMINISTRATIVE, MAINTENANCE, AND DIRECT WATER AND SEWER TREATMENT EXPENDITURES - 1983 - 1998

Forecasted operating expenditures for the District are set forth in Table V.

TABLE V

MOUNT CARBON METROPOLITAN DISTRICT
 FORECASTED DISTRICT OPERATING EXPENDITURES
 1983 - 1998
 (000's OMITTED)

<u>Year</u>	<u>Administration</u>	<u>Repair/ Mtce/ Inspection</u>	<u>Water & Sewer Direct Treatment Costs</u>	<u>Totals</u>
1983	\$40	0	\$ 0	\$ 40
1984	75	35	10	120
1985	62	35	30	127
1986	71	35	57	163
1987	78	45	111	234
1988	81	45	175	301
1989	92	45	292	429
1990	98	55	390	543
1991	101	55	556	712
1992	113	55	635	803
1993	118	65	739	922
1994	121	65	753	939
1995	132	65	847	1,044
1996	138	75	867	1,080
1997	141	75	978	1,194
1998	150	75	978	1,203

Administrative expenditures include reasonable allowances for legal, audit, management, accounting, clerical, and office and administrative support and are set forth in detail in Exhibit D of this Study. Repair, maintenance, and inspection expenditures include repair of District water and sewer mains, park and ground maintenance, and water and sewer connection inspection services. Water and sewage direct treatment costs reflect anticipated direct water and sewer and administrative costs to be paid to the Town of Morrison for treatment of the District's water and sewage requirements. Road maintenance, repair, and plowing costs are anticipated to be provided by the City of Lakewood. The above forecasted District Operating Expenditures i) include inflationary allowances of 8% per year and ii) assume that the District will be managed efficiently and effectively.

FORECASTED ASSESSED VALUATION, MILL LEVIES, AND PROPERTY TAX REVENUES
1983 - 1998

Table VI sets forth the forecasted property tax revenues for the District assuming a 10 mill levy.

TABLE VI
MOUNT CARBON METROPOLITAN DISTRICT
FORECASTED PROPERTY TAX REVENUES
1986 - 1998
(000's OMITTED)

YEAR TAXES WILL BE RECEIVED	-----ASSESSED VALUATION-----			GROSS PROPERTY TAX LEVY @ 10 MILLS
	LIVING UNITS (EXHIBIT C-1)	OFFICE SPACE (EXHIBIT C-2)	TOTAL	
1986	\$ 1,125	\$ 0	\$ 1,125	\$ 11
1987	2,250	0	2,250	23
1988	4,500	800	5,300	53
1989	6,750	1,600	8,350	84
1990	11,250	3,200	14,450	145
1991	15,750	4,800	20,550	206
1992	20,250	8,000	28,250	283
1993	24,750	11,200	35,950	360
1994	27,326	16,000	43,326	433
1995	27,326	20,800	48,126	481
1996	27,326	27,200	54,526	545
1997	27,326	33,600	60,926	609
1998	27,326	37,500	64,826	648

The assessed valuation forecasts are based upon the forecasted real estate development schedule and assume an average assessed valuation of \$11,250 per living unit and \$12.50 per square foot for commercial buildings. Table VI indicates that assessed valuation within the District will not be significant until the District's 1989 budget year; consequently, property taxes (assuming a 10 mill levy) will not contribute significant amounts of revenues to the District during the 1980's.

It should be emphasized that Colorado House Bill 1452 provides for major reappraisals of real estate in the State of Colorado for the 1984 tax year. Such reappraisals could result in assessed valuation for the District in excess of those presented in Table VI. In an attempt to forecast conservative assessed valuations for the District, the impacts of a major reappraisal in 1984 have been ignored. In the event that assessed valuation increases occur because of reappraisals, it has been assumed that the forecasted District's 10 mill levy will decrease accordingly and that the forecasted gross property tax levy will be the same. Exhibits C-1 and C-2 in this Study provide additional detail with respect to the District's forecasted assessed valuation.

FORECASTED WATER AND SEWER UTILITY REVENUES

Table VII sets forth a forecast of water and sewer tap fee and system development fee revenues, and water and sewer user fee revenues from 1983 through 1998.

TABLE VII

MOUNT CARBON METROPOLITAN DISTRICT
 FORECASTED WATER AND SEWER TAP FEE AND SYSTEM DEVELOPMENT FEE REVENUES
 AND WATER AND SEWER USER FEE REVENUES
 1983 - 1998
 (000 OMITTED)

<u>Year</u>	<u>Water & Sewer Tap Fees and System Development Fee Revenues</u>	<u>Water & Sewer User Fee Revenues</u>	<u>Total Tap Fees And User Fee Revenues</u>
1983	\$ 321.	\$ 0	\$ 321
1984	374	22	396
1985	771	72	843
1986	908	142	1,050
1987	1,724	264	1,988
1988	1,889	424	2,313
1989	1,968	704	2,672
1990	2,143	942	3,085
1991	1,437	1,300	2,737
1992	360	1,514	1,874
1993	480	1,768	2,248
1994	512	1,790	2,302
1995	512	2,004	2,516
1996	0	2,038	2,038
1997	0	2,280	2,280
1998	0	2,280	2,280

Water and sewer tap fee and system development fee revenue forecasts are based upon the forecasted real estate development schedule and upon tap fee and system development fee rates that are competitive with other districts in the Denver Metropolitan area. Exhibit A and Appendix II of this Study provide additional detail with respect to the District's water and sewer tap fee and system development fee rates and forecasted revenues. Tap fee and system development fee rates have been structured so that over a 13-year period tap fee and system development fee revenues will recover the capital costs of the water and sewer utility system (approximately \$13,000,000).

Water user fee revenue forecasts are also based upon the forecasted District real estate development schedule and upon water rates that are competitive with other districts within the Denver Metropolitan area. Forecasted sewer rates for the District are higher than many other metropolitan districts but reflect the District's anticipated direct sewage treatment costs which will be payable to the Town of Morrison. Exhibits B-1, B-2, and Appendix III of this Study provide additional detail with respect to the District's water and sewer monthly user fee rates and forecasted revenues.

FORECASTED DISTRICT CASH FLOW 1983 - 1998

The forecasted cash flow for the District is set forth in Table VIII. Table VIII indicates that during 1983 through 1991 approximately 90% of the District's revenues (approximately \$16,000,000) is forecasted to be generated by water and sewer utility revenues. It is also interesting to note that at maturity, the forecasted financial strength of the District is based upon its monthly water and user fee revenues and not its 10 mill levy or its water and sewer tap fee and system development fee revenues.

Based upon the District's forecasted cash flow, it appears that the cumulative surpluses for the District will increase from \$342,000 as of December 31, 1983 to \$5,360,000 as of December 31, 1998, which indicates that the District has the capability to function as a financially independent entity and to discharge its indebtedness and fund its operations while maintaining reasonable mill levy, user fee, tap fee, and system development fee rates.

EXHIBIT A
MOUNT CARBON METROPOLITAN DISTRICT
FORECASTED WATER AND SEWER TAP FEE AND SYSTEM DEVELOPMENT FEE REVENUES
1983 - 1995

YEAR	3/4" TAPS		1" TAPS		1 1/2" TAPS		2" TAPS		TOTAL TAP FEE REVENUES
	#	TAP FEE/ TAP	#	TAP FEE/ TAP	#	TAP FEE/ TAP	#	TAP FEE/ TAP	
1983	10	\$ 5,000	6	\$19,000	4	\$38,000	0	\$40,000	\$ 0
1984	10	6,050	7	20,900	4	41,800	0	44,000	0
1985	20	6,050	13	20,900	8	41,800	1	44,000	44,000
1986	20	6,350	14	22,900	9	45,800	1	48,000	48,000
1987	40	6,350	26	22,900	17	45,800	2	48,000	96,000
1988	40	6,650	27	24,900	17	49,800	2	52,000	104,000
1989	40	6,650	26	24,900	17	49,800	4	52,000	208,000
1990	40	6,950	27	26,900	17	53,800	4	56,000	224,000
1991	23	6,950	15	26,900	10	53,800	6	56,000	336,000
1992	0	7,250	0	28,900	0	57,800	0	60,000	360,000
1993	0	7,250	0	28,900	0	57,800	0	60,000	480,000
1994	0	7,550	0	30,900	0	61,800	0	64,000	512,000
1995	0	7,550	0	30,900	0	61,800	0	64,000	512,000

- (1) 10% Increase above 1983 Tap Fees plus \$300 Increase every other year.
- (2) Assume 10% Increase above 1983 Tap Fees plus \$2,000 Increase every other year.
- (3) Assume 10% Increase above 1983 Tap Fees plus \$4,000 Increase every other year.

EXHIBIT B
MOUNT CARBON METROPOLITAN DISTRICT
FORECASTED WATER AND SEWER MONTHLY USER FEE REVENUES
1984 - 1998
(000's Omitted)

<u>YEAR</u>	<u>RESIDENTIAL</u> <u>(EXHIBIT B-1)</u>	<u>COMMERCIAL</u> <u>(EXHIBIT B-2)</u>	<u>TOTAL</u>
1984	\$ 22	\$ 0	\$ 22
1985	72	0	72
1986	142	0	142
1987	262	2	264
1988	418	6	424
1989	692	12	704
1990	922	20	942
1991	1,264	36	1,300
1992	1,464	50	1,514
1993	1,690	78	1,768
1994	1,690	100	1,790
1995	1,860	144	2,004
1996	1,860	178	2,038
1997	2,046	234	2,280
1998	2,046	234	2,280

EXHIBIT B-1
MOUNT CARBON METROPOLITAN DISTRICT
FORECASTED WATER AND SEWER MONTHLY USER FEE REVENUES - RESIDENTIAL UNITS
1984 - 1998

YEAR	WATER			SEWER			TOTAL WAT AND SEWE REVENUE (000 OMIT
	CUMULATIVE EQUIVALENT RESIDENTIAL UNITS	MONTHLY (1) /ANNUAL RATE	ANNUAL REVENUE YIELD (000 OMITTED)	MONTHLY (1) /ANNUAL RATE	ANNUAL REVENUE YIELD (000 OMITTED)		
1984	50	\$18.00/\$216	\$ 11	\$18.00/\$216	\$ 11	\$ 22	
1985	150	19.80/ 238	36	19.80/ 238	36	72	
1986	300	19.80/ 238	71	19.80/ 238	71	142	
1987	500	21.78/ 261	131	21.78/ 261	131	262	
1988	800	21.78/ 261	209	21.78/ 261	209	418	
1989	1,200	23.96/ 288	346	23.96/ 288	346	692	
1990	1,600	23.96/ 288	461	23.96/ 288	461	922	
1991	2,000	26.36/ 316	632	26.36/ 316	632	1,264	
1992	2,315	26.36/ 316	732	26.36/ 316	732	1,464	
1993	2,429	29.00/ 348	845	29.00/ 348	845	1,690	
1994	2,429	29.00/ 348	845	29.00/ 348	845	1,690	
1995	2,429	31.90/ 383	930	31.90/ 383	930	1,860	
1996	2,429	31.90/ 383	930	31.90/ 383	930	1,860	
1997	2,429	35.09/ 421	1,023	35.09/ 421	1,023	2,046	
1998	2,429	35.09/ 421	1,023	35.09/ 421	1,023	2,046	

(1) Assume 10% Increase every 2 years

EXHIBIT B-2

MOUNT CARBON METROPOLITAN DISTRICT
 FORECASTED WATER AND SEWER MONTHLY USER FEE REVENUES - COMMERCIAL BUILDINGS
 1985 - 1998

YEAR	CUMULATIVE # OF 2" TAPS	-----WATER-----		-----SEWER-----		TOTAL WATER AND SEWER REVENUE (000 OMITTED)
		MONTHLY ⁽¹⁾ /ANNUAL RATE	ANNUAL REVENUE YIELD (000 OMITTED)	MONTHLY ⁽¹⁾ /ANNUAL RATE	ANNUAL REVENUE YIELD (000 OMITTED)	
1985	0	\$110/\$1,320	\$ 0	\$110/\$1,320	\$ 0	\$ 0
1986	0	110/ 1,320	0	110/ 1,320	0	0
1987	1	121/ 1,452	1	121/ 1,452	1	2
1988	2	121/ 1,452	3	121/ 1,452	3	6
1989	4	133/ 1,596	6	133/ 1,596	6	12
1990	6	133/ 1,596	10	133/ 1,596	10	20
1991	10	146/ 1,752	18	146/ 1,752	18	36
1992	14	146/ 1,752	25	146/ 1,752	25	50
1993	20	161/ 1,932	39	161/ 1,932	39	78
1994	26	161/ 1,932	50	161/ 1,932	50	100
1995	34	177/ 2,124	72	177/ 2,124	72	144
1996	42	177/ 2,124	89	177/ 2,124	89	178
1997	50	195/ 2,340	117	195/ 2,340	117	234
1998	50	195/ 2,340	117	195/ 2,340	117	234

(1) Assume 10% Increase every 2 Years

EXHIBIT C

MOUNT CARBON METROPOLITAN DISTRICT
 FORECASTED PROPERTY TAX REVENUES
 1986 - 1998
 (000's OMITTED)

YEAR TAXES WILL BE RECEIVED	-----ASSESSED VALUATION-----			GROSS PROPERTY TAX LEVY @ 10 MILLS
	LIVING UNITS (EXHIBIT C-1)	OFFICE SPACE (EXHIBIT C-2)	TOTAL	
1986	\$ 1,125	\$ 0	\$ 1,125	\$ 11
1987	2,250	0	2,250	23
1988	4,500	800	5,300	53
1989	6,750	1,600	8,350	84
1990	11,250	3,200	14,450	145
1991	15,750	4,800	20,550	206
1992	20,250	8,000	28,250	283
1993	24,750	11,200	35,950	360
1994	27,326	16,000	43,326	433
1995	27,326	20,800	48,126	481
1996	27,326	27,200	54,526	545
1997	27,326	33,600	60,926	609
1998	27,326	37,500	64,826	648

EXHIBIT C-1

MOUNT CARBON METROPOLITAN DISTRICT
 FORECASTED ASSESSED VALUATION - RESIDENTIAL LIVING UNITS (AVERAGE 900 SQUARE FEET)
 1986 - 1998

<u>YEAR UNITS COMPLETED</u>	<u>YEAR CERTIFIED TO DISTRICT</u>	<u>YEAR DISTRICT WILL RECEIVE TAXES</u>	<u># OF INCREMENTAL UNITS COMPLETED</u>	<u># OF CUMULATIVE UNITS COMPLETED</u>	<u>ESTIMATED (1) ASSESSED VALUATION/UNIT (000 OMITTED)</u>	<u>ESTIMATED CUMULATIVE ASSESSED VALUATION (000 OMITTED)</u>
1984	1985	1986	100	100	\$11,250	\$ 1,125
1985	1986	1987	100	200	11,250	2,250
1986	1987	1988	200	400	11,250	4,500
1987	1988	1989	200	600	11,250	6,750
1988	1989	1990	400	1,000	11,250	11,250
1989	1990	1991	400	1,400	11,250	15,750
1990	1991	1992	400	1,800	11,250	20,250
1991	1992	1993	400	2,200	11,250	24,750
1992	1993	1994	229	2,429	11,250	27,326
1993	1994	1995	0	2,429	11,250	27,326
1994	1995	1996	0	2,429	11,250	27,326
1995	1996	1997	0	2,429	11,250	27,326
1996	1997	1998	0	2,429	11,250	27,326

(1) Assume 15% of 1982 Market Value (15% x 75,000 = \$11,250)

EXHIBIT C-2

MOUNT CARBON METROPOLITAN DISTRICT
 FORECASTED ASSESSED VALUATION - COMMERCIAL BUILDINGS
 1988 - 1998

YEAR COMMERCIAL SPACE COMPLETED	YEAR CERTIFIED TO DISTRICT	YEAR DISTRICT WILL RECEIVE TAXES	# OF INCREMENTAL SQUARE FEET OFFICE SPACE	# OF CUMULATIVE SQUARE FEET OFFICE SPACE	ESTIMATED (1) ASSESSED VALUATION/ SQ. FT.	ESTIMATED CUMULATIVE ASSESSED VALUATION (000 OMITTED)
1986	1987	1988	64,000	64,000	\$12.50	\$ 800
1987	1988	1989	64,000	128,000	12.50	1,600
1988	1989	1990	128,000	256,000	12.50	3,200
1989	1990	1991	128,000	384,000	12.50	4,800
1990	1991	1992	256,000	640,000	12.50	8,000
1991	1992	1993	256,000	896,000	12.50	11,200
1992	1993	1994	384,000	1,280,000	12.50	16,000
1993	1994	1995	384,000	1,664,000	12.50	20,800
1994	1995	1996	512,000	2,176,000	12.50	27,200
1995	1996	1997	512,000	2,688,000	12.50	33,600
1996	1997	1998	312,000	3,000,000	12.50	37,500

(1) Assume 15% of 1982 Market Value (15% x \$83 = \$12.50)

EXHIBIT D

MOUNT CARBON METROPOLITAN DISTRICT
 FORECASTED ADMINISTRATIVE EXPENDITURES (1)
 1983 - 1998
 (000's OMITTED)

<u>YEAR</u>	<u>LEGAL</u>	<u>AUDIT</u>	<u>MANAGEMENT ACCOUNTING CLERICAL</u>	<u>SUPPORT</u>	<u>OTHER</u>	<u>TOTAL</u>
1983	\$ 25	\$ 0	\$ 5	\$ 5	\$ 5	\$ 40
1984	25	5	25	15	5	75
1985	10	5	27	15	5	62
1986	10	5	29	20	7	71
1987	10	6	35	20	7	78
1988	10	6	38	20	7	81
1989	12	6	40	25	9	92
1990	12	7	45	25	9	98
1991	12	7	48	25	9	101
1992	14	7	51	30	11	113
1993	14	8	55	30	11	118
1994	14	8	58	30	11	121
1995	16	8	60	35	13	132
1996	16	9	65	35	13	138
1997	16	9	68	35	13	141
1998	16	9	70	40	15	150

(1) Excludes "Capitalized" Administrative Expenditures

EXHIBIT E

HOUNT CARBON METROPOLITAN DISTRICT
 FORECASTED DIRECT WATER AND SEWER TREATMENT COSTS
 1983 - 1998

YEAR	CUMULATIVE RESIDENTIAL UNITS	COMMUNAL EQUIVALENT UNITS (1)	ANNUAL		TOTAL GALLONS TREATED WATER/SEWER (000 OMITTED)	ESTIMATED DIRECT WATER TREATMENT COST PER 1,000 GALLONS	ANNUAL TREATMENT COSTS		FORECASTED (000 OMITTED)		ANNUAL TREATMENT COSTS PLUS 12% (3)
			EST. GALLONS CONSUMED PER EQUIVALENT UNIT	TOTAL EQUIVALENT UNITS			WATER	SEWER(2)	TOTAL	PLUS 12% (3)	
1983	0	0	105,000	0	0	\$.50	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
1984	50	0	105,000	50	5,250	.50	3	6	9	10	10
1985	150	0	105,000	150	15,750	.55	9	18	27	30	30
1986	300	0	105,000	300	31,500	.55	17	34	51	57	57
1987	500	8	105,000	508	53,340	.61	31	66	99	111	111
1988	800	16	105,000	816	85,680	.61	52	104	156	175	175
1989	1,200	32	105,000	1,232	129,360	.67	87	174	261	292	292
1990	1,600	48	105,000	1,648	173,040	.67	116	232	348	390	390
1991	2,000	80	105,000	2,080	218,400	.74	162	334	496	556	556
1992	2,315	112	105,000	2,427	254,835	.74	189	378	567	635	635
1993	2,429	160	105,000	2,589	271,845	.81	220	440	660	739	739
1994	2,429	208	105,000	2,637	276,885	.81	224	448	672	753	753
1995	2,429	272	105,000	2,701	283,605	.89	252	504	756	847	847
1996	2,429	336	105,000	2,765	290,325	.89	258	516	774	867	867
1997	2,429	400	105,000	2,829	297,045	.98	291*	582	873	978	978
1998	2,429	400	105,000	2,829	297,045	.98	291	582	873	978	978

(1) Assume 8 Single Family Equivalents per tap

(2) Assume Sewage Treatment Costs are Two Times Water Costs.

(3) Per Agreement with the Town of Harrison.

EXHIBIT F

MOUNT CARBON METROPOLITAN DISTRICT
 FORECASTED DISTRICT CAPITAL IMPROVEMENT REQUIREMENTS
 1983 - 1990

<u>IMPROVEMENT</u>	<u>1983</u>	<u>1990</u>	<u>TOTAL</u>
Water	\$3,236,500	\$2,057,000	\$5,293,500
Sanitary Sewer	2,386,000	5,092,000	7,478,000
Roads	1,000,000 ⁽²⁾	-0-	1,000,000
Parks	<u>300,000⁽³⁾</u>	<u>-0-</u>	<u>300,000</u>
Total Forecasted Costs (1)	<u>\$6,922,500</u>	<u>\$7,149,000</u>	<u>\$14,071,500</u>

- (1) Source: Gingery Associates, Inc. - 1983 Dollars inflated by 8% per year (Includes 10% for legal/engineering and 10% contingency).
- (2) Excludes \$1,570,000 to be funded through contributions and possibly recovered through "Cost Recovery Contracts".
- (3) Excludes \$300,000 to be funded through contributions and possibly recovered through "Cost Recovery Contracts".

EXHIBIT G

MOUNT CARBON METROPOLITAN DISTRICT
 FORECASTED BOND ISSUE AMOUNTS
 1983 - 1990

BOND ISSUE	NET BOND PROCEED REQUIREMENTS (EXHIBIT F)	ASSUMED INTEREST RATE	CAPITALIZED INTEREST	COST OF ISSUANCE	AMOUNT OF BOND ISSUE	ASSUMED DATE OF ISSUE	MATURITY
Series 1983 Notes	\$1,800,000	9%	\$80,000	\$120,000	\$2,000,000	3/1/83	3/1/86
Series 1983 Bonds	5,122,500	10%	792,500	185,000	6,100,000	8/1/83	8/1/91
Series 1986 Note Refunding	2,000,000	12%	-0-	60,000	2,060,000	3/1/86	3/1/2006
Series 1990 Bonds	7,149,000	11%	776,000	300,000	8,225,000	8/1/90	8/1/2010
TOTALS	\$16,071,500		\$1,648,500	\$665,000	\$18,385,000		

EXHIBIT H

MOUNT CARBON METROPOLITAN DISTRICT
 FORECASTED NET⁽¹⁾ DEBT SERVICE REQUIREMENTS
 1983 - 1998
 (000's OMITTED)

YEAR	-----FORECASTED BOND ISSUES-----				TOTAL ALL ISSUES
	\$2,000,000 1983 NOTE (2)	\$6,100,000 1983 BONDS (3)	\$2,060,000 1986 BONDS (4)	\$8,225,000 1990 BONDS (5)	
1983	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
1984	180	0	0	0	180
1985	180	305	0	0	485
1986	90	610	124	0	824
1987	0	1,310	247	0	1,557
1988	0	1,440	279	0	1,719
1989	0	1,750	279	0	2,029
1990	0	2,120	279	0	2,399
1991	0	1,540	279	0	1,819
1992	0	0	279	1,034	1,313
1993	0	0	279	1,034	1,313
1994	0	0	279	1,034	1,313
1995	0	0	279	1,034	1,313
1996	0	0	279	1,034	1,313
1997	0	0	279	1,034	1,313
1998	0	0	279	1,034	1,313

- (1) Net of Capitalized Interest
- (2) Assume 9% Interest Rate / 1/2 Year Capitalized Interest / Issue Dated March 1, 1983
- (3) Assume 10% Interest Rate / 1½ Year Capitalized Interest / Issue Dated August 1, 1983 - 9-Year Serial Bonds - See Exhibit H-1
- (4) Assume 1983 \$2,060,000 Note Refunded March 1, 1986 with 20-Year Serial Bonds - 12% Interest Rate
- (5) Assume 11% Interest Rate / 1 Year Capitalized Interest - Issue Dated August 1, 1990 - 20-Year Serial Bonds

EXHIBIT H-1

MOUNT CARBON METROPOLITAN DISTRICT
 HYPOTHETICAL NET DEBT SERVICE REQUIREMENTS
 SERIES B - 1983 \$6,100,000 G.O. ISSUE
 DATED 8/1/83 - 10%
 (000'S OMITTED)

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
1983	\$ 0	\$ 0	\$ 0
1984	0	0	0
1985	0	305	305
1986	0	610	610
1987	700	610	1,310
1988	900	540	1,440
1989	1,300	450	1,750
1990	1,800	320	2,120
1991	<u>1,400</u>	<u>140</u>	<u>1,540</u>
TOTALS	<u>\$6,100</u>	<u>\$2,975</u>	<u>\$9,075</u>

EXHIBIT I

MOUNT CARBON METROPOLITAN DISTRICT
NOTES TO THE FINANCIAL FEASIBILITY STUDY
1983 - 1998

MAJOR ASSUMPTIONS USED IN DEVELOPING THE FINANCIAL FEASIBILITY STUDY
FOR THE MOUNT CARBON METROPOLITAN DISTRICT

GENERALLY

- A. The Town of Morrison will provide water and sewage treatment services for the Mount Carbon Metropolitan District.
- B. The City of Lakewood will assume all operational and financial responsibilities for road and street lighting maintenance within the District's boundaries.
- C. Real estate development will occur at the rate set forth in Appendix I of this study.
- D. The District's Board of Directors will exercise good judgement in managing the affairs of the District.
- E. The District is able to obtain an approving legal opinion with respect to the tax-exempt status of its municipal bonds.

EXHIBIT A - FORECASTED WATER AND SEWER TAP FEE AND SYSTEM DEVELOPMENT
FEE REVENUES

- A. Water and Sewer Tap Fees and System Development Fees will be set at rates competitive with neighboring developments as set forth in Appendix II.
- B. Water and Sewer System Development Fee Revenues will accrue to the District and not to any other water or wastewater authority or entity.
- C. Water and Sewer Tap Fees and System Development Fees will increase moderately as set forth in Exhibit A.

EXHIBIT B/B-1/B-2 - FORECASTED WATER AND SEWER MONTHLY USER FEE REVENUES -
RESIDENTIAL UNITS AND COMMERCIAL BUILDINGS

- A. Monthly Water User Fee Rates will be set at levels competitive with neighboring developments as set forth in Appendix III.
- B. Monthly Sewer User Fee Rates will be set at levels that are higher than most neighboring developments but at approximately the same level as sewer rates presently in effect for the Town of Morrison.
- C. Monthly Water and Sewer User Fee Rates will increase moderately as set forth in Exhibits B-1 and B-2.

EXHIBITS C/C-1/C-2 - FORECASTED ASSESSED VALUATION AND PROPERTY TAX REVENUES

- A. Residential living units will be assessed at an average rate of \$11,250 per living unit (including land) based upon 15% of 1982 market values.
- B. Commercial buildings will be assessed at an average rate of \$12.50 per square foot (including land and personal property - excluding inventory) based upon 15% of 1982 market values.
- C. The District will certify a mill levy of 10 against all property within the District.

EXHIBIT D - FORECASTED ADMINISTRATIVE EXPENDITURES

- A. The District will operate as efficiently as possible.

EXHIBIT E - FORECASTED DIRECT WATER AND SEWER TREATMENT COSTS

- A. Each residential equivalent will consume an average of 105,000 gallons of water per year.
- B. Water treatment costs will be \$.50 per 1,000 gallons in 1984 and increase 10% every other year; sewage treatment costs will be \$1.00 per 1,000 gallons and increase 10% every other year.

EXHIBIT F - FORECASTED DISTRICT CAPITAL IMPROVEMENT REQUIREMENTS

- A. Cost data was provided by Gingery Associates, Inc.
- B. 1983 dollars were inflated by 8% per year (includes 10% for legal/engineering and 10% contingency).

EXHIBITS G & H - FORECASTED BOND ISSUES AND NET DEBT SERVICE REQUIREMENTS

- A. The District will issue Municipal Notes and Bonds for the purposes of financing its infrastructure as follows:

<u>Month / Year</u>	<u>Amount</u>	<u>Description</u>
March, 1983	\$2,000,000	3-Year Notes - 9%
August, 1983	6,100,000	8-Year Bonds - 10%
March, 1986	2,060,000	20-Year Serial Note Refunding Bonds - 12%
August, 1990	8,225,000	20-Year Serial Bonds - 11%

- B. Debt Service Requirements will be structured to match the District's forecasted cash flow.

APPENDIX I
MOUNT CARRON METROPOLITAN DISTRICT
FORECASTED NEAL ESTATE DEVELOPMENT SCHEDULE (1)
1983 - 1996

YEAR CONSTRUCTION STARTED	YEAR (3) CONSTRUCTION COMPLETED	NUMBER OF INCREMENTAL LIVING UNITS	ALLOCATION TO USE			# OF BUILDINGS				NUMBER OF INCREMENTAL SQUARE FEET COMMERCIAL	# OF BUILDINGS 2" TAPS
			10% SINGLE FAMILY	40% 6 UNIT T.H.	50% 12 UNIT T.H.	3/4" TAP	1" TAP	1 1/2" TAP	2" TAP		
1983		100	10	40	50	10	6	4	0	0	0
1984	1984	100	10	40	50	10	7	4	0	0	0
1985	1985	200	20	80	100	20	13	8	64,000	1	1
1986	1986	200	20	80	100	20	14	9	64,000	1	1
1987	1987	400	40	160	200	40	26	17	128,000	2	2
1988	1988	400	40	160	200	40	27	17	128,000	2	2
1989	1989	400	40	160	200	40	26	17	256,000	4	4
1990	1990	400	40	160	200	40	27	17	256,000	4	4
1991	1991	229	23	91	115	23	15	10	384,000	6	6
1992	1992	0	0	0	0	0	0	0	384,000	6	6
1993	1993	0	0	0	0	0	0	0	512,000	8	8
1994	1994	0	0	0	0	0	0	0	512,000	8	8
1995	1995	0	0	0	0	0	0	0	312,000	8	8
1996	1996	0	0	0	0	0	0	0	3,000,000	50	50
		2,429	243	971	1,215	243	161	103			

(1) Source: Mr. Gary Vose, Primary Developer in District.
(2) As of August 1st
(3) As of May 1st

APPENDIX II

MOUNT CARBON METROPOLITAN DISTRICT
WATER AND SEWER TAP FEE SURVEY

"AVERAGE" (1) DISTRICT USING DENVER WATER AND WASTEWATER

METER SIZE	DISTRICT (2) WATER TAP FEE/UNIT	DENVER WATER SYSTEM DEVELOPMENT FEE	TOTAL WATER TAP FEES	DISTRICT (2) SEWER TAP FEE/UNIT	DENVER WASTEWATER SYSTEM DEVELOPMENT FEE (2)	TOTAL SEWER TAP FEE/UNIT	TOTAL WATER & SEWER TAP FEES
3/4"	\$ 650 X 1 = \$ 650	\$ 3,570	\$ 4,220	\$500 X 1 = \$ 500	\$1,455 X 1 = \$ 1,455	\$ 1,955	\$ 6,175
1"	316 X 6 = 1,896	7,140	9,036	500 X 6 = 3,000	1,455 X 6 = 8,730	11,730	20,766
1 1/2"	292 X 12 = 3,504	14,280	17,784	500 X 12 = 6,000	1,455 X 12 = 17,460	23,460	41,244
2"	5,000(Bldg) = 5,000	28,560	33,560	Bldg = 6,000	Bldg = 5,820	11,820	45,380

ADOPTED TAP FEE FOR MOUNT CARBON METROPOLITAN DISTRICT

METER SIZE	DISTRICT (2) WATER TAP FEE/UNIT	MT. CARBON WATER SYSTEM DEVELOPMENT FEE	TOTAL WATER TAP FEES	DISTRICT (2) SEWER TAP FEE/UNIT	MT. CARBON WASTEWATER SYSTEM DEVELOPMENT FEE (2)	TOTAL SEWER TAP FEE/UNIT	TOTAL WATER & SEWER TAP FEES
3/4"	\$ 650 X 1 = \$ 650	\$ 2,850	\$ 3,500	\$500 X 1 = \$ 500	\$1,500 X 1 = \$ 1,500	\$ 2,000	\$ 5,500
1"	316 X 6 = 1,896	7,104	9,000	500 X 6 = 3,000	1,167 X 6 = 7,000	10,000	19,000
1 1/2"	292 X 12 = 3,504	14,496	18,000	500 X 12 = 6,000	1,167 X 12 = 14,000	20,000	38,000
2"	5,000(Bldg) = 5,000	23,000	28,000	Bldg = 6,000	Bldg = 6,000	12,000	40,000

(1) Average = Willowbrook, Bankcroft Clovers, Lakehurst, Green Mountain Bear Creek, Ken Caryl, Morrison.

(2) 1 X 6 X 12 assumed are average yield units per tap. Each unit above the assumed tap should be proportionately increased on a per-unit basis.

APPENDIX III

MOUNT CARBON METROPOLITAN DISTRICT
WATER AND SEWER USER FEE SURVEY
MONTHLY RATES BASED UPON 8,750 GALLONS OF WATER CONSUMPTION PER MONTH

WILLOWBROOK WATER & SANITATION:

Monthly Water Per Residential Unit = \$23.12 (\$10/Month plus \$1.59 over
1,000 gallons)
Monthly Sewer Per Residential Unit = \$14.00

BANKCROFT CLOVERS WATER & SANITATION:

Monthly Water Per Residential Unit = \$10.06 (1.15 1st 2,000 gallons plus
\$1.15 per 1,000 gallons)
Monthly Sewer Per Residential Unit = \$5.25

LAKEHURST WATER & SANITATION:

Monthly Water Per Residential Unit = \$12.69 (\$1.45 per 1,000 gallons)
Monthly Sewer Per Residential Unit = \$6.65

KEN CARYL WATER & SANITATION:

Monthly Water Per Residential Unit = \$12.69 (\$1.45 per 1,000 gallons)
Monthly Sewer Per Residential Unit = \$11.25
Monthly Water Per 2" Meter = \$100.00 (\$1.45 per 1,000 gallons)
Monthly Sewer Per 2" Meter = \$100.00

GREEN MOUNTAIN WATER AND SANITATION:

Monthly Water Per Residential Unit = \$13.09 (\$2.50/Monthly plus \$1.43
per 1,000 gallons)
Monthly Sewer Per Residential Unit = \$5.04
Monthly Water Per 2" Meter = \$104.70 (\$20.00/Month plus \$1.43 per
1,000 gallons)
Monthly Sewer Per 2" Meter = \$50.00

TOWN OF MORRISON:

Monthly Water Per Residential Unit = \$19.00

Monthly Sewer Per Residential Unit = \$19.00

BEAR CREEK WATER & SANITATION:

Monthly Water Per Residential Unit = \$19.41 (\$5.90/Month plus \$1.43 per 1,000 gallons)

Monthly Sewer Per Residential Unit = \$5.19

AVERAGE:

Monthly Water Per Residential Unit = \$15.72 (\$1.35 per 1,000 gallons)

Monthly Sewer Per Residential Unit = \$9.48

Monthly Water Per 2" Meter = \$105.00

Monthly Sewer Per 2" Meter = \$75.00

MOUNT CARBON RECOMMENDED:

Monthly Water Per Residential Unit:

\$18.00 (\$1.45 per 1,000 gallons up to 12,000 gallons per month per unit;

\$1.75 per 1,000 gallons 12,001 - 46,000 gallons per month per unit;

\$2.00 per 1,000 gallons over 46,000 gallons per month per unit --

\$5.00 Service Charge per unit plus monthly consumption charge)

Monthly Sewer Per Residential Unit = \$18.00

Monthly Water Per 2" Meter:

\$100.00 (\$1.45 per 1,000 gallons up to 86,000 gallons per month;

\$1.75 per 1,000 gallons 86,001 - 368,000 gallons per month;

\$2,000 per 1,000 gallons above 368,000 gallons --

\$100.00 per month minimum)

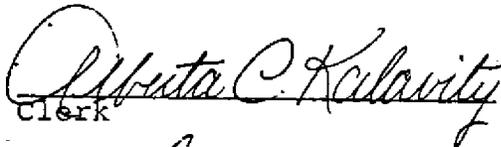
Monthly Sewer Per 2" Meter (Commercial) = \$100.00

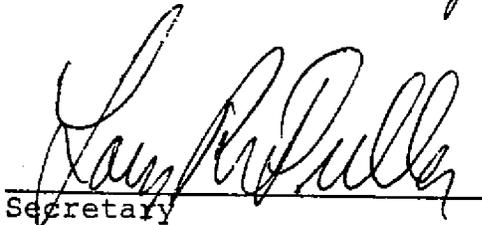
operations of both entities under this Agreement. Morrison shall deed back to Mt. Carbon, at no cost, the water rights originally contributed under this Agreement by Mount Carbon not needed to maintain that level of water availability as determined by Morrison in the preceding sentence.

SECTION NINE
Non Exclusivity and Non Assignability

A. Either party to this Agreement may make agreements with other parties regarding the provision of water or the provision of sewage treatment during the term of this agreement so long as there is no substantial impairment of or prejudice to the rights of either party to this Agreement.

B. The rights and obligations of either party to this Agreement are non-assignable and any assignment or attempted assignment shall terminate the obligations of the non-assigning party.

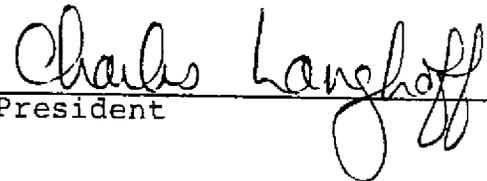

Clerk


Secretary

Town of Morrison


Mayor

Mount Carbon Metropolitan District


President

RECEIVED

2003 JAN 13 PM 4:20 JAN 13 2003

Board of County Commissioners for Jefferson County

FILED
COMBINED COURT
JEFFERSON COUNTY CO.
JEFFERSON COUNTY
ATTORNEY'S OFFICE

**PETITION OF MOUNT CARBON METROPOLITAN DISTRICT
TO THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF
JEFFERSON FOR APPROVAL OF AN AMENDED SERVICE PLAN**

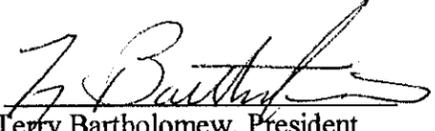
THE BOARD OF DIRECTORS OF THE MOUNT CARBON METROPOLITAN DISTRICT, a special district organized and existing pursuant to Title 32 of the Colorado Revised Statutes (the "District"), pursuant to C.R.S. 32-1-207(2), moves the Board of County Commissioners of the County of Jefferson for approval of the attached Amended Service Plan which materially modifies the Service Plan originally approved by the Board of County Commissioners and, in support of the Petition, states as follows:

1. On September 14, 1976, an Order and Decree of the District Court of Jefferson County created the Mount Carbon Water and Sanitation District.
2. On July 23, 1982, the Board of Directors of the District determined that it was in the District's best interest to convert the District to a metropolitan district under the provisions of § 32-1-1006 (2), C.R.S., and thus expand the District's powers and ability to serve its residents. The resolution of the Board of Directors was approved by court order entered on October 4, 1982, and the District was thereby converted to a metropolitan district to be known as Mount Carbon Metropolitan District. Pursuant to its Service Plan dated December 1983, the District was authorized to furnish water, sanitation, park and recreation, street improvement, and traffic safety protection services and facilities.
3. In July 1997, the District filed a petition for relief pursuant to 11 U.S.C. §301 under Chapter 9 of the U.S. Bankruptcy Code with the U.S. Bankruptcy Court for the District of Colorado, in Case No. 97-20215 DEC. As a condition of implementing the Sixth Amended Plan for Adjustment of Debts (the "Bankruptcy Plan") confirmed by the said bankruptcy court, the District proposes this Amended and Restated Service Plan (the "Service Plan") for the following purposes: (i) To terminate and revoke its powers to furnish park and recreation, street improvement, and traffic safety protection services and facilities, and to limit its powers to the furnishing only of water and sanitation services and facilities, and (ii) to redefine the area in which the District will provide such services and revise the District boundaries in accordance with the enclosed exhibits.
4. The provisions of this Amended Service Plan have been negotiated by and among the District's Board of Directors, the owners of substantially all of the real property located within the District and representatives of the City of Lakewood and the Town of Morrison, all of whom are expected to support adoption of this Amended Service Plan.

WHEREFORE, the Board of Directors of the District respectfully request that the Board of County Commissioners approve the attached Amended Service Plan.

Dated this 13 day of January, 2003.

BOARD OF DIRECTORS OF THE
MOUNT CARBON
METROPOLITAN DISTRICT

By: 
Terry Bartholomew, President

AMENDED AND RESTATED SERVICE PLAN
FOR

**MOUNT CARBON
METROPOLITAN DISTRICT**

JEFFERSON COUNTY, COLORADO

As Filed with the Board of County Commissioners

13 JANUARY, 2003

AMENDED AND RESTATED SERVICE PLAN
MOUNT CARBON METROPOLITAN SERVICE DISTRICT

SECTION I
INTRODUCTION

On September 14, 1976, an Order and Decree of the District Court of Jefferson County created the Mount Carbon Water and Sanitation District.

On July 23, 1982, the Board of Directors of the District determined that it was in the District's best interest to convert the District to a metropolitan district under the provisions of § 32-1-1006 (2), C.R.S., and thus expand the District's powers and ability to serve its residents. The resolution of the Board of Directors was approved by court order entered on October 4, 1982, and the District was thereby converted to a metropolitan district to be known as Mount Carbon Metropolitan District. Pursuant to its Service Plan dated December 1983, the District was authorized to furnish water, sanitation, park and recreation, street improvement, and traffic safety protection services and facilities.

In July 1997, the District filed a petition for relief pursuant to 11 U.S.C. §301 under Chapter 9 of the U.S. Bankruptcy Code with the U.S. Bankruptcy Court for the District of Colorado, in Case No. 97-20215 DEC. As a condition of implementing the Seventh Amended Plan for Adjustment of Debts (the "Bankruptcy Plan") confirmed by the said bankruptcy court, the District proposes this Amended and Restated Service Plan (the "Service Plan") for the following purposes: (i) To terminate and revoke its powers to furnish park and recreation, street improvement, and traffic safety protection services and facilities, and to limit its powers to the furnishing only of water and sanitation services and facilities, and (ii) to redefine the area in which the District will provide such services and revise the District boundaries in accordance with the enclosed exhibits.

This Service Plan constitutes a fully integrated amended and restated service plan authorizing the District to furnish water and sanitation facilities and services, and no others, as provided by Section 32-1-1004(2)(e) and (j), C.R.S., and as more fully described below.

The District is located primarily within the boundaries of the City of Lakewood and the Town of Morrison, and within the West Metro Fire Protection District. It is anticipated that the Red Rocks Centre Metropolitan District will dissolve and that the area currently located in that district will be included into the Mount Carbon Metropolitan District. Following these boundary changes, the District will consist of approximately 942 acres of developable property in Jefferson County. Exclusive of land in Jefferson County defined as open space and land under C-470, the property within the District is for the most part platted and zoned for residential and commercial purposes. Exhibit A shows the current boundaries of the District, and the boundaries of the District following the Red Rocks Centre boundary adjustment described above.

SECTION II
FINANCIAL PLAN

- A. The District will have three main sources of income:
1. Service rates and charges: Periodic billing to water and sewer customers, to pay for operation and maintenance of these utilities.
 2. Tap Fees: Payment for the privilege of receiving service from the District to pay costs of construction of the water and sanitary sewer systems and a portion of the debt service. These tap fees will fund the water and sewer infrastructure.
 3. Ad valorem taxes: A mill levy placed on taxable property within the District, to repay general obligation debt and certain general operations expenses as more fully provided below.

B. Ad Valorem Taxes

The District is currently in Chapter 9 Bankruptcy. The Bankruptcy Plan calls for a new sixteen (16) million dollar bond issue (the "Exchange Bonds") to replace and defease all of the District's current bonded general obligation debt, on which approximately \$80,000,000 remains due and unpaid. The Exchange Bonds will be issued in series early in 2003, and will draw interest at seven, eight and nine percent (7%, 8% and 9%) per annum for thirty (30) years after issue and no additional interest for the next following ten (10) years. The Exchange Bonds will be funded by an ad valorem tax levy each year in an amount sufficient to pay in full the annual debt service on the Exchange Bonds, up to a maximum of twenty (20) mills, until the earlier of forty (40) years after issue or until the Exchange Bonds are paid in full. The 20 mill limit on the levy for the Exchange Bonds will not be increased for any reason other than a future change in the constitution or law which changes the methodology for establishing the assessed value of property, in which case an adjustment could be made in order to assure that the same dollar value of taxes is derived under the new methodology as would have been derived with a 20 mill limit under the existing methodology.

In addition to the limited tax levy for the Exchange Bonds, an additional property tax for general operations in an amount not to exceed the lesser of \$150,000 or whatever amount would be payable with a levy of 17 mills, as follows: Following the Effective Date of the Bankruptcy Plan, the general administrative costs of the District for salaries, benefits, legal, general planning and engineering, audits and other such reasonable administrative expenses may be paid from the general operations mill levy. In addition, such levy may be used to pay direct operation and maintenance expenses of the water and sewer system to the extent that water and sewer service rates and charges on active taps are not sufficient to pay such direct costs. At such time as service rates and charges are adequate to pay operation and maintenance expenses, the general operations levy shall cease to be used for such direct costs, and shall be reduced to an amount necessary to fund general administration expenses only.

C. New Debt

Apart from the \$16 million Exchange Bonds, no general obligation indebtedness shall be submitted to District electors for approval, or incurred or issued by the District. Except for the Exchange Bonds the District shall not issue or incur any non-general obligation indebtedness without first obtaining the approval of District electors at an election held after the approval of this Service Plan. No ad valorem taxes shall be used to pay or to secure any District debt except the Exchange Bonds.

All previous voter authorization for District debt of any kind, except the Exchange Bonds, is, to the extent permitted by law, revoked, released, terminated and cancelled. The District shall have no authority to issue or incur any indebtedness whatever except as expressly authorized by this Service Plan and any future amendments approved by the Board of County Commissioners of Jefferson County.

D. Limitations on Tap Fees

The District will establish a schedule of water and sewer tap fees that will be comparable to the rates and fees from other water and sewer providers in the area. The amount of tap fees (combined water and sewer) that may be imposed by the District shall not exceed the higher of those of the Town of Morrison, or the average of Southwest Metropolitan Water and Sanitation District, Ken Caryl Water and Sanitation District, College Park Water and Sanitation District and Highlands Ranch Metropolitan District #4, as they are adjusted from time to time. The average of such fees shall include any system development or similar fees or charges for new service imposed in said jurisdictions by Denver Water and district system development fees, as applicable. The limitations set forth in this paragraph may be modified or eliminated with the written approval of the Town of Morrison and the City of Lakewood, and no such change shall be deemed to constitute a material departure from or modification of this Service Plan that would require approval by the Board of County Commissioners of Jefferson County.

One thousand dollars (\$1,000) of every combined water and sewer tap fee paid, allocated between the water and sewer tap fee as determined by the District, shall be applied to debt service on the Exchange Bonds. If a water or sewer tap is sold separately, the amount applied to payment of the Exchange Bonds shall be the amount allocated for that type of tap.

As used in this Service Plan the term "tap fees" means and includes any and all front-end charges, however called or denominated, imposed by the District to pay or defray the costs of capital facilities (or District obligations incurred to pay such costs) and assessed as a condition of receiving service from the District.

E. Financial Plan

Section VII below contains general descriptions of the key proposed capital improvements and their estimated costs. The estimated costs also include contingencies, and expenses for engineering, legal and administrative services for supervision and administrative oversight, necessary approvals and construction management calculated at 25% of estimated

construction costs. The estimated costs do include the costs of acquisition of any property interests and the District shall have the ability to finance such acquisitions if necessary. These cost estimates are included in the Financing Plan, Exhibit B, and are shown for each category of improvement at the times at which they are anticipated to be constructed by the District.

Initial proposed District indebtedness is \$16,000,000 for the Exchange Bonds and \$18,000,000 for the additional new debt. The maximum interest rate on the new debt is expected to be nine percent (9%). The proposed maximum underwriting discount on the new debt will be zero percent (0%).

The Financing Plan demonstrates that the District will have the financial ability to discharge both the Exchange Bonds and the new debt on a reasonable basis, with reasonable mill levies and reasonable rates, fees and charges for District services.

In addition to showing the anticipated District debt issues for capital improvements, the Financing Plan includes the proposed operating revenues derived from ad valorem property taxes and other available revenues for the first budget year and thereafter.

The financial information set forth in this Section II is based upon the estimated assessed valuation of the District after the boundary adjustments described in Section I above.

SECTION III SERVICES

The District shall have authority to finance, acquire land and water rights, design, construct, own, operate and maintain water and sanitary sewer facilities within and outside its legal boundaries, but it shall have authority to serve only property or customers within its legal boundaries and not outside thereof.

The property in the District is currently undeveloped. It cannot develop without organized service for treated water and sanitary sewer. As of November 15, 2002, there are no entities other than the District that are willing and able to provide these services to property within the District.

District property owners in the City of Lakewood may in their sole discretion choose their provider of water and sewer service. However, if a property receives water from the Mount Carbon Metropolitan District, said property must also receive sewer from the District due to water court decree return flow requirements. Any property that receives neither water nor sewer service from the District shall be excluded from the District upon petition from the property owner, but such property will continue to be responsible for the 20-mill levy to pay the Exchange Bonds. Any property which receives either water or sewer service from the District shall remain in the District.

Pursuant to an annexation agreement, water and sewer service in those portions of the District located in Morrison will be provided by the District if the District can provide both

services. A letter from the Morrison Town Attorney is attached hereto as Exhibit G stating the Town's position regarding the provision of water services to the portion of the District located in Morrison.

In Morrison, notwithstanding the absence of an agreement between the District and the Town for the Town to provide water within the District, if, during the first five years after the effective date of this Amended and Restated Service Plan, the District is not able or reasonably will not be able to provide both water and sewer service to a property legally and practically ready for development within 24 months after a written request for such service by a property owner, the property owner can apply to obtain both water and sewer service from the Town of Morrison. If a property receives neither water nor sewer service from the District, such property will be excluded from the District upon petition of the property owner, but will continue to be responsible for the 20 mill levy to pay the Exchange Bonds. If a property in the District receives either water or sewer service from the District, the property will remain in the District.

The Financial Plan described in Section II.E above is based upon the assumption that the District will provide both water and sewer service to 2142 EQRs within its legal boundaries after the adjustments described in Section I of this Service Plan.

Any and all former authorization and powers for the District to furnish park and recreation, street improvement, and traffic safety protection services and facilities are terminated, cancelled and revoked.

On the effective date of the Bankruptcy Plan, all persons owning property within the District, as shown by the records of the Jefferson County Assessor, shall be sent copies of the Bankruptcy Plan, the disclosure statement relating thereto, and this Service Plan.

SECTION IV POPULATION

Presently, the District has one residence. Previous reports indicate that between 2142 and 5500 taps will be required in the District. After construction of necessary infrastructure. The District will have the ability to provide a maximum of 2142 taps without obtaining additional water rights.

SECTION V VALUATION FOR ASSESSMENT

According to the Jefferson County Assessor, the land in the District has a current assessed value of \$1,182,570 and an estimated actual value of \$4,077,828. The Exhibit B Financing Plan provides projections of future assessed valuation. Development is expected to proceed according to projections for moderate growth. The figures contained in Exhibit B have been derived in conjunction with the Jefferson County Assessor and current estimates for development.

SECTION VI
CONSTRUCTION OF FACILITIES

Exhibits C and F represent preliminary engineering surveys showing how the proposed services will be provided.

A. Water System

1. Introduction: The District plans to expand its existing diversion and pumping facility located on Bear Creek below Fox Hollow Golf Course and use its existing water transmission line from that location to the intersection of Morrison Road and McIntyre Street. At that point, a new raw water transmission line will be constructed to a new storage pond and a new water treatment plant. From this treatment plant, treated water will be pumped to an existing 1.5 million gallon treated water storage tank ready for distribution. Distribution for portions of the District located in Lakewood will require pump stations or additional water storage tanks at higher elevations than the existing tank. Water rights and water storage will be utilized for the raw water supply. Modifications to the herein described system may be necessary to provide for transmission, treatment and delivery.

2. Water Rights: The District owns or is in the process of acquiring the following water rights:

a. Hock-Hocking Mine: The District owns a total of .46 cfs of nontributary water from the Hock-Hocking Mine in Park County, Colorado out of a total of 8.5 cfs conditionally decreed to the mine for all beneficial uses in Case No. W-1318. An application for a change of water rights and a plan for augmentation were decreed on June 18, 1986 in Case No. 83CW280 for .37 cfs. Full utilization of this water right will require obtaining or constructing 50 acre feet of storage on the South Platte River and/or Bear Creek. This water court decree contains many conditions for water supply including limitations on the use of lawn grass and a requirement that all sewer flows be treated at the Town of Morrison sewer treatment plant. The District acquired ownership of additional flow rates of .03 cfs and another .06 cfs conditional for municipal use pending a diligence finding in Case No. 97CW222.

b. Soda Lakes and Harriman Ditch: The District owns 5.15 shares of Harriman Ditch Company and about 23 acre feet of storage in Soda Lakes, which are tributary to Bear Creek Drainage Basin. By decree in Case No. 83CW280, the District can use 6.5 acre feet of average consumptive use credit from its Harriman shares for storage in Soda Lakes or for other uses.

c. Robert Lewis Ditch: 179.525 inches (4.675 cfs) out of a total 652.8 inches (17.0 cfs) originally decreed to the Robert Lewis Ditch structure. A water change and approval for a plan for augmentation was decreed to the District on December 12, 1988 in Case No. 84CW221. With storage, this decree allows the District to use up to 168 acre feet of average consumptive use credit, provided the District releases 18 acre feet during the winter to replicate historic return flows. Full utilization of this water right will require

obtaining or constructing 400 acre feet of storage in the Bear Creek watershed at or above Bear Creek Lake. This water court decree contains many conditions for water supply including limitations on the use of lawn grass and a requirement that all sewer flows be treated at the Town of Morrison sewer treatment plant

d. Spickerman Ditch: The District has acquired ownership of several priorities awarded to the Spickerman Ditch. These water rights have not been transferred to municipal use.

(1) Priority No. 12: 3.14 cfs from the Upper Spickerman Ditch, with an appropriation date of November 1, 1862, and an estimated net average annual consumptive use credit of 24.71 acre-feet.

(2) Priority No. 18: 5.13 cfs from the Lower Spickerman Ditch, with an appropriation date of June 1, 1865, and an estimated net average annual consumptive use credit of 1.92 acre-feet.

(3) Priority No. 22: 3.55 cfs from the Middle Spickerman Ditch, with an appropriation date of June 1, 1868, and an estimated net average annual consumptive use credit of 11.55 acre-feet.

e. Chatfield Reservoir: The District filed for and obtained a conditional water right to store up to 800 acre-feet of water in the Chatfield Reservoir but this right can be used only if and when Mount Carbon obtains a storage contract with the Corps. In June 1994, Mount Carbon filed an application for reasonable diligence, which was granted by the Court. The water right was continued until July 2003 when Mount Carbon must again file an application for a finding of reasonable diligence. (Case No. 94CW107)

f. Robinson Clay Pit: The District is currently negotiating with Robinson Brick and Tile Company for the purchase of approximately 25 acres of land currently being operated as a clay mine for a water storage facility of approximately 450 acre feet consisting of 400 acre feet for the Robert Lewis Ditch right and possibly 50 acre feet for the Hock-Hocking water right. It is located immediately southeast of the existing 1.5 million gallon water storage tank owned by the District.

3. Design Criteria: The designs for the water system are responsive to good engineering practice and based on the following design criteria:

a. The water supply and water facilities of the District shall be developed, designed and constructed in accordance with Colorado Department of Public Health and Environment requirements. Except as provided below to the contrary, water supply and facilities shall also be developed, designed and constructed in accordance with City of Lakewood standards for property in Lakewood and in accordance with Town of Morrison standards for property in Morrison. If the Town of Morrison provides water, the Town regulations for design and construction of water facilities shall apply. For areas not receiving water services from the Town, City of Lakewood regulations for design and construction of water facilities shall apply; provided, however, that the regulations of the

District may apply to such areas rather than Lakewood regulations if the Lakewood City Engineer determines that District regulations for the design and construction of water facilities equal or exceed those of Lakewood.

b. Potable water requirements must be designed based on the criteria listed in Water Court cases 83-CW-280 and 84-CW-221.

c. Water facilities are to be designed for phased construction, thus permitting responsible gradual investment, approximately paralleling actual needs, resulting in an economically feasible program.

d. Fire protection flows and storage is to be available in all areas, in accordance with National Board of Fire Underwriter's standards and requirements of the West Metro Fire Protection District. No separate or additional tap fee will be charged for fire protection.

4. Water Demands: Water demand has been estimated at 2142 EQR by THK Associates, Inc., 5000 EQR by Johnston Engineering Associates and 5500 EQR by the water decree parameters in the cases listed above. Actual demand will depend on a number of variables including market demand, site constraints such as gulches, slopes, soils, and design constraints including open space and storm water detention, utility easements, parking and traffic.

5. Raw Water Source: Subject to obtaining the necessary permits, the District plans to obtain water from Bear Creek in an expanded diversion structure to be located below the Fox Hollow Golf Course. To effectively utilize the water rights acquired, some raw water storage will be required. The District owns 23.1 acre-feet of raw water storage in Soda Lakes, which is downstream of Morrison and will be utilized for release of replacement water. In addition, the District will construct a 400 acre-foot or larger raw water source to the treatment plant. In order to provide more than 2142 taps, additional water rights which the District owns will need to be changed through water court and in the future additional water rights will have to be purchased and developed. In addition, additional infrastructure, including a possible pipeline to the South Platte River, or other pipelines or points of diversion will need to be constructed.

6. Water Treatment Plant: The District will construct a water treatment plant to serve the water needs of the District.

7. Treated Water Transmission/Storage: A finished water transmission line will be constructed from the proposed water treatment plant to the existing 1.5 million gallon water storage tank located nearby and any other necessary treated water storage facilities.

8. Water Facility Construction and Maintenance: The District will be responsible for financing, designing, constructing, operating and maintaining the facilities shown in Exhibit C, and for operating and maintaining all water facilities in public rights of way and easements, excluding any line from the water meter to the building.

9. Water Taps: There are currently no water taps available until a water treatment plant and other infrastructure is constructed and other requirements of the Colorado Department of Public

Health and Environment are met. Once their requirements are met, the District will be able to provide 400 taps until additional storage is provided. Taps available at any given time will be allocated based on a Tap Allocation Policy adopted by the District and attached as Exhibit D. This Policy may be amended or replaced without an amendment of this Service Plan but only with the written approval of the City of Lakewood and the Town of Morrison.

10. Compatibility: The facility and service standards of the District for water service will be compatible with facility and service standards for water service promulgated by the Town of Morrison and the City of Lakewood pursuant to the provisions of subsection VI.A.3. above.

B. Sewer System

1. Introduction: The District will expand the Morrison Sewage Treatment Plant as required to meet expected demand. The District has in place a partial collection system and outfall sewer main that serves the areas of Red Rocks Business Park, Lakewood West, and Springfield Green. This system presently connects to the Morrison Sewage Treatment Plant through a lift station and force main. This lift station and force main will eventually be replaced with an outfall line along the west side of Red Rocks Centre Subdivision. The outfall line along the west side of Red Rocks Centre Subdivision and another new outfall line will serve the remainder of the District.

The method of service provided in this Section VI.B. may be subject to a requirement that wastewater flows from District property in Lakewood be treated by the Metro Wastewater Reclamation District ("Metro") unless such area is excluded from Metro upon request of the Lakewood City Council to the Metro board of directors. At this time, a request for exclusion is planned but exclusion is not guaranteed.

2. Design Criteria: The sanitary sewer system shall be designed and constructed in accordance with Colorado Department of Public Health and Environment requirements. Sewer facilities located in the City of Lakewood shall also be designed and constructed in accordance with City of Lakewood standards. Sewer facilities located in the Town of Morrison shall also be designed and constructed in accordance with Town of Morrison standards; provided, however, that the regulations of the District may apply in Morrison rather than Morrison regulations if the Town determines that District regulations for the design and construction of sewer facilities equal or exceed those of Morrison.

3. Town of Morrison Sewage Treatment Plant: The Morrison/Mount Carbon Agreement (Exhibit E) is the basis for intergovernmental cooperation in developing a joint use sewage treatment plant pursuant to the Morrison/Mount Carbon Agreement. The facilities are located immediately east of the Morrison Road C-470 Interchange on the north side of Morrison Road.

Sewage flows from a single property in the District are presently treated in the Morrison Sewage Treatment Plant (STP), which discharges to Bear Creek above Bear Creek Lake. The present capacity of the STP is 200,000 gallons per day, which is the equivalent to 667 EQRs. The District owns one-fourth of that capacity, which equals 167 EQRs. The existing STP

present daily operating volume of sewage is approximately 85,000 gallons per day (283 EQRs), leaving 115,000 gallons per day (384 EQRs) of unused capacity.

The STP has been planned by McLaughlin Water Engineers for phased development and can be expanded to treat the ultimate flows from the District. However, as the plant expands and sewage treatment criteria becomes more restrictive, it is anticipated that the plant will include tertiary treatment. It is also anticipated that the plant expansion approval process, design and construction will require approximately 1-2 years. The Town of Morrison and the District authorized McLaughlin Water Engineers to start on the permitting process for the next phase of the plant on October 8, 1998. This work will recommence in 2003. The Morrison/Mount Carbon Agreement defined the initial plant size as 200,000 gallons per day. That size plant was constructed and is presently in operation.

Treatment processes and facilities are master planned for the next phase expansion to .75MGD.

4. Rooney Road Trunk Sewer: The District presently owns and operates a collection system and major sewer outfall line which furnishes sewer collection facilities in the main streets of Springfield Green and Red Rocks Business Park, Filing 1. The outfall line for these two projects is an 18" line, which flows along Rooney Road to a sewage lift station east of the overpass of C-470 adjacent to Bandimere Speedway and then by force main to the STP. The lift station is a temporary station and has the design capacity of 450 EQRs. The Sewer Master Plan calls for a gravity outfall sewer line, not yet constructed, along the west boundary of Red Rocks Centre Subdivision to connect directly to the Morrison Sewage Treatment Plant.

5. Wastewater Collection System: Sanitary sewer mains follow road alignments wherever possible. In rare instances when mains along the road will be inaccessible to lower lying lots, it would be necessary to route sewer mains through a development block. Mains following road alignments are located according to requirements of the Town of Morrison and the City of Lakewood. Provisions are made to maintain the minimum separation between sewer and potable water lines as required by the Colorado Department of Public Health and Environment. Numerous stubs are provided, extending from manholes or sewer lines to the right-of-way. By providing stubs at the time of construction of the lines, the District will assure sewer service to individual lots and minimize the need to disturb road pavement in the future.

Collector sewer grades and manhole spacing conform to the appropriate reviewing agency's requirements. All sewers will be sized to accommodate peak flows from ultimate densities. Sewer mains will be located in public rights-of-way or in deeded easements.

6. Sewer Facility Construction and Maintenance: The District will be responsible for financing, designing, constructing, operating and maintaining the facilities shown in Exhibit F, and for operating and maintaining all sewer facilities in public rights of way and easements, excluding any line from the main sewer to the building.

7. Sewer Taps: There are currently a limited number of sewer taps available. Sewer taps will be allocated based on the District Tap Allocation Policy attached as Exhibit D.

8. Compatibility: The facility and service standards of the District for sewer service will be compatible with facility and service standards for sewer service promulgated by the Town of Morrison and the City of Lakewood pursuant to the provisions of subsection VI.B.2. above.

SECTION VII
ESTIMATED COSTS

A. Water System

Preliminary designs and capital cost estimates have been made for Mount Carbon water improvements proposed. These capital costs are given as one phase but as the design and review process proceeds the construction may be divided into more than one phase. The ultimate costs are estimated to be as follows:

1.	Bear Creek diversion structure	\$ 240,000
2.	Bear Creek pump station	\$ 196,000
3.	20 inch raw water pipe line from McIntyre and Morrison Rd to Lot 3, Block 6 of Springfield Green Subdivision	\$ 886,000
4.	500 Acre Foot raw water storage reservoir	\$ 2,570,330
5.	Land for reservoir and treatment plant	\$ 200,000
6.	Raw water pump station	\$ 431,000
7.	Water treatment plant and treated water transmission line to 1.5 million gallon storage tank	\$ 1,630,000
8.	Upper zone water pump station	\$ 250,000
9.	Upper zone water storage tank (500,000 gallons)	<u>\$ 500,000</u>
	Subtotal	\$ 6,903,350
	25% contingency and engineering	<u>\$ 1,725,850</u>
	Total:	\$ 8,629,200

B. Sewer System

1.	Construct the sewer outfall line from the existing Mount Carbon sewage lift station east of C-470 to the Morrison sewage treatment plant	\$ 450,000
2.	Construct expansion of the Morrison sewage treatment from 200,000 gpd to 1,800,000 gpd capacity	\$ 5,320,000
3.	Construct sewer outfall lines within District boundaries	<u>\$ 1,240,000</u>
	Subtotal	\$ 7,010,000
	25 % contingency and engineering	<u>\$ 1,752,500</u>
	Total:	\$ 8,762,500

SECTION VIII
AGREEMENTS WITH POLITICAL SUBDIVISIONS

On November 16, 1982, the Board of Directors of the District approved an agreement with the Town of Morrison for the joint use of water and sewer facilities. A copy of the agreement is attached as Exhibit E. The agreement was amended on October 26, 1986 and on October 13, 1995 and Resolution 99.1 was adopted on January 19, 1999. Pursuant to the agreement, the District will construct the facilities necessary to provide sanitary sewer service to the District and to the Town. The jointly used facilities will be owned and operated by the Town of Morrison. The District pays its pro rata share of the costs of operation and maintenance including a pro rata share of the sewer-related administrative expenses of the Town as provided in the Agreement.

SECTION IX
MISCELLANEOUS

This Service Plan may be amended in the future pursuant to the Special District Control Act, § 31-1-201, et seq., C.R.S., provided, however, that any amendment to Section II, Finance Plan, of this Service Plan shall be made solely pursuant to the provisions of subsection (2) of §32-1-207 following due notice and public hearing and shall not be made pursuant to paragraph (3)(b) thereof by published notice. Further, the City of Lakewood and Town of Morrison must approve any future amendments to this Service Plan.

The District has rejected existing Public Improvement Agreements with the City of Lakewood for Springfield Green and Red Rocks Business Park Filing No. 1 and with the Town of Morrison for Red Rocks Centre Subdivision. Responsibility for Public Improvements within Springfield Green, Red Rocks Business Park Filing No. 1 and Red Rocks Centre Subdivision is now assumed by the property owners within these subdivisions.

TABLE OF EXHIBITS

Exhibit A Current Boundaries of the District

Exhibit B. Financing Plan

Exhibit C. Preliminary Engineering Survey (Water)

Exhibit D. Tap Allocation Policy

Exhibit E. Morrison/Mt Carbon Sewer Agreement

Exhibit F. Preliminary Engineering Survey (Sewer)

Exhibit G. Letter from Morrison Town Attorney

SUMMARY OF FINDINGS REVENUE ANALYSIS

MOUNT CARBON METRO DISTRICT MORRISON, COLORADO

**PREPARED FOR:
MOUNT CARBON METRO DISTRICT**

**PREPARED BY:
THK ASSOCIATES, INC.
2953 SOUTH PEORIA STREET, SUITE 101
AURORA, COLORADO 80014
(303) 770-7201 PHONE
(303) 770-7132 FAX
info@thkassoc.com**

NOVEMBER 13, 2002

INTRODUCTION

This summary provides an overview of revenue potentials for the Mount Carbon Metropolitan District prepared by THK Associates, Inc. based upon calculations that THK performed using the assumptions set forth in documents filed with the Bankruptcy Court in July 1999, in connection with Lakewood's objection to the District's 3rd Amended Plan of Reorganization. The 860-acre property is located on the west side of the Denver metropolitan area in Jefferson County at Interstate C-470 and Morrison Road. The anticipated land uses for the subject site include a mixture of residential, hotel, office/ R&D space, and commercial retail uses.

REVENUE POTENTIALS FROM THE DEVELOPMENT WITHIN THE MOUNT CARBON DISTRICT

As the development within the Mount Carbon District progresses, there will be revenues that can be generated from items such as property taxes and water and sewer tap fees. These revenues can and will be used to retire outstanding bonds and other debt that has been issued to serve the property.

Using the recommended land uses and absorption schedules that were outlined for the property, THK has profiled in Exhibit A the findings using property taxes and tap fees that can be realized from the development over the next 40 years. A number of assumptions regarding these estimates were used, which are summarized as follows:

- A 4% inflation rate has been applied to property values throughout the analysis.
- Residential real estate will be assessed at a rate of 9.15% of market value and commercial properties will be assessed at 29% of market value.
- Property values for the various land use types are estimated as follows:
 - * Single Family & Attached
 - High Density- \$150,000/unit
 - Medium Density- \$200,000/unit
 - Low Density- \$250,000/unit
 - * Multi-Family - \$85,000/unit
 - * Office, High-Tech, Hotel- \$100/square foot
 - * Retail/Commercial- \$110/square foot

- As construction occurs, market and assessed values have been lagged two years to allow for recording on the county tax rolls and collection of taxes.
- A mill levy of 20 mills has been applied to the assessed value, residential and commercial, for debt reduction/bond returns.
- We have assumed that for every 4,804 square feet of commercial and hotel space developed, there will be a need for one single family water and sewer tap equivalent.

The plan calls for \$1,000 from each tap to be used for debt retirement.

The following are the expected uses for the Mount Carbon Metropolitan District over 40 years with development halting upon the utilization of 2,142 water taps in Year 31.

- Residential
 - * Single Family: 1,050 units
 - * Attached: 430 units
 - * Multi-Family: 400 units
- Commercial
 - * Office and Industrial: 975,000 square feet
 - * Retail: 1,257,200 square feet
 - * Hotel: 340,000 square feet

Based on these assumptions the following results were realized (see Exhibit B):

- Total residential market values of \$1,449,577,600 will be generated over the next 40 years.
- Total commercial market values of \$1,245,458,610 will be realized over the next 40 years.
- Total assessed values will grow to \$493,819,350 by 2041.
- Real estate taxes generated by 20 mills on residential and commercial uses will total \$149,549,110 over 40 years.
- Water and sewer tap fee income will total \$2,141,520 over 40 years (2,142 taps at \$1,000 per tap);
- District Expenses amount to \$150,000 annually for overhead, a number defined in the Plan. These expenses will be covered from sources other than the 20 mills.

- Total net income will be \$151,690,630 over 40 years;

The debt payment schedule is based on \$4 million at 7%, \$9 million at 8%, and \$3 million at 9%. Based on these calculations of revenue potentials and retiring accrued interest in the initial stages of development and then retiring the principal, \$16,000,000 in debt can be retired over a 31-year time frame (note that interest payments no longer accrue after 30 years).

EXHIBIT A
PROFILED ANALYSIS
OF THE REPORT

EXHIBIT A

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

	Year 1 2002	Year 2 2003	Year 3 2004	Year 4 2005	Year 5 2006	Year 6 2007	Year 7 2008	Year 8 2009	Year 9 2010	Year 10 2011
Residential Units										
Single Family										
Annual	0	0	0	100	100	100	100	90	0	0
High Density	0	0	0	75	75	75	75	75	25	0
Medium Density	0	0	0	25	25	25	25	25	25	0
Low Density										10
Cumulative										
High Density	0	0	0	100	200	300	400	490	490	490
Medium Density	0	0	0	75	150	225	300	375	400	400
Low Density	0	0	0	25	50	75	100	125	150	160
Average Unit Value										
High Density	\$150,000	\$156,000	\$162,240	\$166,730	\$175,480	\$182,500	\$189,800	\$197,390	\$205,290	\$213,500
Medium Density	\$200,000	\$208,000	\$216,320	\$224,970	\$233,970	\$243,330	\$253,060	\$263,180	\$273,710	\$284,560
Low Density	\$250,000	\$260,000	\$270,400	\$281,220	\$292,470	\$304,170	\$316,340	\$328,990	\$342,150	\$355,840
Single Family Values										
High Density	\$0	\$0	\$0	\$16,873,000	\$35,096,000	\$54,750,000	\$75,920,000	\$96,721,100	\$100,592,100	\$104,615,000
Medium Density	\$0	\$0	\$0	\$16,872,750	\$35,095,500	\$54,749,250	\$75,918,000	\$98,692,500	\$109,484,000	\$113,864,000
Low Density	\$0	\$0	\$0	\$7,080,500	\$14,623,500	\$22,812,750	\$31,634,000	\$41,123,750	\$51,322,500	\$56,934,400
Total SFD Value	\$0	\$0	\$0	\$40,776,250	\$84,815,000	\$132,312,000	\$183,472,000	\$236,537,350	\$261,398,600	\$275,413,400

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

Residential Units	Year 11 2012	Year 12 2013	Year 13 2014	Year 14 2015	Year 15 2016	Year 16 2017	Year 17 2018	Year 18 2019	Year 19 2020	Year 20 2021
Single Family Annual	0	0	0	0	0	0	0	0	0	0
High Density	0	0	0	0	0	0	0	0	0	0
Medium Density	0	0	0	0	0	0	0	0	0	0
Low Density	0	0	0	0	0	0	0	0	0	0
Cumulative										
High Density	490	490	490	490	490	490	490	490	490	490
Medium Density	400	400	400	400	400	400	400	400	400	400
Low Density	160	160	160	160	160	160	160	160	160	160
Average Unit Value										
High Density	\$222,040	\$230,920	\$240,160	\$249,770	\$259,760	\$270,150	\$280,960	\$292,200	\$303,890	\$316,050
Medium Density	\$296,050	\$307,690	\$320,210	\$333,020	\$346,340	\$360,190	\$374,600	\$389,580	\$405,160	\$421,370
Low Density	\$370,070	\$384,870	\$400,260	\$416,270	\$432,920	\$450,240	\$468,250	\$486,980	\$506,440	\$526,720
Single Family Values										
High Density	\$108,799,600	\$113,150,800	\$117,678,400	\$122,387,300	\$127,282,400	\$132,373,500	\$137,670,400	\$143,178,000	\$148,906,100	\$154,864,500
Medium Density	\$118,420,000	\$123,156,000	\$128,084,000	\$133,208,000	\$138,536,000	\$144,076,000	\$149,840,000	\$155,832,000	\$162,044,000	\$168,548,000
Low Density	\$59,211,200	\$61,579,200	\$64,041,600	\$66,603,200	\$69,287,200	\$72,038,400	\$74,920,000	\$77,916,800	\$81,033,600	\$84,275,200
Total SFD Value	\$286,430,800	\$297,886,000	\$309,804,000	\$322,198,500	\$335,085,600	\$348,487,900	\$362,430,400	\$376,926,800	\$392,003,700	\$407,687,700

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

Residential Units	Year 21 2022	Year 22 2023	Year 23 2024	Year 24 2025	Year 25 2026	Year 26 2027	Year 27 2028	Year 28 2029	Year 29 2030	Year 30 2031
Single Family Annual	0	0	0	0	0	0	0	0	0	0
High Density	0	0	0	0	0	0	0	0	0	0
Medium Density	0	0	0	0	0	0	0	0	0	0
Low Density	0	0	0	0	0	0	0	0	0	0
Cumulative										
High Density	490	490	490	490	490	490	490	490	490	490
Medium Density	400	400	400	400	400	400	400	400	400	400
Low Density	160	160	160	160	160	160	160	160	160	160
Average Unit Value										
High Density	\$328,690	\$341,640	\$355,610	\$369,730	\$384,520	\$399,900	\$415,900	\$432,540	\$449,840	\$467,880
Medium Density	\$438,220	\$455,750	\$473,980	\$492,940	\$512,660	\$533,170	\$554,500	\$576,680	\$599,750	\$623,740
Low Density	\$547,790	\$569,700	\$592,490	\$616,190	\$640,840	\$666,470	\$693,130	\$720,860	\$749,690	\$779,680
Single Family Values										
High Density	\$161,058,100	\$167,501,600	\$174,199,900	\$181,167,700	\$188,414,800	\$195,951,000	\$203,791,000	\$211,944,400	\$220,421,600	\$229,236,700
Medium Density	\$175,288,000	\$182,300,000	\$189,592,000	\$197,176,000	\$205,064,000	\$213,248,000	\$221,800,000	\$230,672,000	\$239,900,000	\$249,496,000
Low Density	\$87,640,400	\$91,152,000	\$94,798,400	\$98,590,400	\$102,534,400	\$106,635,200	\$110,900,800	\$115,337,600	\$119,950,400	\$124,748,800
Total \$FD Value	\$423,992,500	\$440,953,600	\$458,590,300	\$476,934,100	\$496,013,200	\$515,884,200	\$536,491,800	\$557,954,200	\$580,272,000	\$603,481,500

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

Residential Units	Year 31 2032	Year 32 2033	Year 33 2034	Year 34 2035	Year 35 2036	Year 36 2037	Year 37 2038	Year 38 2039	Year 39 2040	Year 40 2041
Single Family Annual	0	0	0	0	0	0	0	0	0	0
High Density	0	0	0	0	0	0	0	0	0	0
Medium Density	0	0	0	0	0	0	0	0	0	0
Low Density	0	0	0	0	0	0	0	0	0	0
Cumulative	490	490	490	490	490	490	490	490	490	490
High Density	400	400	400	400	400	400	400	400	400	400
Medium Density	160	160	160	160	160	160	160	160	160	160
Low Density										
Average Unit Value	\$466,540	\$506,000	\$526,240	\$547,290	\$569,180	\$591,950	\$615,630	\$640,260	\$665,870	\$692,500
High Density	\$646,690	\$674,640	\$701,630	\$729,700	\$758,890	\$789,250	\$820,820	\$853,650	\$887,800	\$923,310
Medium Density	\$810,870	\$843,300	\$877,030	\$912,110	\$948,590	\$986,530	\$1,025,990	\$1,067,030	\$1,109,710	\$1,154,100
Low Density										
Single Family Values	\$238,404,600	\$247,940,000	\$257,857,600	\$268,172,100	\$278,898,200	\$290,055,500	\$301,658,700	\$313,727,400	\$326,276,300	\$339,325,000
High Density	\$259,476,000	\$269,856,000	\$280,652,000	\$291,880,000	\$303,556,000	\$315,700,000	\$328,328,000	\$341,460,000	\$355,120,000	\$369,324,000
Medium Density	\$129,739,200	\$134,928,000	\$140,324,800	\$145,937,600	\$151,774,400	\$157,844,800	\$164,158,400	\$170,724,800	\$177,553,600	\$184,656,000
Low Density										
Total SFD Value	\$627,619,800	\$652,724,000	\$678,834,400	\$705,989,700	\$734,228,600	\$763,600,300	\$794,145,100	\$825,912,200	\$858,949,900	\$893,305,000

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

	Year 1 2002	Year 2 2003	Year 3 2004	Year 4 2005	Year 5 2006	Year 6 2007	Year 7 2008	Year 8 2009	Year 9 2010	Year 10 2011
Attached Annual										
High Density	0	0	0	20	20	20	20	20	20	10
Medium Density	0	0	0	20	20	20	20	20	20	20
Low Density	0	0	0	20	20	20	20	20	20	20
Cumulative										
High Density	0	0	0	20	40	60	80	100	120	130
Medium Density	0	0	0	20	40	60	80	100	120	140
Low Density	0	0	0	20	40	60	80	100	120	140
Average Unit Value										
High Density	\$160,000	\$166,000	\$162,240	\$168,730	\$175,480	\$182,500	\$189,800	\$197,390	\$205,290	\$213,500
Medium Density	\$200,000	\$206,000	\$216,320	\$224,970	\$233,970	\$243,330	\$253,060	\$263,160	\$273,710	\$284,660
Low Density	\$250,000	\$260,000	\$270,400	\$281,220	\$292,470	\$304,170	\$316,340	\$328,990	\$342,150	\$355,840
Attached Values										
High Density	\$0	\$0	\$0	\$3,374,600	\$7,019,200	\$10,950,000	\$15,184,000	\$19,739,000	\$24,634,800	\$27,755,000
Medium Density	\$0	\$0	\$0	\$4,499,400	\$9,358,800	\$14,599,800	\$20,244,800	\$26,318,000	\$32,845,200	\$39,652,400
Low Density	\$0	\$0	\$0	\$5,624,400	\$11,698,800	\$18,250,200	\$25,307,200	\$32,892,000	\$41,058,000	\$49,817,600
Total Attached Value	\$0	\$0	\$0	\$13,498,400	\$28,076,800	\$43,800,000	\$60,736,000	\$78,956,000	\$98,538,000	\$117,425,000
Multi-Family Annual										
High Density	0	0	0	200	0	0	0	0	200	0
Medium Density	0	0	0	200	200	200	200	200	400	400
Low Density	0	0	0	200	200	200	200	200	400	400
Cumulative										
High Density	0	0	0	200	0	0	0	0	200	0
Medium Density	0	0	0	200	200	200	200	200	400	400
Low Density	0	0	0	200	200	200	200	200	400	400
Average Unit Value	\$85,000	\$88,400	\$91,840	\$95,620	\$99,440	\$103,420	\$107,560	\$111,860	\$116,330	\$120,980
Total Multi-Family Value	\$0	\$0	\$0	\$19,124,000	\$19,888,000	\$20,684,000	\$21,512,000	\$22,372,000	\$23,232,000	\$24,092,000
Total Residential Value	\$0	\$0	\$0	\$73,398,650	\$132,779,800	\$196,796,000	\$265,720,000	\$337,865,350	\$406,468,600	\$441,230,400
Assessed Ratio	9.15	9.15	9.15	9.15	9.15	9.15	9.15	9.15	9.15	9.15
Total Residential Assessed Value	\$0	\$0	\$0	\$6,715,980	\$12,149,350	\$18,006,830	\$24,313,380	\$30,914,680	\$37,191,880	\$40,372,560

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

	Year 11 2012	Year 12 2013	Year 13 2014	Year 14 2015	Year 15 2016	Year 16 2017	Year 17 2018	Year 18 2019	Year 19 2020	Year 20 2021
Attached Annual										
High Density	0	0	0	0	0	0	0	0	0	0
Medium Density	20	0	0	0	0	0	0	0	0	0
Low Density	0	0	0	0	0	0	0	0	0	0
Cumulative										
High Density	130	130	130	130	130	130	130	130	130	130
Medium Density	160	160	160	160	160	160	160	160	160	160
Low Density	140	140	140	140	140	140	140	140	140	140
Average Unit Value										
High Density	\$222,040	\$230,920	\$240,160	\$249,770	\$259,760	\$270,150	\$280,960	\$292,200	\$303,890	\$316,050
Medium Density	\$296,050	\$307,890	\$320,210	\$333,020	\$346,340	\$360,190	\$374,600	\$389,580	\$405,160	\$421,370
Low Density	\$370,070	\$384,870	\$400,260	\$416,270	\$432,920	\$450,240	\$468,230	\$486,980	\$506,460	\$526,720
Attached Values										
High Density	\$28,865,200	\$30,019,600	\$31,220,800	\$32,470,100	\$33,768,800	\$35,119,500	\$36,524,800	\$37,985,000	\$39,505,700	\$41,086,500
Medium Density	\$47,368,000	\$49,262,400	\$51,233,600	\$53,283,200	\$55,414,400	\$57,630,400	\$59,936,000	\$62,332,800	\$64,825,600	\$67,419,200
Low Density	\$51,809,800	\$53,881,800	\$56,036,400	\$58,277,800	\$60,608,800	\$63,033,600	\$65,555,000	\$68,177,200	\$70,904,400	\$73,740,800
Total Attached Value	\$128,043,000	\$133,163,800	\$138,490,800	\$144,031,100	\$149,792,000	\$155,783,500	\$162,016,800	\$168,496,000	\$175,235,700	\$182,246,500
Multi-Family Annual										
High Density	0	0	0	0	0	0	0	0	0	0
Medium Density	400	400	400	400	400	400	400	400	400	400
Low Density	0	0	0	0	0	0	0	0	0	0
Cumulative										
High Density	0	0	0	0	0	0	0	0	0	0
Medium Density	400	400	400	400	400	400	400	400	400	400
Low Density	0	0	0	0	0	0	0	0	0	0
Average Unit Value	\$125,820	\$130,850	\$136,080	\$141,520	\$147,180	\$153,070	\$159,190	\$165,560	\$172,180	\$179,070
Total Multi-Family Value	\$50,328,000	\$52,340,000	\$54,432,000	\$56,608,000	\$58,872,000	\$61,228,000	\$63,676,000	\$66,224,000	\$68,872,000	\$71,628,000
Total Residential Value	\$464,801,800	\$483,399,800	\$502,726,800	\$522,837,600	\$543,749,600	\$565,499,400	\$588,122,200	\$611,646,800	\$636,111,400	\$661,562,200
Assessed Ratio	9.15	9.15	9.15	9.15	9.15	9.15	9.15	9.15	9.15	9.15
Total Residential Assessed Value	\$42,529,360	\$44,239,170	\$45,999,500	\$47,859,640	\$49,753,090	\$51,743,200	\$53,813,180	\$55,965,680	\$58,204,190	\$60,532,940

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

	Year 21 2022	Year 22 2023	Year 23 2024	Year 24 2025	Year 25 2026	Year 26 2027	Year 27 2028	Year 28 2029	Year 29 2030	Year 30 2031
Attached Annual	0	0	0	0	0	0	0	0	0	0
High Density	0	0	0	0	0	0	0	0	0	0
Medium Density	0	0	0	0	0	0	0	0	0	0
Low Density	0	0	0	0	0	0	0	0	0	0
Cumulative	130	130	130	130	130	130	130	130	130	130
High Density	160	160	160	160	160	160	160	160	160	160
Medium Density	140	140	140	140	140	140	140	140	140	140
Average Unit Value										
High Density	\$325,690	\$341,840	\$355,510	\$369,730	\$384,520	\$399,900	\$415,900	\$432,540	\$449,840	\$467,830
Medium Density	\$438,220	\$455,750	\$473,980	\$492,940	\$512,660	\$533,170	\$554,500	\$576,680	\$599,750	\$623,740
Low Density	\$547,790	\$559,700	\$592,490	\$616,190	\$640,840	\$666,470	\$693,130	\$720,860	\$749,690	\$779,680
Attached Values										
High Density	\$42,729,700	\$44,439,200	\$46,216,300	\$48,064,900	\$49,987,600	\$51,987,000	\$54,067,000	\$56,230,200	\$58,479,200	\$60,817,900
Medium Density	\$70,115,200	\$72,920,000	\$75,858,800	\$78,870,400	\$82,025,600	\$85,307,200	\$88,720,000	\$92,268,800	\$95,960,000	\$99,799,400
Low Density	\$76,990,600	\$79,798,000	\$82,948,600	\$86,266,600	\$89,717,600	\$93,305,800	\$97,035,200	\$100,920,400	\$104,956,600	\$109,156,200
Total Attached Value	\$189,835,500	\$197,117,200	\$205,001,700	\$213,201,900	\$221,730,800	\$230,600,000	\$239,825,200	\$249,419,400	\$259,395,800	\$269,771,500
Multi-Family Annual	0	0	0	0	0	0	0	0	0	0
Cumulative	400	400	400	400	400	400	400	400	400	400
Average Unit Value	\$186,230	\$193,680	\$201,430	\$209,490	\$217,870	\$226,580	\$235,640	\$245,070	\$254,870	\$265,060
Total Multi-Family Value	\$74,492,000	\$77,472,000	\$80,572,000	\$83,796,000	\$87,148,000	\$90,632,000	\$94,266,000	\$98,028,000	\$101,948,000	\$106,024,000
Total Residential Value	\$668,020,000	\$715,542,800	\$744,164,000	\$773,932,000	\$804,892,000	\$837,086,200	\$870,573,000	\$905,401,600	\$941,615,800	\$979,277,000
Assessed Ratio	9.15	9.15	9.15	9.15	9.15	9.15	9.15	9.15	9.15	9.15
Total Residential Assessed Value	\$62,963,830	\$65,472,170	\$68,091,010	\$70,814,780	\$73,647,620	\$76,593,390	\$79,657,430	\$82,844,250	\$86,157,850	\$89,603,850

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

	Year 31 2032	Year 32 2033	Year 33 2034	Year 34 2035	Year 35 2036	Year 36 2037	Year 37 2038	Year 38 2039	Year 39 2040	Year 40 2041
Attached Annual										
High Density	0	0	0	0	0	0	0	0	0	0
Medium Density	0	0	0	0	0	0	0	0	0	0
Low Density	0	0	0	0	0	0	0	0	0	0
Cumulative										
High Density	130	130	130	130	130	130	130	130	130	130
Medium Density	160	160	160	160	160	160	160	160	160	160
Low Density	140	140	140	140	140	140	140	140	140	140
Average Unit Value										
High Density	\$486,640	\$506,000	\$526,240	\$547,290	\$569,180	\$591,960	\$615,630	\$640,260	\$665,870	\$692,500
Medium Density	\$648,690	\$674,640	\$701,530	\$729,700	\$768,890	\$789,260	\$820,820	\$853,650	\$887,800	\$923,310
Low Density	\$810,870	\$843,300	\$877,030	\$912,110	\$948,590	\$986,530	\$1,025,990	\$1,067,030	\$1,109,710	\$1,154,100
Attached Values										
High Density	\$63,260,200	\$65,780,000	\$68,411,200	\$71,147,700	\$73,993,400	\$76,953,500	\$80,031,900	\$83,233,800	\$86,563,100	\$90,025,000
Medium Density	\$103,790,400	\$107,942,400	\$112,260,800	\$116,752,000	\$121,422,400	\$126,280,000	\$131,331,200	\$136,584,000	\$142,048,000	\$147,729,800
Low Density	\$113,521,800	\$118,062,000	\$122,784,200	\$127,695,400	\$132,802,600	\$138,114,200	\$143,638,600	\$149,384,200	\$155,359,400	\$161,574,000
Total Attached Value	\$290,562,400	\$291,784,400	\$303,456,200	\$315,595,100	\$328,218,400	\$341,347,700	\$355,001,700	\$369,202,000	\$383,970,500	\$399,328,600
Multi-Family Annual	0	0	0	0	0	0	0	0	0	0
Cumulative	400	400	400	400	400	400	400	400	400	400
Average Unit Value	\$275,660	\$286,690	\$298,160	\$310,090	\$322,490	\$335,390	\$348,810	\$362,760	\$377,270	\$392,360
Total Multi-Family Value	\$110,264,000	\$114,676,000	\$119,264,000	\$124,036,000	\$128,996,000	\$134,156,000	\$139,524,000	\$145,104,000	\$150,908,000	\$156,944,000
Total Residential Value	\$1,018,446,200	\$1,059,184,400	\$1,101,554,600	\$1,145,620,800	\$1,191,443,000	\$1,239,104,000	\$1,288,670,800	\$1,340,218,200	\$1,393,828,400	\$1,449,577,600
Assessed Ratio	9.15	9.15	9.15	9.15	9.15	9.15	9.15	9.15	9.15	9.15
Total Residential Assessed Value	\$93,187,830	\$96,915,370	\$100,792,250	\$104,824,300	\$109,017,030	\$113,378,020	\$117,913,380	\$122,629,970	\$127,535,300	\$132,636,360

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

	Year 1 2002	Year 2 2003	Year 3 2004	Year 4 2005	Year 5 2006	Year 6 2007	Year 7 2008	Year 8 2009	Year 9 2010	Year 10 2011
Commercial Space										
Annual Office & Industrial Total	0	0	0	25,000	25,000	25,000	50,000	50,000	50,000	75,000
Cumulative	0	0	0	25,000	50,000	75,000	125,000	175,000	225,000	300,000
Retail	0	0	0	0	300,000	20,000	0	20,000	0	0
Cumulative	0	0	0	0	300,000	320,000	320,000	340,000	340,000	340,000
Hotel	0	0	0	0	0	0	170,000	0	0	0
Cumulative	0	0	0	0	0	0	170,000	170,000	170,000	170,000
Total Commercial Space	0	0	0	25,000	325,000	45,000	220,000	70,000	50,000	75,000
Cumulative	0	0	0	25,000	350,000	395,000	615,000	685,000	735,000	810,000
Value per Sq.Ft. Office-Hotel Value/Sq.Ft.	\$100	\$104	\$108	\$112	\$117	\$122	\$127	\$132	\$137	\$142
Retail Value per Sq.Ft.	\$110	\$114	\$119	\$124	\$129	\$134	\$139	\$145	\$151	\$157
Commercial Value	\$0	\$0	\$0	\$2,812,160	\$44,454,620	\$51,951,080	\$61,856,140	\$94,615,500	\$105,242,950	\$120,127,510
Total Commercial Assessed Value @ 29%	\$0	\$0	\$0	\$815,530	\$12,891,840	\$15,065,810	\$23,741,180	\$27,435,500	\$30,520,460	\$34,836,980
Total Assessed Value	\$0	\$0	\$0	\$7,591,510	\$25,041,190	\$33,072,640	\$48,054,560	\$58,353,180	\$67,712,340	\$75,209,560
Mill Levy	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Annual Tax Revenues (allows for 2 year lag in revenues)	\$0	\$0	\$0	\$0	\$0	\$150,630	\$500,820	\$661,450	\$961,090	\$1,167,060

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

Commercial Space	Year 11 2012	Year 12 2013	Year 13 2014	Year 14 2015	Year 15 2016	Year 16 2017	Year 17 2018	Year 18 2019	Year 19 2020	Year 20 2021	
Annual Office & Industrial Total	75,000 75,000 375,000	75,000 75,000 450,000	100,000 100,000 550,000	100,000 100,000 650,000	100,000 100,000 750,000	125,000 125,000 875,000	100,000 100,000 975,000	100,000 100,000 975,000	0 0 975,000	0 0 975,000	0 0 975,000
Retail Cumulative	0 340,000	150,000 490,000	0 490,000	0 490,000	0 490,000	150,000 640,000	0 640,000	0 640,000	0 640,000	150,000 790,000	0 790,000
Hotel Cumulative	0 170,000	170,000 340,000	0 340,000	0 340,000	0 340,000	0 340,000	0 340,000	0 340,000	0 340,000	0 340,000	0 340,000
Total Commercial Space Cumulative	75,000 885,000	395,000 1,280,000	100,000 1,380,000	100,000 1,480,000	100,000 1,580,000	275,000 1,855,000	100,000 1,955,000	0 1,955,000	0 1,955,000	150,000 2,105,000	0 2,105,000
Value per Sq Ft.	\$148 \$163	\$154 \$169	\$160 \$176	\$167 \$183	\$173 \$190	\$180 \$198	\$187 \$206	\$195 \$214	\$203 \$223	\$211 \$232	\$211 \$232
Commercial Value	\$136,034,450	\$204,593,440	\$228,787,510	\$254,569,740	\$282,090,090	\$345,601,060	\$378,154,910	\$393,281,110	\$409,012,350	\$460,135,850	\$460,135,850
Total Commercial Assessed Value @ 2%	\$39,449,990	\$95,332,100	\$66,348,380	\$73,831,020	\$81,806,130	\$100,224,310	\$109,664,920	\$114,051,520	\$118,613,580	\$133,439,400	\$133,439,400
Total Assessed Value	\$81,979,350	\$103,562,270	\$112,347,880	\$121,670,660	\$131,559,220	\$151,997,510	\$163,478,100	\$170,017,200	\$176,817,770	\$193,972,340	\$193,972,340
Mill Levy	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Annual Tax Revenues (allows for 2 year lag in revenues)	\$1,354,250	\$1,504,190	\$1,639,590	\$2,071,250	\$2,246,960	\$2,433,410	\$2,631,180	\$3,039,350	\$3,269,560	\$3,400,340	\$3,400,340

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

	Year 21 2022	Year 22 2023	Year 23 2024	Year 24 2025	Year 25 2026	Year 26 2027	Year 27 2028	Year 28 2029	Year 29 2030	Year 30 2031
Commercial Space										
Annual Office & Industrial Total Cumulative	0 975,000	0 975,000	0 975,000	0 975,000	0 975,000	0 975,000	0 975,000	0 975,000	0 975,000	0 975,000
Retail Cumulative	0 790,000	0 790,000	0 790,000	150,000 940,000	0 940,000	0 940,000	0 940,000	150,000 1,090,000	0 1,090,000	0 1,090,000
Hotel Cumulative	0 340,000	0 340,000	0 340,000	0 340,000	0 340,000	0 340,000	0 340,000	0 340,000	0 340,000	0 340,000
Total Commercial Space Cumulative	0 2,105,000	0 2,105,000	0 2,105,000	150,000 2,255,000	0 2,255,000	0 2,255,000	0 2,255,000	150,000 2,405,000	0 2,405,000	0 2,405,000
Value per Sq Ft. Value per Sq Ft.	\$219 \$241	\$228 \$251	\$237 \$261	\$246 \$271	\$256 \$282	\$267 \$293	\$277 \$305	\$288 \$317	\$300 \$330	\$312 \$343
Commercial Value	\$478,541,300	\$497,682,950	\$517,590,260	\$578,961,690	\$602,120,150	\$626,204,940	\$651,253,150	\$724,878,860	\$753,874,010	\$784,028,980
Total Commercial Assessed Value @ 27%	\$136,776,980	\$144,328,040	\$150,101,180	\$167,898,890	\$174,614,840	\$181,599,440	\$188,863,410	\$210,214,870	\$218,633,460	\$227,368,400
Total Assessed Value	\$201,730,810	\$209,800,230	\$218,192,190	\$238,713,670	\$248,262,460	\$258,192,890	\$268,520,840	\$293,059,120	\$304,781,310	\$315,972,250
Mill Levy	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Annual Tax Revenues (allows for 2 year lag in revenues)	\$3,536,360	\$3,879,460	\$4,034,620	\$4,196,000	\$4,363,840	\$4,774,270	\$4,965,260	\$5,163,860	\$5,370,420	\$5,861,180

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

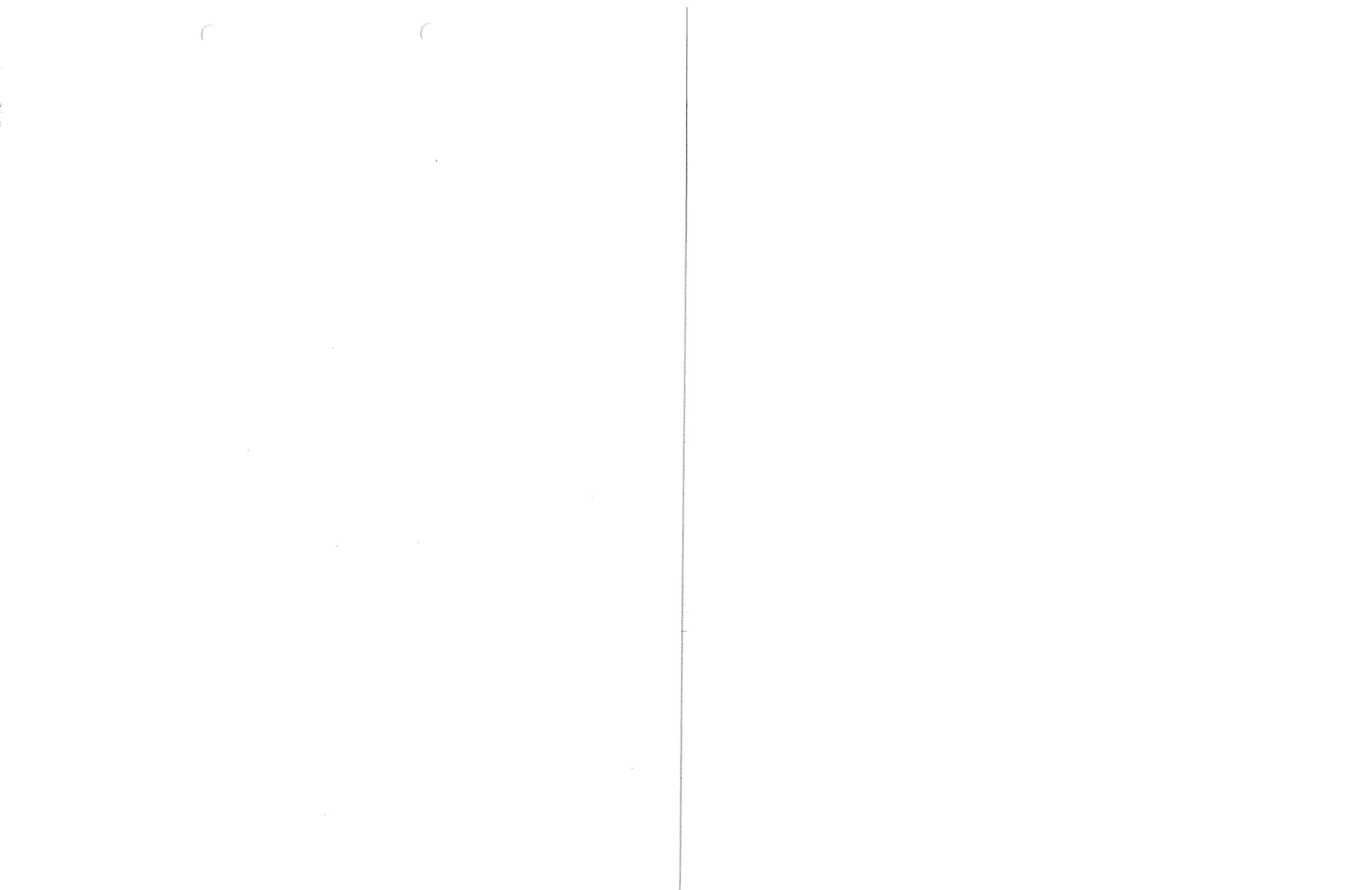
	Year 31 2032	Year 32 2033	Year 33 2034	Year 34 2035	Year 35 2036	Year 36 2037	Year 37 2038	Year 38 2039	Year 39 2040	Year 40 2041
Commercial Space										
Annual Office & Industrial Total Cumulative	0 975,000	0 975,000	0 975,000	0 975,000	0 975,000	0 975,000	0 975,000	0 975,000	0 975,000	0 975,000
Retail Cumulative	167,200 1,257,200	0 1,257,200								
Hotel Cumulative	0 340,000	0 340,000	0 340,000	0 340,000	0 340,000	0 340,000	0 340,000	0 340,000	0 340,000	0 340,000
Total Commercial Space Cumulative	167,200 2,572,200	0 2,572,200								
Value per Sq.Ft. Value per Sq.Ft.	\$324 \$357	\$337 \$371	\$351 \$386	\$365 \$401	\$379 \$417	\$395 \$434	\$410 \$451	\$427 \$469	\$444 \$488	\$462 \$508
Commercial Value	\$875,042,710	\$910,044,420	\$946,446,190	\$984,304,040	\$1,023,676,200	\$1,064,623,250	\$1,107,208,170	\$1,151,496,500	\$1,197,556,360	\$1,245,468,610
Total Commercial Assessed Value @ 29%	\$253,762,390	\$274,469,400	\$285,448,170	\$296,866,100	\$308,740,740	\$321,090,370	\$333,933,990	\$347,291,340	\$361,183,000	\$376,119,350
Total Assessed Value	\$346,960,220	\$360,828,250	\$375,261,650	\$390,272,470	\$405,883,190	\$422,118,760	\$439,003,760	\$456,563,960	\$474,826,640	\$493,819,350
Mill Levy	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Annual Tax Revenues (allows for 2 year lag in revenues)	\$6,095,630	\$6,339,450	\$6,939,000	\$7,216,570	\$7,505,230	\$7,805,450	\$8,117,660	\$8,442,380	\$8,780,080	\$9,131,280

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

	Year 1 2002	Year 2 2003	Year 3 2004	Year 4 2005	Year 5 2006	Year 6 2007	Year 7 2008	Year 8 2009	Year 9 2010	Year 10 2011
Water and Sewer Tap fees										
Total Commercial Sq. Ft. Added Annually	0	0	0	25,000	325,000	45,000	220,000	70,000	50,000	75,000
Equipment Number of SFD Taps, based on one tap/4,804 sq. ft.	0	0	0	5	68	9	46	15	10	16
Residential Water Taps	0	0	0	374	240	240	240	230	224	44
Cumulative Taps	0	0	0	379	687	937	1,223	1,468	1,702	1,761
Water and Sewer Tap Fee	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Water & sewer Tap Fee Income Annual	\$0	\$0	\$0	\$379,400	\$307,850	\$249,570	\$286,000	\$244,770	\$234,610	\$69,110
Cummulative	\$0	\$0	\$0	\$379,400	\$687,250	\$936,820	\$1,222,820	\$1,467,590	\$1,702,200	\$1,761,310
Additional Income From Voluntary Mill Levy on Non-residential Uses										
Assessed Value of Non-residential Uses	\$0	\$0	\$0	\$815,530	\$12,891,840	\$15,065,810	\$23,741,180	\$27,438,500	\$30,520,460	\$34,836,980
Mill Levy	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Additional Annual Tax Revenues (allows for 1 year lag in revenues)	\$0	\$0	\$0	\$0	\$16,310	\$257,640	\$301,320	\$474,820	\$548,770	\$610,410
Net Income	\$0	\$0	\$0	\$379,400	\$307,850	\$400,200	\$786,820	\$906,220	\$1,195,700	\$1,226,170
Present Value	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Annual Present Value	\$0	\$0	\$0	\$357,924	\$290,424	\$377,547	\$742,283	\$854,924	\$1,128,019	\$1,156,764
Cummulative Present Value	\$0	\$0	\$0	\$357,924	\$648,349	\$1,025,895	\$1,768,179	\$2,623,103	\$3,751,122	\$2,284,782

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

	Year 11 2012	Year 12 2013	Year 13 2014	Year 14 2015	Year 15 2016	Year 16 2017	Year 17 2018	Year 18 2019	Year 19 2020	Year 20 2021
Water and Sewer Tap fees										
Total Commercial Sq.Ft. Added Annually	75,000	395,000	100,000	100,000	100,000	275,000	100,000	0	0	150,000
Equipment Number of STD Taps, based on one Tap/4,804 sq.ft.	16	82	21	21	21	57	21	0	0	31
Residential Water Taps	13	0	0	0	0	0	0	0	0	0
Cumulative Taps	1,790	1,873	1,893	1,914	1,935	1,992	2,013	2,013	2,013	2,044
Water and Sewer Tap Fee	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Water & Sewer Tap Fee Income Annual	\$29,010	\$82,220	\$20,820	\$20,820	\$20,820	\$57,240	\$20,820	\$0	\$0	\$31,220
Cummulative	\$1,790,320	\$1,872,540	\$1,893,360	\$1,914,180	\$1,935,000	\$1,992,240	\$2,013,060	\$2,013,060	\$2,013,060	\$2,044,280
Additional Income From Voluntary Mill Levy on Non-residential Uses										
Assessed Value of Non-residential uses	\$39,449,990	\$59,332,100	\$66,348,380	\$73,831,020	\$81,806,130	\$100,224,310	\$109,664,920	\$114,051,520	\$118,613,580	\$133,439,400
Mill Levy	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Additional Annual Tax Revenues (allows for 1 year lag in revenues)	\$696,740	\$789,000	\$1,186,640	\$1,326,970	\$1,476,620	\$1,636,120	\$2,004,490	\$2,193,300	\$2,281,030	\$2,372,270
Net Income Present Value	\$1,383,260	\$1,586,410	\$1,660,410	\$2,092,070	\$2,267,780	\$2,490,660	\$2,652,000	\$3,039,350	\$3,269,560	\$3,431,560
Annual Present Value	\$728,665	\$835,702	\$674,684	\$1,102,077	\$1,194,639	\$1,312,045	\$1,397,042	\$1,401,093	\$1,722,365	\$1,807,705
Cummulative Present Value	\$3,013,467	\$3,849,169	\$4,723,853	\$5,825,930	\$7,020,570	\$8,332,614	\$9,729,656	\$11,330,749	\$13,053,114	\$14,860,819



MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

	Year 1 2002	Year 2 2003	Year 3 2004	Year 4 2005	Year 5 2006	Year 6 2007	Year 7 2008	Year 8 2009	Year 9 2010	Year 10 2011
Debt Payment Schedule										
Beginning Balance (\$4,000,000)	\$4,000,000	\$4,280,000	\$4,579,600	\$4,900,172	\$4,863,784	\$4,896,399	\$4,838,947	\$4,390,853	\$4,000,000	\$4,000,000
Interest at 7%	\$280,000	\$299,000	\$320,572	\$343,012	\$340,465	\$342,748	\$338,726	\$307,360	\$280,000	\$280,000
Ending Balance	\$4,280,000	\$4,579,600	\$4,900,172	\$5,243,184	\$5,204,249	\$5,239,147	\$5,177,673	\$4,698,213	\$4,280,000	\$4,280,000
Accrued Interest	\$280,000	\$579,600	\$900,172	\$1,243,184	\$1,204,249	\$1,239,147	\$1,177,673	\$998,213	\$0	\$0
Payments	\$0	\$0	\$0	\$379,400	\$307,860	\$400,200	\$786,820	\$0	\$280,000	\$280,000
Balance Due	\$4,280,000	\$4,579,600	\$4,900,172	\$4,863,784	\$4,896,399	\$4,838,947	\$4,390,863	\$4,000,000	\$4,000,000	\$4,000,000
Beginning Balance (\$9,000,000)	\$9,000,000	\$9,720,000	\$10,497,600	\$11,337,408	\$12,244,401	\$13,223,953	\$14,281,869	\$15,424,418	\$16,450,365	\$16,850,694
Interest at 8%	\$720,000	\$777,600	\$839,808	\$906,993	\$979,552	\$1,057,916	\$1,142,550	\$1,233,953	\$1,316,029	\$1,348,056
Ending Balance	\$9,720,000	\$10,497,600	\$11,337,408	\$12,244,401	\$13,223,953	\$14,281,869	\$15,424,418	\$16,658,372	\$17,766,394	\$18,198,749
Accrued Interest	\$720,000	\$1,497,600	\$2,337,408	\$3,244,401	\$4,223,953	\$5,281,869	\$6,424,418	\$7,658,372	\$8,974,401	\$9,406,757
Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$708,007	\$915,700	\$946,170
Balance Due	\$9,720,000	\$10,497,600	\$11,337,408	\$12,244,401	\$13,223,953	\$14,281,869	\$15,424,418	\$16,450,365	\$17,262,579	\$17,262,579
Beginning Balance (\$3,000,000)	\$3,000,000	\$3,270,000	\$3,564,300	\$3,885,087	\$4,234,745	\$4,615,872	\$5,031,300	\$5,484,117	\$5,977,688	\$6,515,680
Interest at 9%	\$270,000	\$294,300	\$320,787	\$349,688	\$381,127	\$415,428	\$452,817	\$493,571	\$537,992	\$586,411
Ending Balance	\$3,270,000	\$3,564,300	\$3,885,087	\$4,234,745	\$4,615,872	\$5,031,300	\$5,484,117	\$5,977,688	\$6,515,680	\$7,102,091
Accrued Interest	\$270,000	\$564,300	\$885,087	\$1,234,745	\$1,615,872	\$2,031,300	\$2,484,117	\$2,977,688	\$3,515,680	\$4,102,091
Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Due	\$3,270,000	\$3,564,300	\$3,885,087	\$4,234,745	\$4,615,872	\$5,031,300	\$5,484,117	\$5,977,688	\$6,515,680	\$7,102,091

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

	Year 11 2012	Year 12 2013	Year 13 2014	Year 14 2015	Year 15 2016	Year 16 2017	Year 17 2018	Year 18 2019	Year 19 2020	Year 20 2021
Debt Payment Schedule										
Beginning Balance (\$4,000,000)	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Interest at 7%	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000
Ending Balance	\$4,280,000	\$4,280,000	\$4,280,000	\$4,280,000	\$4,280,000	\$4,280,000	\$4,280,000	\$4,280,000	\$4,280,000	\$4,280,000
Accrued Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payments	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000
Balance Due	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Beginning Balance (\$9,000,000)	\$17,252,579	\$17,529,526	\$17,625,478	\$17,655,106	\$17,255,445	\$16,648,100	\$15,769,298	\$14,658,842	\$13,072,199	\$11,128,415
Ending Balance	\$1,390,206	\$1,402,362	\$1,410,038	\$1,412,408	\$1,360,436	\$1,331,848	\$1,261,544	\$1,172,707	\$1,045,775	\$890,273
Accrued Interest	\$9,840,793	\$16,931,868	\$19,035,516	\$19,057,515	\$18,635,880	\$17,979,948	\$17,030,842	\$15,831,549	\$14,117,975	\$12,018,669
Payments	\$1,103,260	\$1,306,410	\$1,243,523	\$1,275,522	\$9,843,887	\$9,187,655	\$8,238,849	\$7,039,557	\$5,325,982	\$3,226,696
Balance Due	\$17,529,526	\$17,625,478	\$17,655,106	\$17,255,445	\$16,648,100	\$15,769,298	\$14,658,842	\$13,072,199	\$11,128,415	\$8,867,129
Beginning Balance (\$3,000,000)	\$7,102,091	\$7,741,279	\$8,437,994	\$9,197,414	\$10,025,181	\$10,927,447	\$11,910,918	\$12,982,900	\$14,151,361	\$15,424,984
Ending Balance	\$639,188	\$696,715	\$759,419	\$827,767	\$902,266	\$983,470	\$1,071,983	\$1,168,461	\$1,273,623	\$1,398,249
Accrued Interest	\$7,741,279	\$8,437,994	\$9,197,414	\$10,025,181	\$10,927,447	\$11,910,918	\$12,982,900	\$14,151,361	\$15,424,984	\$16,813,232
Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Due	\$7,741,279	\$8,437,994	\$9,197,414	\$10,025,181	\$10,927,447	\$11,910,918	\$12,982,900	\$14,151,361	\$15,424,984	\$16,813,232

MOUNT CARRON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

	Year 31 2032	Year 32 2033	Year 33 2034	Year 34 2035	Year 35 2036	Year 36 2037	Year 37 2038	Year 38 2039	Year 39 2040	Year 40 2041
Water and Sewer Tap fees										
Total Commercial Sq.Ft. Added Annually	167,200	0	0	0	0	0	0	0	0	0
Equipment Number of SFD Taps based on one tap/4,804 sq.ft.	35	0	0	0	0	0	0	0	0	0
Residential Water Taps	0	0	0	0	0	0	0	0	0	0
Cumulative Taps	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142
Water and Sewer Tap Fee	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Water & Sewer Tap Fee Income	\$34,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Cumulative	\$2,141,520	\$2,141,520	\$2,141,520	\$2,141,520	\$2,141,520	\$2,141,520	\$2,141,520	\$2,141,520	\$2,141,520	\$2,141,520
Additional Income From Voluntary Mill Levy on Non-residential Uses										
Assessed Value of Non-residential Uses	\$253,762,390	\$263,912,880	\$274,469,400	\$285,446,170	\$296,866,100	\$308,740,740	\$321,090,370	\$333,933,990	\$347,291,340	\$361,183,000
Mill Levy	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Additional Annual Tax Revenues (allows for 1 year lag in revenues)	\$4,547,370	\$5,075,250	\$5,278,290	\$5,489,390	\$5,708,960	\$5,937,320	\$6,174,810	\$6,421,810	\$6,678,680	\$6,945,830
Net Income	\$6,130,430	\$6,339,450	\$6,939,000	\$7,216,570	\$7,505,230	\$7,805,450	\$8,117,660	\$8,442,380	\$8,780,080	\$9,131,280
Present Value	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Annual Present Value	\$1,006,954	\$1,041,286	\$1,139,765	\$1,185,358	\$1,232,772	\$1,282,084	\$1,333,366	\$1,386,703	\$1,442,172	\$1,499,858
Cumulative Present Value	\$29,459,996	\$30,501,282	\$31,641,047	\$32,826,405	\$34,059,177	\$35,341,261	\$36,674,627	\$38,061,330	\$39,503,502	\$41,003,351

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

	Year 21 2022	Year 22 2023	Year 23 2024	Year 24 2025	Year 25 2026	Year 26 2027	Year 27 2028	Year 28 2029	Year 29 2030	Year 30 2031
Debt Payment Schedule										
Beginning Balance (\$4,000,000)	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$2,620,569	\$0	\$0
Interest at 7%	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$183,440	\$0	\$0
Ending Balance	\$4,280,000	\$4,280,000	\$4,280,000	\$4,280,000	\$4,280,000	\$4,280,000	\$4,280,000	\$2,804,009	\$0	\$0
Accrued Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payments	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$1,659,431	\$2,804,009	\$0	\$0
Balance Due	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$2,620,569	\$0	\$0	\$0
Beginning Balance (\$9,000,000)	\$8,667,129	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$7,598,929	\$3,106,423
Interest at 8%	\$709,370	\$720,000	\$720,000	\$720,000	\$720,000	\$720,000	\$720,000	\$720,000	\$607,914	\$246,514
Ending Balance	\$9,376,499	\$9,720,000	\$9,720,000	\$9,720,000	\$9,720,000	\$9,720,000	\$9,720,000	\$9,720,000	\$8,206,843	\$3,354,937
Accrued Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payments	\$784,506	\$720,000	\$720,000	\$720,000	\$720,000	\$720,000	\$720,000	\$2,121,071	\$5,100,420	\$3,354,937
Balance Due	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$7,598,929	\$3,106,423	\$0
Beginning Balance (\$3,000,000)	\$16,813,232	\$15,864,569	\$14,402,030	\$12,663,593	\$10,576,097	\$8,164,105	\$5,124,605	\$3,000,000	\$3,000,000	\$3,000,000
Interest at 9%	\$1,513,191	\$1,426,911	\$1,296,183	\$1,139,723	\$951,849	\$734,769	\$461,214	\$270,000	\$270,000	\$270,000
Ending Balance	\$18,326,423	\$17,281,480	\$15,698,213	\$13,803,317	\$11,527,945	\$8,898,875	\$5,585,819	\$3,270,000	\$3,270,000	\$3,270,000
Accrued Interest	\$15,326,423	\$14,281,480	\$12,698,213	\$10,803,317	\$8,527,945	\$5,898,875	\$3,774,270	\$0	\$0	\$0
Payments	\$2,471,854	\$2,879,450	\$3,034,420	\$3,227,220	\$3,363,840	\$3,774,270	\$2,585,819	\$270,000	\$270,000	\$2,506,243
Balance Due	\$15,864,569	\$14,402,030	\$12,663,593	\$10,576,097	\$8,164,105	\$5,124,605	\$3,000,000	\$3,000,000	\$3,000,000	\$763,757

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

	Year 31 2032	Year 32 2033	Year 33 2034	Year 34 2035	Year 35 2036	Year 36 2037	Year 37 2038	Year 38 2039	Year 39 2040	Year 40 2041
Debt Payment Schedule										
Beginning Balance (\$4,000,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest at 7%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accrued Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Due	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Beginning Balance (\$9,000,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest at 8%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accrued Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Due	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Beginning Balance (\$3,000,000)	\$763,757	-\$5,297,935	-\$11,637,385	-\$18,576,385	-\$25,792,955	-\$33,298,185	-\$41,103,635	-\$49,221,295	-\$57,663,675	-\$66,443,755
Interest at 9%	\$68,738	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$832,495	-\$5,297,935	-\$11,637,385	-\$18,576,385	-\$25,792,955	-\$33,298,185	-\$41,103,635	-\$49,221,295	-\$57,663,675	-\$66,443,755
Accrued Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payments	\$6,130,430	\$6,339,480	\$6,939,000	\$7,216,570	\$7,505,230	\$7,805,450	\$8,117,660	\$8,442,380	\$8,780,080	\$9,131,280
Balance Due	-\$5,297,935	-\$11,637,385	-\$18,576,385	-\$25,792,955	-\$33,298,185	-\$41,103,635	-\$49,221,295	-\$57,663,675	-\$66,443,755	-\$75,575,035

November 13, 2002

Mr. Terry Bartholomew
Mount Carbon Metropolitan District
1234 West Alameda Parkway
Lakewood, Colorado 80228

Dear Mr. Bartholomew:

This letter will serve as additional information to be used in the restructuring of the Mount Carbon Metropolitan District. THK prepared a "Summary of Findings Revenues Analysis" dated November 13, 2002 related to the absorption of various land uses, market, and assessed valuations, and revenues that could be realized from a mill levy and "District Fee" from a portion of water and sewer tap fees (\$1,000 of the total fee). That analysis was based upon the findings presented to the Bankruptcy Court in July of 1999 and illustrates that \$16,000,000 dollars in new bond for the "District" could easily be retired at approximately 8% interest within 31 years.

In addition, THK has estimated the revenues that would be available for new infrastructure required to serve the property with water and sewer. We have assumed that there will be a maximum of 2,142 water and sewer taps. Using a total water and sewer tap fee of \$13,500, which is inline with tap fees realized by other districts in the region, less the \$1,000 portion of the total fee would generate \$37,562,546 in revenues for infrastructure. Based on engineering reports, it is estimated that in order to serve 2,142 water and sewer taps; expenditures of \$18,572,374 (adjusted for 4% annual inflation) will be required over the next 12 years. Of that total, \$12,091,250 will be required by Year 5 and the balance of \$6,481,124 will occur in Year 12.

Based on the current ability to serve by the "District" water and sewer capacities will need to be expanded in two phases. The expansions will need to occur in a manner that creates capacity in advance of actual absorption/development. This will create initial "shortfalls" in revenues to provide the infrastructure. Our estimates indicate that there could be an initial "shortfall" of approximately \$6,709,152 until sufficient taps are sold. In order to have adequate funds for required water and sewer infrastructure, pre-purchased taps will be required from developers of the property. Based on the suggested tap fees, a total of 473 water and sewer taps will need to be pre-purchased by Year 4. By Year 6 and years thereafter, significant surplus revenues from the sale of taps will exist, allowing for further expansion of the

water and sewer systems, if necessary. By Year 31, the "District" could realize \$18,990,172 in excess revenues.

Mr. Terry Bartholomew
November 13, 2002
Page Two

Regarding on-going operation of the "District," we have assumed that the average "tap" will use 45% of an acre-foot of water and sewer on an annual basis, or 146,700 gallons per year. It is estimated that in order to deliver water to the end user costs for pumping, treatment, storage, and administrative expenses (based on my experience as a Director with the East Cherry Creek Valley Water and Sanitation District) and other districts in the region is approximately \$2.65 per 1,000 gallons and sewer costs are approximately \$1.95 per 1,000 gallons. In addition, the economic life of most wells, water and sewer lines and other infrastructure is estimated at 40-years. In addition to the on-going expenses, the \$18 million in infrastructure will need to be replaced/maintained over the life of the system. If total water rates by the "District" average \$3.25 per 1,000 gallons and sewer rates are \$2.75 per 1,000 gallons, the "District" will have sufficient revenues to not only maintain on-going operations, but have reserves for replacement/maintenance of the system as well. These suggested rates are in-line with other rates and fees charged throughout the Denver metro region.

The attached spreadsheets detail our calculations as outlined above. If you have any questions or require any additional information, please do not hesitate to contact us.

Sincerely,



E. Peter Elzi, Jr.
Principal

ESTIMATED TAP FEE REVENUES, INFRASTRUCTURE COSTS, AND OPERATING COSTS FOR THE MOUNT CARBON WATER AND SEWER DISTRICTS

	Year 1 2007	Year 2 2008	Year 3 2009	Year 4 2010	Year 5 2011	Year 6 2012	Year 7 2013	Year 8 2014	Year 9 2015	Year 10 2016
Water and Sewer Tap Fees										
Equipment Number of Repairs on one tap @ \$24.800 per ft.	0	0	0	5	8	9	45	15	10	16
Residential Water Taps	0	0	0	374	240	240	240	230	224	44
Cumulative Taps	0	0	0	379	617	857	1,097	1,327	1,551	1,761
Total Water and Sewer Tap Fees	\$13,500	\$14,040	\$14,402	\$16,186	\$16,793	\$16,425	\$17,082	\$17,745	\$18,476	\$19,215
Portion of Fees for Debt Available for Infrastructure	\$1,000	\$1,000	\$1,000	\$1,002	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Amount of Water and Sewer Tap Fees Available for Infrastructure	\$12,500	\$13,040	\$13,402	\$14,186	\$14,793	\$15,425	\$16,082	\$16,745	\$17,476	\$18,215
Water and Sewer Tap Fee Income										
Annual	\$0	\$0	\$0	\$5,982,098	\$4,554,092	\$3,649,528	\$4,599,319	\$4,123,008	\$4,099,835	\$1,076,708
Cumulative	\$0	\$0	\$0	\$5,982,098	\$10,536,190	\$14,185,718	\$18,785,037	\$22,908,045	\$26,997,880	\$27,960,277
Required Infrastructure Improvements, 1										
Annual	\$0	\$0	\$100,000	\$5,428,152	\$5,428,152	\$0	\$0	\$0	\$0	\$0
Cumulative	\$0	\$0	\$100,000	\$11,991,250	\$12,991,250	\$12,991,250	\$12,991,250	\$12,991,250	\$12,991,250	\$12,991,250
Surplus or Shortfall to be Protected by Pre-Purchased Taps										
Annual	\$0	\$0	-\$100,000	-\$5,428,152	\$4,554,092	\$3,649,528	\$4,599,319	\$4,123,008	\$4,099,835	\$1,076,708
Cumulative	\$0	\$0	-\$100,000	-\$5,428,152	-\$2,150,071	\$1,994,457	\$6,293,776	\$10,416,784	\$14,476,619	\$15,574,027
Number of Pre-Purchased Taps Required for Infrastructure Annual	0	0	7	466	328	480	584	645	655	69
Cumulative	0	0	7	473	105	584	1,168	1,813	2,468	2,527
REVENUE AND EXPENSES FOR MOUNT CARBON OPERATIONS										
Cumulative Taps	0	0	0	379	617	857	1,097	1,327	1,551	1,761
Water Usage, 144,700 per tap	0	0	0	54,668,556	102,000,948	137,481,755	179,387,497	215,295,381	240,712,374	258,384,102
Sewer Usage, 144,700 per tap	0	0	0	66,889,556	126,123,948	167,481,755	213,387,497	244,712,374	266,384,102	283,384,102
Annual Operating Revenue	\$0	\$0	\$0	\$203,477	\$383,325	\$544,423	\$707,493	\$870,771	\$1,110,663	\$1,194,224
Annual Operating Expenses	\$0	\$0	\$0	\$242,346	\$424,701	\$591,233	\$764,243	\$936,827	\$1,194,224	\$1,222,658
TOTAL	\$0	\$0	\$0	\$61,131	\$158,624	\$253,190	\$343,250	\$433,944	\$516,439	\$71,566
Annual Operating Costs	\$0	\$0	\$0	\$172,173	\$324,851	\$459,819	\$604,201	\$779,114	\$939,899	\$1,011,349
Water @ \$2.75 per 1,000 gallons	\$0	\$0	\$0	\$12,086	\$22,294	\$32,054	\$42,416	\$53,402	\$65,410	\$77,134
Sewer @ \$1.06 per 1,000 gallons	\$0	\$0	\$0	\$29,087	\$56,557	\$81,765	\$107,785	\$139,712	\$177,489	\$204,215
TOTAL	\$0	\$0	\$0	\$141,263	\$278,901	\$411,579	\$552,196	\$718,826	\$882,389	\$985,554
Income Available for Repairs and System Replacement	\$0	\$0	\$0	\$192,214	\$360,473	\$532,604	\$703,297	\$891,118	\$1,118,544	\$1,208,670
Cumulative	\$0	\$0	\$0	\$192,214	\$552,687	\$1,085,291	\$1,788,588	\$2,679,706	\$3,798,250	\$5,006,920
REQUIREMENT FOR SYSTEM IMPROVEMENTS Based on a 40 year life of improvements										
Annual	\$0	\$0	\$2,000	\$302,281	\$302,281	\$302,281	\$302,281	\$302,281	\$302,281	\$302,281
Cumulative	\$0	\$0	\$2,000	\$504,562	\$806,843	\$1,109,124	\$1,411,405	\$1,713,686	\$2,015,967	\$2,318,248

1) Based on estimates in the "Joint and Tap Engineering" reports
Source: THK Associates, Inc.

ESTIMATED FEE REVENUES, INFRASTRUCTURE COSTS, AND OPERATING COSTS FOR THE MOUNT CARMEL WATER AND SEWER DISTRICTS

	Year 11 2012	Year 12 2013	Year 13 2014	Year 14 2015	Year 15 2016	Year 16 2017	Year 17 2018	Year 18 2019	Year 19 2020	Year 20 2021
Water and Sewer Tap fees										
Equipment Number of SPD Taps based on one 1/2" x 1/4" SGA at ft.	16	82	21	21	21	57	21	0	0	31
Residential Water Taps	13	0	0	0	0	0	0	0	0	0
Cumulative Total	1,790	1,873	1,893	1,914	1,935	1,992	2,013	2,013	2,013	2,044
Total Water and Sewer Tap Fees	\$19,965	\$20,763	\$21,614	\$22,478	\$23,378	\$24,313	\$25,285	\$26,297	\$27,349	\$28,442
Portion of Fees for Debt	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Amount of Water and Sewer Tap Fees Available for Infrastructure	\$18,965	\$19,763	\$20,614	\$21,478	\$22,378	\$23,313	\$24,285	\$25,297	\$26,349	\$27,442
Water and Sewer Tap Fee Income for Infrastructure	\$86,748	\$1,626,670	\$490,009	\$467,006	\$445,812	\$1,834,613	\$2,525,521	\$3,024,653	\$3,429,653	\$3,846,843
Cumulative	\$28,516,020	\$29,842,690	\$30,271,710	\$30,718,806	\$31,184,618	\$32,679,132	\$33,024,653	\$33,024,653	\$33,024,653	\$33,881,510
Required Infrastructure Investments, 1										
Water	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sewer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative	\$12,091,283	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374
Surplus or Shortfall to be Protected by Pre-Purchased Taps										
Annual	\$665,743	\$4,854,654	\$460,009	\$447,006	\$445,812	\$1,834,613	\$2,525,521	\$3,024,653	\$3,429,653	\$3,846,843
Cumulative	\$13,154,771	\$11,270,224	\$11,690,339	\$12,144,434	\$12,612,244	\$13,946,756	\$14,462,270	\$14,462,270	\$14,462,270	\$15,809,112
Number of Pre-Purchased Taps Required for Infrastructure										
Annual	-29	245	-21	-21	-21	-57	-21	0	0	-31
Cumulative	-298	-692	-713	-734	-755	-812	-833	-833	-833	-864
REVENUES AND EXPENSES FOR ONSHORE DISTRICT OPERATIONS										
Cumulative Total	1,790	1,873	1,893	1,914	1,935	1,992	2,013	2,013	2,013	2,044
Water Usage, 144,700 per tap	262,643,161	274,702,297	277,754,002	280,806,708	283,863,413	292,261,102	295,314,808	295,314,808	295,314,808	299,896,365
Sewer Usage, 144,700 per tap	262,643,161	274,702,297	277,754,002	280,806,708	283,863,413	292,261,102	295,314,808	295,314,808	295,314,808	299,896,365
Water Operations Expenses										
Water @ \$3.25 per 1,000 gallons	\$1,243,606	\$1,274,498	\$1,246,263	\$1,219,899	\$1,197,659	\$1,710,494	\$1,797,437	\$1,899,643	\$1,944,324	\$2,028,461
Sewer @ \$2.75 per 1,000 gallons	\$874,726	\$911,806	\$1,000,557	\$1,054,030	\$1,104,009	\$1,184,278	\$1,244,518	\$1,294,299	\$1,344,071	\$1,421,627
TOTAL	\$2,118,332	\$2,186,304	\$2,246,820	\$2,273,929	\$2,301,668	\$3,894,772	\$3,041,955	\$3,193,942	\$3,288,395	\$3,450,088
Annual Operating Costs										
Water @ \$2.75 per 1,000 gallons	\$1,094,122	\$1,142,942	\$1,222,915	\$1,285,814	\$1,351,789	\$1,447,451	\$1,521,078	\$1,543,197	\$1,543,197	\$1,737,544
Sewer @ \$1.90 per 1,000 gallons	\$728,105	\$824,000	\$850,135	\$871,759	\$890,341	\$1,025,374	\$1,078,689	\$1,121,726	\$1,165,926	\$1,202,077
TOTAL	\$1,822,227	\$1,966,942	\$2,073,050	\$2,157,573	\$2,242,130	\$2,472,825	\$2,609,767	\$2,664,923	\$2,709,123	\$2,939,621
Income Available for Repairs and Replacement										
Annual	\$11,017	\$308,313	\$355,757	\$374,055	\$393,248	\$421,077	\$422,495	\$400,195	\$478,003	\$605,467
Cumulative	\$1,656,071	\$1,964,384	\$2,295,141	\$2,631,196	\$3,026,444	\$3,447,521	\$3,870,016	\$4,300,211	\$4,828,814	\$5,334,281
Replacement Costs for System Improvements Based on a 40 year life of improvements										
Annual	\$302,281	\$664,899	\$664,899	\$664,899	\$664,899	\$664,899	\$664,899	\$664,899	\$664,899	\$664,899
Cumulative	\$2,821,740	\$2,888,639	\$3,344,538	\$3,811,437	\$4,277,197	\$4,742,277	\$5,207,376	\$5,672,475	\$6,137,574	\$6,599,334

ESTIMATED TAP FEE REVENUES, INFRASTRUCTURE COSTS, AND OPERATING COSTS FOR THE MOUNT CARRON WATER AND SEWER DISTRICTS

	Year 21 2021	Year 22 2022	Year 23 2023	Year 24 2024	Year 25 2025	Year 27 2027	Year 28 2028	Year 29 2029	Year 30 2030
Water and Sewer Tap Fees									
Equivalent Number of SD Taps Based on one tap/1,000 gal.	0	0	0	31	0	0	31	0	0
Residential Water Taps	0	0	0	0	0	0	0	0	0
Cumulative Tap	2,044	2,044	2,044	2,076	2,076	2,076	2,107	2,107	2,107
Total Water and Sewer Tap Fees	\$29,580	\$30,765	\$31,950	\$33,274	\$34,659	\$37,428	\$38,925	\$40,482	\$42,102
Portion of Fees for Debt Available for Infrastructure	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Water and Sewer Tap Fee Income Available for Infrastructure	\$28,580	\$29,765	\$30,950	\$32,274	\$33,659	\$36,428	\$37,925	\$39,482	\$41,102
Water and Sewer Tap Fee Income Available for Infrastructure	\$0	\$0	\$0	\$1,007,712	\$0	\$0	\$1,184,184	\$0	\$36,074,412
Cumulative	\$33,881,516	\$33,881,516	\$33,881,516	\$34,889,228	\$34,889,228	\$34,889,228	\$36,073,412	\$36,073,412	\$36,073,412
Required Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sewer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374
Surplus or Shortfall to be Provided by Pre-Purchased Taps	\$15,309,142	\$15,309,142	\$15,309,142	\$15,316,854	\$15,316,854	\$15,316,854	\$17,501,038	\$17,501,038	\$17,501,038
Number of Pre-Purchased Taps Required for Infrastructure	0	0	0	-31	0	0	-31	0	0
Annual	-664	-664	-664	-695	-695	-695	-726	-726	-726
Cumulative	-664	-1,328	-2,000	-2,695	-3,390	-4,085	-4,811	-5,537	-6,263
REVENUES AND EXPENSES FOR ONGOING DISTRICT OPERATIONS									
Cumulative Taps	2,044	2,044	2,044	2,076	2,076	2,076	2,107	2,107	2,107
Water Usage, 144,700 per Tap	299,895,365	299,895,365	299,895,365	304,475,923	304,475,923	304,475,923	309,056,481	309,056,481	309,056,481
Sewer Usage, 144,700 per Tap	299,895,365	299,895,365	299,895,365	304,475,923	304,475,923	304,475,923	309,056,481	309,056,481	309,056,481
Water @ \$2.25 per 1,000 gallons	\$2,135,400	\$2,221,024	\$2,306,648	\$2,392,272	\$2,477,896	\$2,563,520	\$2,649,144	\$2,734,768	\$2,820,392
Sewer @ \$2.75 per 1,000 gallons	\$1,475,492	\$1,537,452	\$1,599,412	\$1,661,372	\$1,723,332	\$1,785,292	\$1,847,252	\$1,909,212	\$1,971,172
TOTAL	\$3,610,892	\$3,758,476	\$3,906,060	\$4,053,644	\$4,201,228	\$4,348,812	\$4,496,396	\$4,643,980	\$4,791,564
Annual Operating Costs	\$1,807,346	\$1,879,328	\$1,951,310	\$2,023,292	\$2,095,274	\$2,167,256	\$2,239,238	\$2,311,220	\$2,383,202
Water @ \$2.25 per 1,000 gallons	\$1,388,400	\$1,448,400	\$1,508,400	\$1,568,400	\$1,628,400	\$1,688,400	\$1,748,400	\$1,808,400	\$1,868,400
Sewer @ \$2.75 per 1,000 gallons	\$418,946	\$430,928	\$442,910	\$454,892	\$466,874	\$478,856	\$490,838	\$502,820	\$514,802
TOTAL	\$1,807,346	\$1,879,328	\$1,951,310	\$2,023,292	\$2,095,274	\$2,167,256	\$2,239,238	\$2,311,220	\$2,383,202
Reserve Accounts for Repairs and System Replacement	\$525,586	\$544,714	\$563,842	\$582,970	\$602,098	\$621,226	\$640,354	\$659,482	\$678,610
Annual	\$525,586	\$544,714	\$563,842	\$582,970	\$602,098	\$621,226	\$640,354	\$659,482	\$678,610
Cumulative	\$525,586	\$1,070,300	\$1,615,014	\$2,159,728	\$2,704,442	\$3,249,156	\$3,793,870	\$4,338,584	\$4,883,298
Replacement Costs for System Improvements	\$464,509	\$464,509	\$464,509	\$464,509	\$464,509	\$464,509	\$464,509	\$464,509	\$464,509
Annual	\$464,509	\$464,509	\$464,509	\$464,509	\$464,509	\$464,509	\$464,509	\$464,509	\$464,509
Cumulative	\$464,509	\$929,018	\$1,393,527	\$1,858,036	\$2,322,545	\$2,787,054	\$3,251,563	\$3,716,072	\$4,180,581

ESTIMATED PAY-FREE REVENUES, INFRASTRUCTURE COSTS, AND OPERATING COSTS FOR THE MOUNT CARBON WATER AND SEWER DISTRICTS

	Year 31 2032	Year 32 2033	Year 33 2034	Year 34 2035	Year 35 2036	Year 36 2037	Year 37 2038	Year 38 2039	Year 39 2040	Year 40 2041
Water and Sewer Tap Fees										
Equipment Number on one tap/4.84 sq ft	35	0	0	0	0	0	0	0	0	0
Residential Water Taps	0	0	0	0	0	0	0	0	0	0
Cumulative	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142
Total Water and Sewer Taps Fee	\$43,786	\$46,837	\$47,359	\$46,259	\$53,272	\$56,403	\$57,419	\$59,424	\$62,321	\$62,321
Portion of Fees for Debt	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Amount of Water and Sewer Tap Fees Available for Infrastructure	\$42,786	\$44,537	\$46,359	\$45,259	\$52,272	\$55,403	\$56,419	\$58,424	\$61,321	\$61,321
Water and Sewer Tap Fee Income for Infrastructure	\$1,486,133	\$1,486,133	\$1,486,133	\$1,486,133	\$1,486,133	\$1,486,133	\$1,486,133	\$1,486,133	\$1,486,133	\$1,486,133
Cumulative	\$37,562,546	\$37,562,546	\$37,562,546	\$37,562,546	\$37,562,546	\$37,562,546	\$37,562,546	\$37,562,546	\$37,562,546	\$37,562,546
Required Infrastructure										
Water	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sewer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374
Surplus or Shortfall to be Provided by Pre-Purchased Taps										
Annual	\$1,486,133	\$1,486,133	\$1,486,133	\$1,486,133	\$1,486,133	\$1,486,133	\$1,486,133	\$1,486,133	\$1,486,133	\$1,486,133
Cumulative	\$18,990,172	\$18,990,172	\$18,990,172	\$18,990,172	\$18,990,172	\$18,990,172	\$18,990,172	\$18,990,172	\$18,990,172	\$18,990,172
Number of Pre-Purchased Taps Available for Infrastructure										
Annual	-35	-35	-35	-35	-35	-35	-35	-35	-35	-35
Cumulative	-961	-961	-961	-961	-961	-961	-961	-961	-961	-961
REPAIRS AND OPERATIONS - MOUNT CARBON DISTRICT OPERATIONS										
Cumulative Taps	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142
Water Taps, 146.700 per tap	\$14,102,276	\$14,102,276	\$14,102,276	\$14,102,276	\$14,102,276	\$14,102,276	\$14,102,276	\$14,102,276	\$14,102,276	\$14,102,276
Sewer Taps, 146.700 per tap	\$14,102,276	\$14,102,276	\$14,102,276	\$14,102,276	\$14,102,276	\$14,102,276	\$14,102,276	\$14,102,276	\$14,102,276	\$14,102,276
ANNUAL OPERATING COSTS - MOUNT CARBON DISTRICT OPERATIONS										
Water @ \$2.75 per 1,000 gallons	\$5,311,694	\$5,444,040	\$5,561,824	\$5,728,097	\$5,874,101	\$6,029,065	\$6,190,228	\$6,357,837	\$6,530,160	\$6,713,450
Sewer @ \$2.75 per 1,000 gallons	\$2,292,545	\$2,364,450	\$2,479,724	\$2,578,613	\$2,662,070	\$2,759,653	\$2,800,927	\$2,816,984	\$2,817,462	\$2,823,148
TOTAL	\$8,004,239	\$8,308,492	\$8,309,158	\$8,309,158	\$8,308,412	\$8,309,158	\$8,309,158	\$8,309,158	\$8,309,158	\$8,309,158
Annual Operating Costs										
Water @ \$2.75 per 1,000 gallons	\$2,802,121	\$2,914,209	\$3,030,774	\$3,152,005	\$3,278,885	\$3,409,809	\$3,544,577	\$3,687,400	\$3,834,896	\$3,984,292
Sewer @ \$1.05 per 1,000 gallons	\$1,985,596	\$2,084,537	\$2,140,300	\$2,140,300	\$2,140,300	\$2,140,300	\$2,140,300	\$2,140,300	\$2,140,300	\$2,140,300
TOTAL	\$4,787,717	\$4,998,746	\$5,171,074	\$5,292,305	\$5,419,185	\$5,550,109	\$5,684,877	\$5,827,700	\$5,975,196	\$6,124,592
Income Available for Repairs and Replacement										
Annual	\$815,103	\$847,769	\$891,080	\$914,947	\$953,625	\$991,770	\$1,031,441	\$1,072,698	\$1,115,006	\$1,160,230
Cumulative	\$12,546,807	\$13,412,976	\$14,294,655	\$15,211,402	\$16,165,227	\$17,156,997	\$18,188,438	\$19,261,136	\$20,376,742	\$21,526,973
Replacement Costs for System Improvements Based on a 40 year life of improvements										
Annual	\$464,309	\$464,309	\$464,309	\$464,309	\$464,309	\$464,309	\$464,309	\$464,309	\$464,309	\$464,309
Cumulative	\$11,703,807	\$12,171,256	\$12,635,565	\$13,099,866	\$13,564,174	\$14,028,484	\$14,492,793	\$14,957,102	\$15,421,412	\$15,885,721

PROJECTED 2001 WATER SUPPLY PLAN

FOR

**MOUNT CARBON
METROPOLITAN DISTRICT**

Prepared for:

Mount Carbon Metropolitan District
12340 West Alameda Avenue
Lakewood, CO 80228

Prepared by:

JR Engineering
6020 Greenwood Plaza Boulevard
Englewood, Colorado 80111
(303) 740-9393

August 30, 1999
Project No. 4322.00

EXHIBIT C

INTRODUCTION

The Mount Carbon Metropolitan District has existing water rights in the Hock-Hocking Mine and Harriman Ditch with water court decrees 83CW280 and 84CW221, to issue and provide water for up to 2142 equivalent taps (EQR's), with an associated demand of 0.4506 acre-feet per year per EQR. The number of taps that can be issued is limited to the amount of raw water storage established by the water court. The District is currently limited to 400 EQR's because there is only 1.5 million gallons of system storage and the diversion of water is provided through an existing infiltration gallery with a permitted pumping limit of 140 gallons per minute.

The purpose of this plan is to develop a raw water storage facility and treatment plant and upgrade the existing diversion, pumping, and transmission facilities to allow the District to issue and supply water for the maximum 2142 EQR's available under current water court decrees. The plan will also look at provisions for phasing and/or sizing the proposed facilities for future expansion to serve up to 4000 EQR's if additional water rights are acquired or decreed to the District.

This plan addresses the following facilities:

1. Diversion facility and pump station expansion at Bear Creek.
2. Existing raw water line from Bear Creek to Morrison Road and McIntyre.
3. Proposed 450 to 500 acre-ft raw water storage reservoir on the Robinson Brick Company site.
4. New raw water line from Morrison Road and McIntyre to the proposed raw water reservoir site.
5. Water treatment facility at raw water reservoir site.
6. Pumping facility from raw water reservoir to water treatment facility.
7. Pumping facility from water treatment facility to the existing distribution system.

This plan also will detail an opinion of probable cost and a design and construction schedule to complete the facilities by September of 2001.

EXISTING SYSTEM

Water Supply Diversion and Pumping

The existing system consists of an infiltration gallery, collection sump/pump station, and chlorinating facility on Bear Creek downstream of the Bear Creek Reservoir and west of Kipling Street. The facility was constructed in 1986. The facility was constructed under a well permit number 28903-F. The permitted capacity is limited to 140 gallons per minute. The infiltration gallery is approximately 200 feet in length and discharges the collected groundwater into a 48-inch diameter precast concrete clearwell that extends about 28 feet below the surface. The clearwell hold approximately 1700 gallons of water at the normal groundwater elevation approximately 10 feet below the surface around the clearwell. A 20 HP submersible pump is installed in the bottom of the clearwell and discharges the water through a 4-inch line to a meter vault. The discharge line from the vault to the existing 18-inch water line is a 6-inch diameter line. A water supply line from the discharge line in the vault to the chlorine injector and back to the clearwell provides chlorination of the groundwater.

Transmission and Distribution Line and Storage

The existing 18-inch water line was constructed in 1985 and is called the South Platte Pipeline. The line was originally proposed to run along Bear Creek from the South Platte River to the District. It currently begins at the infiltration gallery site and runs west along the south side of Morrison Road to McIntyre and crosses Morrison Road to the northwest corner of the intersection. It ties in to an existing 16-inch transmission line in the proposed future alignment of McIntyre Street. The total length of the line is approximately 16,415 feet. The pipe material is ductile iron pipe. The line was designed for a working pressure of 250 psi.

A connection and meter station with the town of Morrison provides an interconnect between the water systems of the District and Morrison. The proposed Red Rocks Centre development is in the town of Morrison and is to be served by Morrison if Morrison exercises a first right of refusal clause in an agreement dated September 17th, 1996, and recorded in Jefferson County on October 21, 1996, under reception number F0317908.

The water is fed through the existing transmission system of the Red Rocks Centre and the District to the existing 1.5 million-gallon steel tank at the north end of the District. An additional 0.5 million-gallon storage reservoir and pump station is proposed for the remaining area that can not be served by the elevation of the existing storage tank.

WATER RIGHTS AND AVAILABILITY FOR STORAGE

In the memo dated February 10, 1999, prepared by Bishop-Brogden Associates, Inc., the District has existing water rights and water court decrees to serve up to 2142 EQR's as long as 450 acre-feet of water is stored by the District. The memo detailed the water available for diversion during the year from 0 to 1.91 cfs or 857 gpm. The memo also calculated that the District requires approximately 160 acre-feet of water in storage to meet the annual water demands for 2142 EQR's with the variable flow rates of diversion. Additional water would be available in priority during years of above average flow in Bear Creek that can be diverted for storage. The District is also investigating sources for additional water rights and storage to support its current water rights and serve additional taps above the current decrees.

PROPOSED DEVELOPMENT

The following developments are currently proposed for the District:

DESCRIPTION	TOTAL EQR's
Springfield Green	1500
Lakewood West	335
Red Rocks Business Park	350
West Wind	225
Totals	2410
Red Rocks Centre**	1500
Totals	3910

** Not in District and proposed to be served by Morrison.

The Red Rocks Centre development is included in the table because the District would have an option to provide water service to the development if Morrison exercises their option not to provide water service

to the area. The proposed facilities in this plan will be sized and designed to ultimately handle 4000 EQR's if additional water rights and storage are acquired and additional EQR's decreed.

PROPOSED FACILITIES

The following facilities need to be constructed to allow the District to serve the 2142 EQR's that are allowed in the court decrees plus provide expansion to serve up to 4000 EQR's:

1. Surface water diversion structure and pump station on Bear Creek.
2. A 20-inch raw water line from Morrison Road and McIntyre Street to new raw water storage reservoir.
3. A 450 to 500 acre-feet capacity raw water storage pond and pump station to new water treatment plant.
4. A 2 million-gallon per day surface water treatment plant with backwash pond and pump station to pump into the existing distribution system and 1.5 million gallon reservoir.

An evaluation of the existing 18-inch South Platte Pipeline and infiltration gallery/pump station is included in the new diversion structure/pump station and the new 20-inch raw water line.

Surface Diversion Structure and Pumping Station

The diversion flow rate for average annual water demands at buildout of 2142 EQR's will be variable from zero to approximately 850 gallons per minute. Higher flow rates will be required to divert excess water to storage during wet years. Historical data shows the spring runoff period has the highest flows that occur over a 60 day period from April through June. The diversion flow rate to fill the raw water storage pond in a 60 day period is 1886 gallons per minute. The flow range from zero to 1886 gallons per minute was established using two pumps that operate at a variable flow of zero to 950 gallons per minute each. The two pumps would provide a backup pump for normal operating diversion flows and both pumps running simultaneously would handle flows for storage during spring runoff in wet years. The existing 18-inch South Platte Water Line has adequate capacity to carry the maximum flow rate from the diversion structure pump station.

The existing infiltration gallery has a capacity of 140 gallons per minute. To handle the proposed flows for buildout, the system would have to be expanded 10 to 12 times larger than its existing size. The land area available is not sufficient to build a facility of this size. The actual amount of flow that could be diverted using an infiltration gallery would also be significantly affected by the schedule of the Bear Creek Reservoir discharge that is less than a mile upstream of this location. The discharge schedule of the Bear Creek Reservoir will have a direct impact on the diversion of water from Bear Creek to the new raw water storage reservoir. An infiltration gallery could restrict the quantity of water available to divert during high runoff periods.

The Army Corp of Engineers operates the reservoir discharge to maintain water quantity and quality in the reservoir. The reservoir water quality discharges during the winter months will contain sediments from the reservoir that contain inorganic elements that would potentially require additional treatment of the water to remove the contaminants in addition to conventional water treatment for drinking water quality. Water quality tests were obtained and reviewed from the Bear Creek Water Quality Association that monitors water quality in Bear Creek. The association performs water quality testing on the discharge of the reservoir on a regular basis as well as other sites along the creek. Some discharges during the

winter months can contain unsuitable water quality for drinking water and diversion to storage may be discontinued during these periods. The existing infiltration gallery could be used during these periods but the diversion rate would be limited to the existing capacity of 140 gallons per minute. An increase in the pumping rate of the infiltration gallery is possible through a request to the state engineer to increase the permitted flow. This would require an upgrade in the pump station equipment that is included in the opinion of probable cost.

A surface diversion structure is the optimum method of diversion for water quantity and quality control. It allows the flexibility to handle a wide range of flows and some limited management of water quality. The surface diversion would divert water into a wet well for pumping to the raw water storage reservoir.

RAW WATER STORAGE RESERVOIR

The District has a tentative agreement with Robinson Brick Company to purchase and reclaim a portion of the clay quarry site adjacent to the existing 1.5 million-gallon storage reservoir. The site will allow construction of a raw water storage reservoir with a capacity of 450 to 500 acre-feet and a water treatment plant. JR Engineering has reviewed a preliminary site plan for the reservoir that the District and Robinson Brick are using for their agreement.

The pond will receive water from the diversion structure pump station and raw water transmission line. The raw water may require pretreatment during some winter months due to discharges released from Bear Creek Reservoir that could contain levels of pollutants requiring pretreatment prior to discharge into the storage pond. Space is available adjacent to the treatment plant for a treatment basin and/or clarifier.

An intake wet well for pumping into the treatment plant would be constructed in the raw water storage pond. The intake would be a full depth structure and would have intake ports at several depths to allow for selective withdrawal of water from the pond. A three-pump configuration would be used to supply water to the treatment plant. Each pump would be able to pump half of the plant capacity or 1-MGD each with one pump used as a spare or backup.

It is anticipated that the pond will be constructed with a liner and possibly an underdrain system to divert groundwater around and under the pond embankments. The current plan is to divert storm water around the reservoir site. In the future, stormwater may be diverted to the site as an alternate water source.

WATER TREATMENT FACILITY

A 2 million-gallon per day water treatment facility is proposed on the raw water storage reservoir site to supply water for the 2142 EQR's. The facility would supply treated water to the existing 1.5 million-gallon tank and the future Springfield Green pump station and 0.5 million-gallon reservoir. The treatment facility would be supplied from the raw water storage reservoir pump station. The discharge from the facility would be pumped into the existing system.

The facility would remove the normal surface water pollutants to comply with drinking water standards. A pretreatment basin and/or clarifier may be necessary to remove additional pollutants due to sediments in Bear Creek reservoir that are discharged during winter months that contain heavy metals. We have reviewed water quality reports from the Bear Creek reservoir discharge located about one mile upstream of the diversion structure. It is apparent that coordination with the Army Corp of Engineers and the District will be necessary on the discharge schedule for the reservoir. The District may have to cease operations during bottom zone dumping of the reservoir during the winter months or treat the water through a pretreatment process prior to storage and/or conventional treatment.

The conventional treatment process would most likely employ chemical addition for clarification and sand filtration. We anticipate that the filtration will also involve the use of potassium permanganate and manganese green sand and activated carbon filter media to for taste and odor control and giardia elimination. Chemical disinfection using chlorine would also be a part of the treatment process. The addition of softening agents may also be necessary to comply with the lead and copper standards.

FUTURE TAPS AND UPGRADES

The Projected 2001 Water Supply Plan would allow the District to operate at the current maximum of 2142 EQR's. The District has the potential to acquire and/or decree additional water rights that would allow more taps to be issued with upgrades in the system.

The Diversion structure, pump station, raw water line, raw water storage reservoir, and treatment plant have been proposed to initially handle 2142 EQR's. The diversion structure and pump station proposed will divert and pump 500 acre-feet of water to storage in two months at the maximum pumping rate. Provisions will be designed into the diversion structure and pump station to double the diversion and pumping capacity of the facilities in the future if water rights are available to issue additional taps. The pump station will have two pumps initially with a third opening to add an additional pump in the future. This would allow the District to divert and fill the raw water storage reservoir in one month at a rate of approximately 3800 gallons per minute. It is unlikely that this pumping situation would occur except during a very wet and high runoff year and the raw water storage reservoir depleted due to previous dry years. The raw water storage reservoir is approximately three times larger than the 160 acre-feet of water required to be stored annually to operate the system for 2142 EQR's. The diversion, pumping, transmission, and storage facility could provide the capacity to operate a 4 MGD treatment plant for 4000 taps if additional water rights are acquired or decreed to the District.

We have assumed that if additional water rights and storage for additional taps were acquired, the raw water storage reservoir would be at another location and the additional water rights delivered to the proposed diversion structure. The additional water can also be pumped from the proposed raw water reservoir to a future raw water reservoir from the raw water pump station. The pump station is being configured to add additional pumps for this purpose and for treatment plant expansion.

Water treatment and treated water storage capacity would have to be increased for additional taps. The District needs to pursue acquiring additional land at the raw water storage reservoir site to allow for future expansion of the water treatment plant. An additional 2 Mgd water treatment plant and a 2 million gallon treated water storage reservoir would be required to issue 4000 EQR's. We have included a contingency for an additional 2 million gallon water storage reservoir in our opinion of probable cost.

OPINION OF PROBABLE COST

The costs are in 1999-2000 dollars with 20% contingency and 15% engineering factors added to the construction costs. The 20% contingency was used to account for anticipated costs in the design and construction phases of the project that can not be determined until the projects are further into the design process and formal reviews are completed by the various local, state and federal agencies who will review and approve the plans.

The costs have not been adjusted for construction in future years after the year 2000. The costs associated with expansion of the system for 4000 EQR's is specifically listed along with the initial cost to supply the 2142 EQR's. A financial consultant will need to adjust these numbers for future construction since the timing of the expansion is not currently available. We have assumed that all of the initial facilities will be under construction by the last half of the year 2000.

CONCLUSION

The Projected 2001 Water Supply Plan was prepared based on the information currently available and water court decrees that allow the District to issue 2142 EQR's with a minimum of 450 acre-feet of storage with their existing water rights. Expansion of the system to supply 4000 EQR's is included in the plan but is contingent on the District acquiring additional water rights and/or storage.

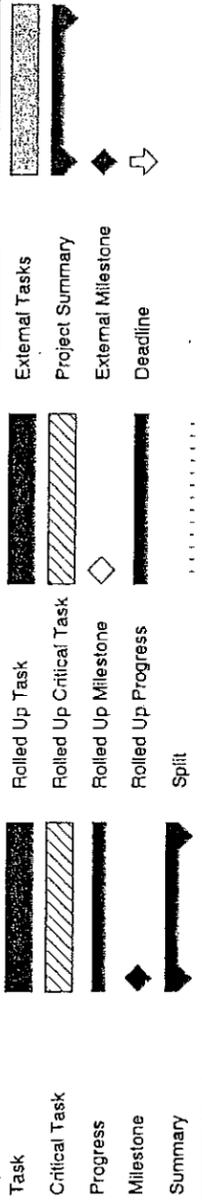
The costs associated with the plan are based on the current information available and are conservative to address costs that can not be determined until the plan is designed and submitted for review and approval.

The possibility of service to the Red Rocks Center Metro District by the District if Morrison decides not to serve the area is an issue that needs to be studied further by the District with Morrison. The district will need to acquire additional water rights to serve the area.

Mt. Carbon Metropolitan District
Water System Upgrades - Phase

5/28/99 6-19-02

ID	Task Name	Duration	Start	Finish
1	PRELIMINARY DESIGN	100 days	Mon 6/3/02	Fri 10/18/02
2	REVISE PROJECT - OWNER REVIEW-APPROVAL	35 days	Mon 6/3/02	Fri 7/19/02
3	DIV. STRUCTURE - WETLAND STUDY UPDATE	40 days	Mon 7/22/02	Fri 9/13/02
4	DIV. STRUCTURE - DESIGN/TOPO. SURVEY	15 days	Mon 7/22/02	Fri 8/9/02
5	DIVERSION STRUCTURE - PRELIM. DESIGN	25 days	Mon 9/16/02	Fri 10/18/02
6	WATER TREATMENT FACILITY - PRELIM. DESIGN	45 days	Mon 7/22/02	Fri 9/20/02
7	RAW WATER RES. GEOTECH. EVAL.	15 days	Mon 7/22/02	Fri 8/9/02
8	RAW WATER STORAGE - PRELIM. DESIGN	45 days	Mon 8/12/02	Fri 10/11/02
9	FINAL DESIGN	120 days	Mon 9/23/02	Fri 3/7/03
10	DIVERSION STRUCTURE	60 days	Mon 10/21/02	Fri 1/10/03
11	WATER TREATMENT FACILITY	120 days	Mon 9/23/02	Fri 3/7/03
12	RAW WATER STORAGE RESERVOIR	45 days	Mon 10/14/02	Fri 12/13/02
13	RAW WATER TRANSMISSION LINE	30 days	Mon 1/13/03	Fri 2/21/03
14	PERMITTING	160 days	Fri 10/18/02	Fri 5/30/03
15	SUBMITTAL TO CORP'S OF ENGINEERS	0 days	Fri 10/18/02	Fri 10/18/02
16	404/CORP'S OF ENGINEER'S PERMITTING	130 days	Mon 10/21/02	Fri 4/18/03
17	SUBMITTAL TO FEMA/CITY OF LAKEWOOD	0 days	Fri 1/10/03	Fri 1/10/03
18	FLOODPLAIN PERMIT/LOMR	65 days	Mon 1/13/03	Fri 4/11/03
19	SUBMITTAL TO CDPHE	0 days	Fri 3/7/03	Fri 3/7/03
20	CDPHE WATER TREATMENT PLANT	60 days	Mon 3/10/03	Fri 5/30/03
21	SUBMITTAL TO CDOT	0 days	Fri 2/21/03	Fri 2/21/03
22	CDOT UTILITY PERMIT (RAW WATER TRANS.)	20 days	Mon 2/24/03	Fri 3/21/03
23	CONSTRUCTION	120 days	Mon 6/2/03	Fri 11/14/03
24	WATER TREATMENT FACILITY	120 days	Mon 6/2/03	Fri 11/14/03
25	RAW WATER STORAGE RESERVOIR	60 days	Mon 6/2/03	Fri 8/22/03
26	RAW WATER TRANSMISSION LINE	20 days	Mon 6/2/03	Fri 6/27/03
27	DIVERSION STRUCTURE	60 days	Mon 6/2/03	Fri 8/22/03



Task
Critical Task
Progress
Milestone
Summary

Rolled Up Task
Rolled Up Critical Task
Rolled Up Milestone
Rolled Up Progress
Split

External Tasks
Project Summary
External Milestone
Deadline

Project: Sched052999
Date: Wed 6/19/02

PROBABLE COST
PROJECTED WATER SUPPLY PLAN FOR 2142 EQR
MT. CARBON METROPOLITAN DISTRICT

Quantity	Units	Description	Unit Cost	Total Cost
BASE COST				
BEAR CREEK DIVERSION STRUCTURE				
1	LS	Diversion Structure	\$ 120,000	\$ 120,000
1	LS	Site Grading	\$ 60,000	\$ 60,000
1	LS	Site Restoration	\$ 60,000	\$ 60,000
		Subtotal		\$ 240,000
BEAR CREEK PUMP STATION				
1	LS	Wet Well Structure	\$ 36,000	\$ 36,000
2	EA	Pump Station Equipment/Controls/Power	\$ 45,000	\$ 90,000
1	LS	Yard Piping	\$ 30,000	\$ 30,000
1	LS	Upgrade Infiltration Gallery Pump Station	\$ 40,000	\$ 40,000
		Subtotal		\$ 196,000
RAW WATER PIPELINE				
9600	LF	20" Ductile Iron Pipe	\$ 75	\$ 720,000
15	EA	20" Butterfly Valves	\$ 6,000	\$ 90,000
20	EA	20" Fittings/Bends	\$ 2,000	\$ 40,000
1	LS	Connect to Existing System	\$ 6,000	\$ 6,000
1	LS	Raw Water Storage Pond Discharge Structure	\$ 30,000	\$ 30,000
		Subtotal		\$ 886,000
RAW WATER STORAGE RESERVOIR				
25	AC	Land	\$ 10,000	\$ 250,000
1,000,000	CY	Site Earthwork	\$ 1.8	\$ 1,750,000
1,800	LF	Drainage Channel	\$ 90	\$ 162,000
1,500	CY	Embankment Rip-Rap	\$ 90	\$ 135,000
4,222	LF	Perimeter Security Fence	\$ 15	\$ 63,330
1	LS	Site Reclamation	\$ 30,000	\$ 30,000
30,000	CY	Pond Liner (Clay Material)	\$ 2.00	\$ 60,000
1	LS	Aeration System	\$ 120,000	\$ 120,000
		Subtotal		\$ 2,570,330

PROBABLE COST
 PROJECTED WATER SUPPLY PLAN FOR 2142 EQR
 MT. CARBON METROPOLITAN DISTRICT

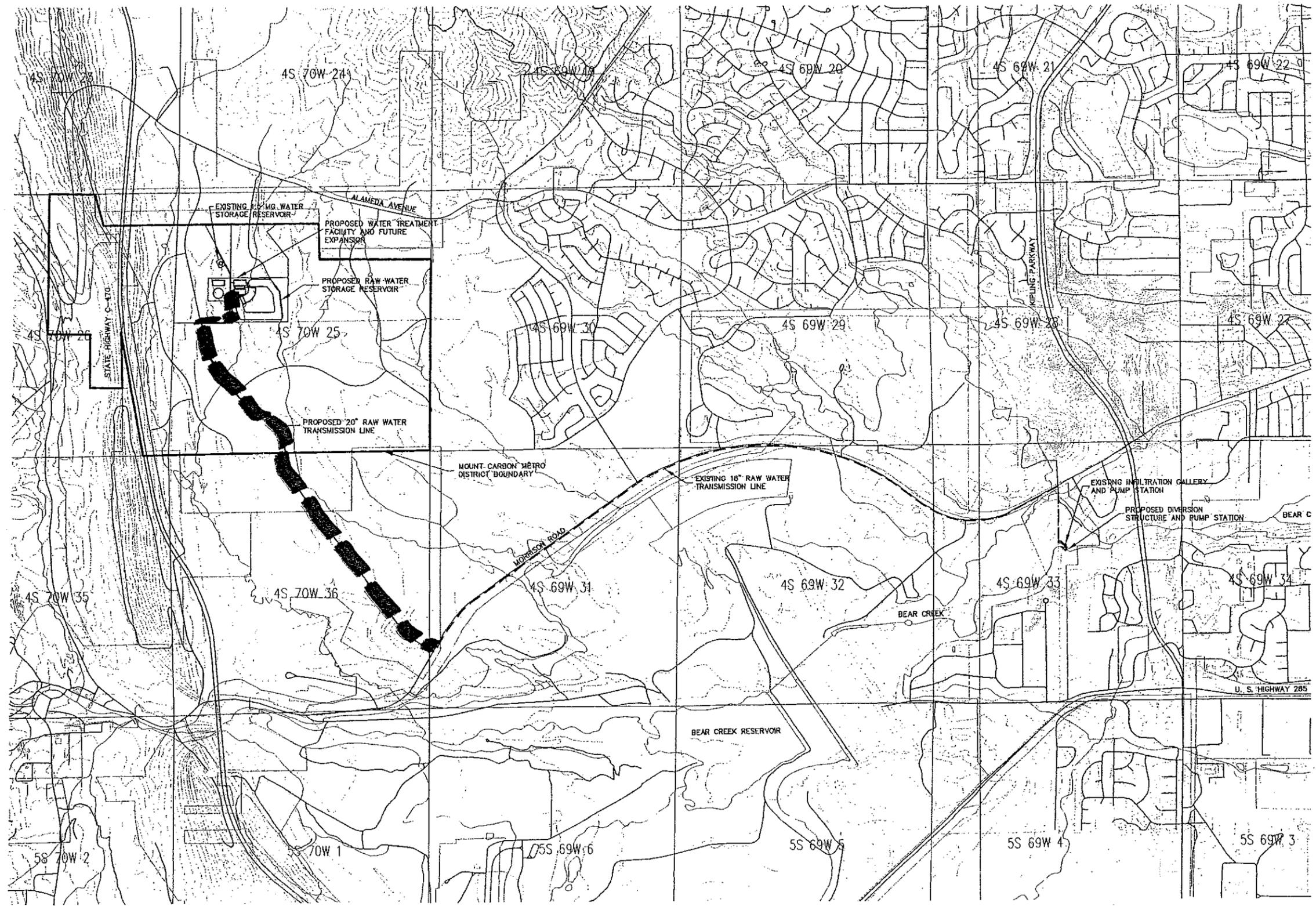
Quantity	Units	Description	Unit Cost	Total Cost
RAW WATER PUMP STATION				
1	LS	Raw Water Pump Station Intake Structure	\$ 250,000	\$ 250,000
3	EA	Raw Water Pumps/Mechanical Piping	\$ 40,000	\$ 120,000
1	LS	Yard Piping to Plant/Backwash Pond	\$ 36,000	\$ 36,000
1	LS	Electrical/Mechanical for Intake Structure	\$ 25,000	\$ 25,000
		Subtotal		\$ 431,000
WATER TREATMENT PLANT				
*	1	LS 2 MGD Water Treatment Process Equipment	\$ 1,000,000	\$ 1,000,000
	1	LS Water Treatment Plant Building	\$ 500,000	\$ 500,000
	1	LS Backwash Pond and Return Piping	\$ 100,000	\$ 100,000
	1	LS Yard Piping to Distribution System	\$ 30,000	\$ 30,000
		Subtotal		\$ 1,630,000
		Total		\$ 5,953,330
		Construction Contingency 15%		\$ 893,000
		Total Construction Cost		\$ 6,846,330
		Engineering 15%		\$ 1,026,949
		Grand Total Base Cost		\$ 7,873,279

* 2MGD Plant has ² 1,000,000 gal cells.

PROBABLE COST
PROJECTED WATER SUPPLY PLAN FOR 2142 EQR
MT. CARBON METROPOLITAN DISTRICT

Quantity	Units	Description	Unit Cost	Total Cost
CONTINGENCY COST				
RAW WATER STORAGE POND				
795,000	SF	Additional Cost to Install Synthetic Pond Liner in Lieu of Clay Liner	\$ 1.25	\$ 993,750
		Construction Contingency 15%		\$ 149,063
		Total Construction Cost		\$ 1,142,813
		Engineering 15%		\$ 171,422
		Total		\$ 1,314,234
WATER TREATMENT PLANT				
1	LS	Additional Treatment Process Equipment for Metals Removal	\$ 500,000	\$ 500,000
1	LS	Additional Treatment Plant Building for Metals Removal Process Equipment	\$ 250,000	\$ 250,000
		Subtotal		\$ 750,000
		Construction Contingency 15%		\$ 112,500
		Total Construction Cost		\$ 862,500
		Engineering 15%		\$ 129,375
		Total		\$ 991,875
		Grand Total Contingency Cost		\$ 2,306,109
		Grand Total Base and Contingency Costs		\$ 10,179,388
<p>Since the design professional has no control over the cost of labor, materials, or equipment, or over competitive bidding or market conditions, his opinions of probable construction cost provided for herein are to be made on the basis of his experience and qualifications. These opinions represent his best judgment as a design professional familiar with the construction industry. However, the design professional cannot and does not guarantee that proposals, bids, or the construction cost will not vary from opinions of probable cost prepared by him. If the owner wishes greater assurance as to the construction cost, he shall employ an independent cost estimator.</p>				

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PROPOSED NEW RAW WATER LINE

UNTIL SUCH TIME AS THESE DRAWINGS ARE APPROVED BY THE APPROPRIATE REVIEWING AGENCIES, JR ENGINEERING, LTD. APPROVES THEIR USE ONLY FOR THE PURPOSES SPECIFIED BY WRITTEN AUTHORIZATION.

CALL UTILITY NOTIFICATION CENTER OF COLORADO
1-800-922-1987
 BEFORE YOU DIG, CHASE OR EXCAVATE FOR THE HIDDEN UTILITIES.

JR Engineering, Ltd.
 6020 Greenwood Plaza Blvd.
 Greenwood, Colorado 80111
 Tel. (303) 740-6993
 FAX (303) 721-9018



SCALE	DATE	DES. BY	CHK. BY	DWN. BY	SCALE	DATE	DES. BY	CHK. BY	DWN. BY
1"=1000'	08/20/99	GNF							

2001 WATER SUPPLY PLAN	
EXISTING AND PROPOSED FACILITIES	
FOR	
MT. CARBON METRO DISTRICT	
SHEET 1	OF 1
JOB NO. 4322.00	

PROCEDURES FOR WATER AND SEWER TAP SERVICE
AND ALLOCATION WITHIN
MOUNT CARBON METROPOLITAN DISTRICT
Adopted November 22, 2002

1) Notice – These Tap Allocation policies shall be provided to all district property owners of record within 30 days after adoption by the District Board of Directors

2) Application for Water and Sewer Service

The District's Application form must be submitted by the developer/owner to the District for review. Sewer and water taps will not be sold separately without the approval of the District. The Application shall set forth, among other things, the following information:

- (a) Name of applicant and project
- (b) Location of property and legal description
- (c) Zoning and proposed land uses with general site plan
- (d) Square footage of development
- (e) The number of taps being requested for the project
- (f) Water and sewer tap size
- (g) Outside irrigation information, including number of trees and square footage of turf area
- (h) When taps will be needed
- (i) Construction time schedule
- (j) Estimated occupancy date

3) Submittal of Plans and Drawings

The District will review plans and drawings submitted by developer/owner to determine whether the District can reasonably service the area, taking into consideration water pressure and supplies, main lines, and whether plans conform to zoning regulations.

4) Computation of Utility Connection Fees (Water and Tap Fees)

All tap fees shall be computed in accordance with the District's current water and sewer tap fee schedule.

5) Contractual Requirements

If the application for water and sewer taps are approved by the District, the developer/owner and the District will enter into a Utility Connection Purchase Agreement for the purchase of water and sewer taps.

6) Payment of Utility Connection Fees

Payment for the water and sewer taps shall be made in cash, in immediately available funds, on or before the date specified in the Utility Connection Purchase Agreement.

7) Fire Protection System Taps

The District shall assess an installation charge for a fire protection system. Such charge will include time and material, for installation if done by the District, plan review and installation inspection of the system.

8) Presold Taps and Option to Purchase Taps

In order to allow the district to generate funds to construct water and sewer infrastructure, the district will enter into a two-year option agreement with a property owner to sell 1200 SFE taps of the 2142 taps that will be available to the district after construction of certain infrastructure. The district reserves the first 400 taps for commercial development to generate taps fees and property tax early in the district's post bankruptcy operation. These presold and option taps shall be exempt from the allocation policies described below.

9) Initial Allocation of Taps

When there have been no connections made, an initial allocation of water and sewer taps which exceeds the districts capacity to serve will be allocated on the following basis:

Applications considered by the District must be supported with approvals by the governing municipality showing the parcels requesting service are ready for building permits. An example of such an allocation is as follows:

Developer A	600 Taps ready to build
Developer B	<u>200</u> Taps ready to build
Total	800 Taps requested

Taps available = 400 taps ready to serve

$$\text{Developer A} \quad \frac{600}{800} = 0.75$$

$$\text{Developer B} \quad \frac{200}{800} = 0.25$$

Developer A	$.75 \times 400 =$	300 taps
Developer B	$.25 \times 400 =$	<u>100</u> taps
		400 taps allocated initially

10) Allocation of Taps When Sewer and/or Water Taps are in Service

In the event the District receives requests for taps during a period of time in which the availability is less than the total of all tap applications made, then the actual available utility connections shall be allocated by the District, as set forth below, as of the date (the "Allocation Date") on which the District has received requests for physical taps based on issued building permits within the district.

The rationale underlying the following formula is to distribute new taps to property owners/developers (O/D) based on an average of two factors. The first factor is how many taps the O/D has paid for and purchased. The second factor is how many have been physically hooked up at the time of allocation under this section 10. Factors one and two are added together and an average is determined by dividing by two (2). An example is shown on pages 4 and 5.

a) "Pro Rata Percentage of Utility Connections Purchased"

This step determines the percentage of utility connections that each O/D has paid for and purchased compared to the number purchased by all O/D. The equation is as follows:

$$\frac{\text{Number of Utility Connections Purchased by Individual O/D}}{\text{Total Utility Connections purchased by all O/D's prior to Allocation Date}} \times 100 = \text{Pro Rata Percentage of Utility Connections Purchased}$$

(see example in sub-section (a) on page 4)

b) "Pro Rata Percentage of Utility Connections Physically Hooked Up"

This step determines the percentage of the number of physical hookups an O/D has compared to the total number of physical hookups completed by all O/D.

$$\frac{\text{Number of Utility Connections Physically Hooked up by Individual O/D}}{\text{Total Utility Connections Physically Hooked Up by All Developers}} \times 100 = \text{Pro Rata percentage of Utility Connections physically hooked up.}$$

(see example in sub-section (b) on page 4)

c) Average "Pro Rata Percentage Allocation of Available Utility Connections"

This percentage is determined by adding the results of Subsection (a) and (b) above and then dividing this sum by two (2). The equation is as follows:

$$\frac{\text{Subsection (a) + Subsection (b) For Individual O/D}}{2} \times 100 = \text{Pro rata percentage allocation of available Utility Connections.}$$

(see example in subsection c on page 4)

d) This step finally calculates the number of utility connections which will be allocated to the individual developer/owner. The percentage obtained Subsection (c) for the individual O/D is multiplied by the total number of utility connections available for physical hookup.

The equation is as follows:

$$\begin{array}{l} \text{The percentage arrived at in} \\ \text{Subsection (c) for individual} \\ \text{O/D} \end{array} \times \begin{array}{l} \text{Total Utility Connections Available} \\ \text{(see example in subsection d on page 4)} \end{array}$$

e) Number of taps for each developer shall be rounded to the nearest "Round Number".

For example, Developer "A" had 32.70 taps would be rounded to 33 Taps

11) Example of Allocation Formula

Assume that:

10 developers have paid for and purchased 500 taps in addition to 325 which have been physically hooked up.

Developer	Taps Paid for/Purchased	%	Taps Hooked Up	%
A	50	10.00	10	3.08
B	50	10.00	15	4.62
C	50	10.00	20	6.15
D	50	10.00	25	7.69
E	50	10.00	30	9.23
F	50	10.00	35	10.77
G	50	10.00	40	12.31
H	50	10.00	50	15.38
I	90	18.00	90	27.69
J	10	2.00	10	3.08
	500	100.00	325	100.00

When 500 new taps become available, what allocation is applicable to each Developer?

FOR DEVELOPERS "A"

$$\text{Subsection (a) } \underline{50} \quad 500 = \quad .1000 = \quad 10.00\%$$

$$\text{Subsection (b) } \underline{10} \quad 325 = \quad .0308 = \quad 3.08\%$$

$$\text{Subsection (c) } \underline{10.00\%} \quad + \quad \underline{3.08\%} \quad = \quad 6.54\%$$

2

$$\text{Subsection (d) } 6.54\% \times 500 \text{ new Taps} \\ = 32.70 \text{ Taps Allocated to Developer "A"}$$

The following are the final results for all of the Developers:

<u>Developer</u>	<u>Taps Allocated</u>	<u>Round off</u>
A	32.70	33
B	36.55	37
C	40.38	40
D	44.23	44
E	48.08	48
F	51.92	52
G	55.78	56
H	63.45	63
I	114.23	114
J	12.70	13
Total	500.1	500

12) Reallocation of Available Utility Connections Allocated

Each Utility Connection (water and/or sewer tap) not hooked up within one year from the execution of the Utility Connection Purchase Agreement between the developer/owner and the District shall be rescinded by the District and the applicant shall be given a refund of the original amount paid plus interest. Such tap(s) shall become available for reallocation to the next eligible purchaser upon request from such eligible purchaser. Each Utility Connection so reallocated that is not hooked up by new assigned purchaser within 120 days shall again become available for re-allocation.

13) Water and Sewer Tap Fee

The current fee for a Water and Sewer Combination Tap fee is \$13,000.00. The District will always keep fees and rates in compliance with the Service Plan.

EEMENT

This Agreement made this 16th day of November, 1982, between the Town of Morrison, Colorado, a municipal corporation organized under the laws of the State of Colorado (hereinafter Morrison) and Mount Carbon Metropolitan District, a special district located in Jefferson County, Colorado and organized under the laws of the State of Colorado (hereinafter Mount Carbon).

RECITALS

1. The Mount Carbon Metropolitan District wants to assure for itself and its customers for the immediate future an adequate source for water storage, water treatment and sewage treatment.

2. The Town of Morrison wants to expand or reconstruct its water storage, water treatment and sewage treatment facilities.

3. The parties' purpose in entering this agreement is to create an intergovernmental relationship as authorized by C.R.S. 1973 29-1-203, whereby in exchange for the grant of certain funds, satisfaction of other financial commitments and contribution of certain water rights by Mount Carbon, Morrison shall provide, for the term specified in this agreement, certain water storage, water treatment and sewage treatment sources and services.

For the reasons recited above, and in consideration of the mutual covenants contained herein, the parties agree as follows:

SECTION ONE
Water Rights

A. Morrison owns the direct flow and storage water rights described in Exhibit A, attached hereto and incorporated herein by this reference (hereinafter referred to as "Morrison's water rights"). Morrison will proceed with its own plan of water augmentation for its present non-transferred water rights. Mt. Carbon agrees not to file as an objector to this plan.

B. Morrison shall have no obligation to furnish treated water under this agreement until such time as Mt. Carbon has obtained and dedicated to use under this agreement acceptable surface irrigation water rights. Those

EXHIBIT E

water rights which shall be acceptable to Morrison are:

- 1.) Warrior Ditch Company
- 2.) Pioneer Union Ditch Company
- 3.) Hodgson Ditch Company
- 4.) Junior water rights may be acceptable if an operation study demonstrates that these junior water rights plus storage capacity will provide a firm yield during a dry cycle, as determined by the study described in D below.

Mt. Carbon may also acquire underground water rights which could allow for increased diversions to the Morrison water treatment plant. Mt. Carbon shall effect an augmentation plan which will, in effect, supplement the Morrison Augmentation Plan. All of the foregoing rights are hereinafter referred to as "Mount Carbon's Water Rights", or "contributed water rights".

C. Morrison agrees not to protest any transfers of Mt. Carbon's water rights to Morrison's intake or to storage reservoirs which are transferred from downstream of Morrison's present sewage treatment plant outfall, if Mt. Carbon agrees to subordinate under the priority system these transferred water rights to those diverted by Morrison.

D. Morrison shall have prepared, at Mt. Carbon's expense, a water rights yield study which will include simulated reservoir operations in order to determine the firm yield during a dry cycle of Mt. Carbon's contributed water rights and Morrison's water rights. If Mt. Carbon does not agree with Morrison's yield study, then Mt. Carbon may have an alternate study prepared which Morrison will consider. The yield study will be adjusted as necessary upon the completion of Morrison's Augmentation Plan and Mt. Carbon's Augmentation Plan. It is the intent of this agreement that Mt. Carbon may demand an equal amount of treated water (on an acre-foot per year basis) as the useable Mt. Carbon water rights contribute (on a net acre-foot per year basis), as determined by the yield study.

E. Morrison shall have no obligation to, and shall not, furnish treated water to Mt. Carbon, without regard to any steps taken by Mt. Carbon under this agreement and without regard to any development which may occur in reliance upon Mt. Carbon having rights under this agreement, until such time as Mt. Carbon has contributed water rights acceptable to Morrison and adequate, when used pursuant to an approved augmentation plan which may include, at Morrison's option, the use of Morrison water rights, to service the

anticipated needs of Mt. Carbon. In no event will Mt. Carbon be entitled to treated water in excess of raw water furnished by it under water rights contributed under this agreement. In the event that actual yields during a low probability drought period are less than that predicted by the yield study of paragraph D, and such yields result in actual shortages to both entities, then available water will be shared in proportion to the annual volumetric firm yield of water rights contributed by each entity.

SECTION TWO Financing

A. It is agreed that Mount Carbon is solely responsible for the financing of all site acquisition, design, engineering, construction costs (including both labor and materials) and equipment costs of the initial construction program as described in Section Three below, except as might be otherwise specifically provided in this Agreement.

B. It is agreed that Morrison shall not proceed with any phase of site acquisition, design, engineering or construction anticipated under this agreement until Mount Carbon has deposited in escrow cash funds sufficient to meet the estimated costs of that phase. Interest earned on escrowed funds shall accrue to the benefit of Mt. Carbon.

C. Mount Carbon agrees to hold harmless and defend Morrison from any claim on account of site acquisition, design, engineering, construction or equipping of the facilities described in Section Three of this Agreement arising out of actions of Mount Carbon, its agents, and employees.

D. As its financial commitment to the cost of initial facility construction contemplated by Section Three of this Agreement, Morrison agrees to turn over to Mount Carbon, as Morrison's contribution to the cost of construction of the sewage treatment plant, such funds as it may receive from the condemnation of its existing sewage treatment plant and site for purposes of the construction of I-470.

SECTION THREE Initial Construction Program

→ A. Prior to the construction of any facilities, a complete engineering study shall be performed which study shall identify the necessary capacities and estimated costs of the various described facilities. Such study shall be the "MASTER PLAN". The cost of the "Master Plan" shall be borne by Mount Carbon. Upon the completion of the "Master Plan" the parties shall meet and confer and agree to the phasing and financial arrangements with respect to the construction of each facility.

B. Morrison shall be responsible for the selection of

all individuals and entities whose service shall be necessary for the site acquisition, design, engineering, construction or equipping of the facilities described in this section. Such services shall be compensated by funds previously made available by Mount Carbon. Morrison shall consider any objections Mount Carbon may have to any selection hereunder, but has the right of final selection.

C. Initial Facility Construction.

1. Water Treatment Plant. At the present the Morrison water treatment plant has a capacity of 500,000 gallons per day. Mount Carbon will furnish the capital required to increase plant capacity to 1,000,000 gallons per day. Upon completion of the plant modifications, Mount Carbon shall have the right to demand up to 500,000 gallons per day upon the further conditions that: (1) all costs of the expansion have been paid by Mount Carbon; (2) Morrison has accepted as sufficient those water rights contributed to this Agreement by Mount Carbon in accordance with Section One above; (3) Mount Carbon's water rights have provided the amount of raw water demanded. Morrison shall have the right to use available treated water in excess of Mount Carbon's actual needs, to which Mount Carbon might otherwise be entitled under this agreement until Mt. Carbon needs it.

2. Raw Water Supply System. Morrison agrees to make such improvements in the existing raw water supply system diversion dam pre-filter system and settling pond as may be recommended in the Master Plan and agreed to by the parties with funds provided by Mount Carbon.

3. Finished Water Transmission Line. Morrison agrees to construct, with funds provided by Mount Carbon, a transmission line from the water treatment plant to a point to be agreed upon on the eastern edge of Morrison where said line will be tied into the Mount Carbon distribution system.

4. Water Meter Station. Morrison shall construct, with funds provided by Mount Carbon, a two directional water meter station at a point to be agreed upon by the parties on the eastern edge of Morrison located on the water transmission line described in Paragraph 3 above. All portions of the system down stream from this station shall be and remain the property and responsibility of Mount Carbon.

5. Storage Reservoir. Mount Carbon shall furnish the capital required for acquisition of land and construction of the Strain Gulch Reservoir as now proposed by the Town of Morrison. Upon completion of the Strain Gulch Reservoir, such Reservoir and the Morrison operational Reservoir (recently completed by the Town) shall be considered to be a unit so that each entity shall have reserved capacity in both units equal to 50%. Mount Carbon's rights under this sub section are further contingent upon satisfaction by it of the condi-

tions of Section One above.

6. Storage Tank. Mount Carbon shall construct a storage tank as a part of its distribution systems. Such storage tank shall be at a level so that water from it can be pumped directly through the Morrison low-level pressure zone. The storage tank and the transmission system and meter station described above, shall be designed for two-way flow so that this storage tank can furnish fire protection water to Morrison and the Morrison storage tank can furnish fire protection to Mount Carbon.

7. Sewage Treatment Plant. Mount Carbon shall furnish the funds required for the construction of a 200,000 gallon per day sewage treatment plant, designed to be expanded in modules to capacities above its initial 200,000 gpd capacity. As its sole financial commitment under this Section Three, Morrison shall contribute to construction, or pay to Mount Carbon, all monies received from the sale of its present sewage treatment plant, including site, to the State of Colorado, as stated in Section Two, paragraph D above. For such agreement, Morrison shall have reserved capacity equal to 50% (100,000 gallons per day) of the initial plant capacity.

8. Trunk sewers. Each party shall construct and pay for the trunk sewer to the sewage treatment plant to serve that party. If Morrison's engineer concludes that a joint trunk sewer for some part of the distance would be beneficial, each party would then share the cost of the joint trunk sewer in proportion to each entities reserve capacity in the sewage treatment plant.

SECTION FOUR Future Capital Improvements

A. It is anticipated that the parties may at some future date desire that the facilities described in Section Three above, or any of them, be expanded. At such time the parties shall meet and confer regarding the terms and conditions under which such expansion shall be undertaken.

B. Each party shall share in such expanded capacity in the same proportion as its share of the cost of such expansion shall bear to the total cost of expansion of the particular facility, unless the parties shall otherwise agree.

SECTION FIVE Facility Modification and Allocation of Capacity

A. It is anticipated by the parties that state or

federal requirements with respect to sewage treatment and discharge may change over time, necessitating modification of the sewage treatment facility. The costs of such modification shall be shared by the parties in the same proportion as their use of the facility bears to the total use except that Morrison's use shall first be reduced by 100,000 gallons per day in computing proportionate use, it being agreed by both parties that advanced treatment would not be needed should the plant capacity be limited to 100,000 gallons per day. For example if advanced waste treatment facilities were needed for a 400,000 gallons per day plant and each entity had reserved 200,000 gallons per day of plant capacity, Mount Carbon would be required to pay two-thirds (2/3) of such cost. As a further example, if the total capacity was 600,000 gallons per day, with each party reserving 50%, then Mount Carbon would be required to pay three-fifths (3/5) of the modification costs.

B. It is agreed that if allocation of the sewage treatment plant capacity should be required for any reason, the following priorities will be used:

- (1) First 100,000 gpd of capacity - Morrison
- (2) Second 100,000 gpd of capacity - Mount Carbon
- (3) Third 100,000 gpd of capacity - Morrison
- (4) Fourth 100,000 gpd of capacity - Mount Carbon
- (5) Allocations beyond 400,000 gpd shall be shared in the same proportions as the cost of the facility was shared.

C. In the event of a short-term shortage of treated water or with wastewater treatment or disposal because of equipment or facility problems or similar difficulty, the two entities shall share in the shortages in proportion to their respective average daily demands over the six month period predating the shortage.

SECTION SIX

Ownership, Management and Operations

A. Ownership of all facilities and contributed water rights which are the subject of this agreement unless specifically and expressly provided otherwise in this agreement, shall be in Morrison.

B. Management and operation of all facilities which are the subject of this agreement shall be the right and the responsibility of Morrison, unless specifically and expressly provided otherwise in this agreement.

C. Morrison agrees to use all reasonable efforts to provide potable water of quality meeting state standards and to treat sewage to meet state standards. The quality of

water furnished to Mount Carbon and Morrison shall be essentially the same and the sewage treatment efficiency shall be identical. In the event that corrective actions are required or penalties are imposed, these shall be considered as operating costs and shall be borne by the parties in the same manner as operating costs are shared.

D. Morrison will be responsible for administrative reporting to the State Engineer and be responsible for maintaining and protecting such water rights as may be committed to this agreement pursuant to Section One above. The costs incurred shall be a joint cost except that costs incurred in defending a water right are chargeable to the party committing that particular right.

E. It is agreed that Mount Carbon shall provide no treated water or sewage treatment for customers located outside the boundaries of Section 25, Township 4S, Range 70W, and that part of Section 26, Township 4S, Range 70W, east of the hog back, unless said customers have first made application to Morrison and Morrison has refused service. Additionally, no contract for the provision of water or for sewage disposal which shall require Mount Carbon to exceed its reserved capacity in the facilities described in this Agreement shall be binding upon Morrison unless previously agreed to in writing by Morrison.

F. Upon completion of the facilities contemplated by this agreement, Morrison agrees to provide treated water to Mount Carbon in the amounts demanded by Mount Carbon but not exceeding the daily capacity reserved by Mount Carbon in the water treatment facility and the amount of water delivered under water rights contributed by Mount Carbon as described in Section One above.

G. Upon completion of the sewage treatment facilities contemplated by this agreement, Morrison agrees to accept from Mount Carbon sewage for treatment and disposal, in amounts transported to the facility by Mount Carbon but not exceeding the daily capacity reserved by Mount Carbon in the sewage treatment facility.

H. Amendments, approvals and acceptances made or required under this Agreement shall not be effective unless in writing, signed by the parties.

SECTION SEVEN Operating Costs and Fees

A. Morrison agrees that it shall establish separate water and sewer enterprise funds or separate departments and

shall segregate costs records for all water and sewer wholesale costs. Such costs shall apply to all water supply and treatment and sewage treatment facilities discussed herein, including the water transmission/distribution line and raw water facilities. It shall not include costs for the Morrison water distribution system, the Morrison tanks or the Morrison collection system, to the extent that these facilities are used exclusively for Morrison customers, which costs shall be accounted for separately. Costs for purposes of establishing appropriate charges to Mount Carbon shall include operations and maintenance including utilities, labor and material used, consultant services, replacement items, contingency funds, staff, office space and supplies, reserves for replacement and expansion, and such a proportion of town management costs as may be attributable to the facilities.

B. Mount Carbon will advance, based upon projected demand, its proportionate share of the annual facilities budget as estimated by Morrison. At the end of the fiscal year, which shall be the calendar year, Morrison will determine the actual unit cost per gallon of treated, delivered water and the unit cost per gallon of treated sewage and adjust the charges through an additional charge or a refund based upon Mount Carbon's actual metered water usage or actual metered sewage flow.

C. In addition to the pro rated costs described above, Mount Carbon agrees to pay Morrison a fee equal to 12% of the estimated total charges to Mount Carbon for each year, in advance, subject to adjustment at the close of each year based upon actual charges as determined under paragraph B above. In no event shall the monthly payment be less than the following minimum payments:

(1) For the first 12 months after signing this Agreement, the minimum premium shall be \$200 per month, being deemed as \$100 for water and \$100 for sewer.

(2) For the second year of the contract, the minimum premium charge shall be \$400 per month, such charge deemed as \$200 per month minimum water and \$200 per month minimum sewer.

(3) The minimum premium for succeeding years shall be \$400, adjusted by the Consumer Price Index, or similar index, using 1982 as the base year.

D. Mount Carbon agrees to pay all billing under this Agreement within thirty days of the date of the billing. Any

amounts paid more than thirty days from the date of the billing shall be subject to a penalty of 10% of the amount past due. In addition delinquent payments shall bear interest at the rate of 1-1/2% per month or part thereof overdue. Failure to pay amounts due within ninety days of the date of the initial billing shall be a default and shall constitute good and sufficient grounds for termination of this agreement by Morrison. Such termination shall be effective upon mailing of a notice of termination by Morrison to Mount Carbon at the address of Mount Carbon appearing on the records of Morrison. Upon such termination all rights of Mount Carbon and obligations of Morrison under this agreement shall be ended.

SECTION EIGHT
Term and Termination

A. This agreement shall remain in effect in perpetuity unless terminated as provided in Section 7(D) or this Section 8.

B. 1. Morrison may terminate this Agreement on ten days written notice if Mount Carbon has not placed in an escrow account, in a form acceptable to Morrison, within 24 months of the date of execution of this Agreement, twenty five percent of the projected total cost of all facilities described under Section Three above as estimated in the Master Plan. Failure to have prepared a Master Plan within the twenty four month period shall be an additional ground for termination.

2. Morrison may terminate this Agreement on ten days written notice if, within twenty four months of the date of execution of this Agreement, Mount Carbon has not under contract water rights in satisfaction of its obligations under Section 1 above, or, in the opinion of Morrison, has not made satisfactory progress toward the acquisition and contribution of such rights.

3. Upon termination of this Agreement for any reason, the ownership of all facilities, contributed water rights and storage rights shall remain with Morrison and all rights of Mount Carbon under this agreement shall cease except as provided hereinafter in subparagraph C of this Section.

C. In the event of termination of this Agreement, Morrison will determine, in a manner consistent with the yield study conducted pursuant to Section 1, Paragraph D, above, the amount of useable water available, at the time of termination, to Morrison alone as a result of the joint

operations of both entities under this Agreement. Morrison shall deed back to Mt. Carbon, at no cost, the water rights originally contributed under this Agreement by Mount Carbon not needed to maintain that level of water availability as determined by Morrison in the preceding sentence.

SECTION NINE
Non Exclusivity and Non Assignability

A. Either party to this Agreement may make agreements with other parties regarding the provision of water or the provision of sewage treatment during the term of this agreement so long as there is no substantial impairment of or prejudice to the rights of either party to this Agreement.

B. The rights and obligations of either party to this Agreement are non-assignable and any assignment or attempted assignment shall terminate the obligations of the non-assigning party.

Debra C. Kalavity
Clerk

Sam Puller
Secretary

Town of Morrison
Tom Punt
Mayor

Mount Carbon Metropolitan District
Charles Langhoff
President

AMENDMENT AND RESTATEMENT OF
THE 1982 AGREEMENT

THIS AMENDMENT made and entered into this 6th day of November, 1986, by and between the TOWN OF MORRISON ("Morrison") and the MOUNT CARBON METROPOLITAN DISTRICT ("Mount Carbon") is intended to amend the November 16, 1982 Agreement between the parties ("the Agreement"). All terms that are defined in the 1982 Agreement shall have the same meaning in this Amendment.

RECITALS

A. Morrison has received the benefit of some of the facilities funded and constructed by Mount Carbon pursuant to the 1982 Agreement and Mount Carbon has received the benefit of immediately available sewage treatment utilizing Morrison's discharge permit and a supply of temporary use water.

E. Certain facilities and exchanges contemplated in the 1982 Agreement are not desirable to Mount Carbon at the present time; however, Mount Carbon wishes to insure the availability of expanded sewage treatment capacity utilizing Morrison sewage treatment facilities.

C. The parties hereto now desire, in light of subsequent developments, to amend the 1982 Agreement for their continuing mutual benefit.

FOR AND IN CONSIDERATION OF THE COVENANTS, each to the other hereafter set forth, the parties hereto amend the 1982 Agreement as follows:

SECTION ONE
Water Rights

Section One of the 1982 Agreement is deleted in its entirety.

SECTION TWO
Financing

Section Two of the 1982 Agreement is changed to read as follows:

A. A sewage treatment plant of an initial capacity of 200,000 gallons per day, is presently being completed at Mount Carbon's cost, except as noted in "C" below, utilizing Morrison land and permits and under Morrison's ownership and control.

B. Mount Carbon agrees to hold harmless and defend Morrison from any claim on account of site acquisition, design, engineering, construction or equipping of the sewage treatment facility arising out of actions of Mount Carbon, its agents, and employees.

C. As its financial commitment to the cost of the initial sewage treatment facility construction contemplated by Section Three of this Agreement, Morrison agrees to apply toward construction or turn over to Mount Carbon, as Morrison's contribution to the cost of construction of the sewage treatment plant, such funds as it may receive from the condemnation of its existing sewage treatment plant and site for purposes of the construction of C-470.

D. In lieu of financing any other facilities under the original Agreement and to insure the continued availability of sewage treatment capacity and the right to additional capacity under the terms and conditions of this Agreement, Mount Carbon agrees to pay Morrison promptly from the next proceeds, received by Mount Carbon from any source for capital improvements within its District, the sum of Two Hundred Forty Thousand Dollars (\$240,000.00). If this sum is not paid within six months from the date of this Agreement, it shall accrue interest at the rate of Eighteen Percent (18%) per annum. Payment of this sum shall be a condition precedent to expansion of the sewage treatment plant by Mount Carbon beyond the plant's original 200,000 gallons per day capacity.

Additionally, and in lieu of financing any other facilities proposed in the original Agreement, and in consideration of water and sewer benefits received under that Agreement, and under this Agreement, Mount Carbon agrees that Morrison may apply the funds remaining in its possession from the \$200,000.00 Strain Gulch Reservoir Escrow Account to construction, repair or rehabilitation of such facilities as it deems appropriate subject only to an obligation to pay the balance of \$4,000.00 due and owing for appraisal work at the Strain Gulch Reservoir site.

SECTION THREE Initial Construction Program

Section Three of the 1982 Agreement is amended to read as follows:

A. Contractors: Morrison shall be responsible for the selection of all individuals and entities whose service shall be necessary for the site acquisition, design, engineering, construction or equipping of the sewer treatment facilities described in this Section. Such services shall be compensated

by funds previously made available by Mount Carbon. Morrison shall consider any objections Mount Carbon may have to any selection hereunder, but has the right of final selection.

B. Facilities:

1. Water Meter Station. Morrison has constructed a two directional water meter station at a point agreed upon by the parties on the eastern edge of Morrison located on Morrison's water transmission line. All portions of the system down stream from this station shall be and remain the property and responsibility of Mount Carbon.

2. Sewage Treatment Plant. Mount Carbon has furnished the funds required for the construction of a 200,000 gallon per day sewage treatment plant, designed to be expanded in modules to capacities above its initial 200,000 gpd capacity. As its sole financial commitment under this Section Three, Morrison shall contribute to construction, or pay to Mount Carbon, all monies received from the sale of its present sewage treatment plant, including site, to the State of Colorado, as stated in Section Two, Paragraph "D" above. For such agreement, Morrison shall have reserved capacity equal to 50% (100,000 gallons per day) of the initial plant capacity. Reserved capacity shall mean that portion of capacity to which a party is entitled in an existing facility, under the terms of this Amendment.

3. Trunk Sewers. Each party shall construct and pay for the trunk sewer to the sewage treatment plant to serve that party. If Morrison's engineer concludes that a joint trunk sewer for some part of the distance would be beneficial, each party would then share the cost of the joint trunk sewer in proportion to each entities reserved capacity in the sewage treatment plant.

SECTION FOUR
Future Capital Improvements

A. It is anticipated that the parties or either of them may at some future date desire that the sewage treatment facilities described in Section Three be expanded. Such expansion shall be subject to agreement regarding plant design and equipping of the expanded facility, which agreement may not be unreasonably withheld, to satisfaction of Mount Carbon's financial obligations defined in Section Two above, and to applicable regulatory requirements. Mount Carbon's anticipated needs are not projected to exceed 1.5 million gallons per day; and expansion of Mount Carbon's share of capacity in the plant beyond 1.5 million gpd shall be subject to renegotiation with the Town of Morrison. In the event that total available plant size is insufficient to meet the needs of both parties then the available capacity shall be allocated in accordance with Section Five "B"

below. Mount Carbon further agrees to reduce this 1.5 million gpd of projected capacity upon obtaining a contract giving it the right to discharge to Metro Sewer, by the amount of the permitted discharge to Metro Sewer; provided, however, that: it has the physical ability to discharge to Metro Sewer; that it is economically feasible to do so; and, that such discharge shall in no way affect Mount Carbon's water rights. "Economically feasible" as used above means, to wit: more economic than sharing additional capacity with Morrison in the Morrison plant.

B. Each party shall share in such expanded capacity in the same proportion as its share of the cost of such expansion shall bear to the total cost of expansion of the facility, subject to Section Five below, unless the parties shall otherwise agree. Each party has the right to share in any expansion to the extent of 50% of such expansion, subject to payment of its proportionate cost.

SECTION FIVE

Facility Modification and Allocation of Capacity

A. It is anticipated by the parties that state or federal requirements with respect to sewage treatment and discharge may change over time, necessitating modification of the sewage treatment facility. The costs of such modification shall be shared by the parties in the same proportion as their use of the facility bears to the total use except that Morrison's use shall first be reduced by 100,000 gallons per day in computing proportionate use, it being agreed by both parties that advanced treatment would not be needed should the plant capacity be limited to 100,000 gallons per day. For example, if advanced waste treatment facilities were needed for a 400,000 gallons per day plant and each entity had reserved 200,000 gallons per day of plant capacity, Mount Carbon would be required to pay two-thirds (2/3) of such cost. As a further example, if the total capacity was 600,000 gallons per day, with each party reserving 50%, then Mount Carbon would be required to pay three-fifths (3/5) of the modification costs.

B. It is agreed that if allocation of the sewage treatment plant capacity should be required for any reason, the following priorities will be used:

- (1) First 100,000 gpd of capacity - Morrison;
- (2) Second 100,000 gpd of capacity - Mount Carbon;
- (3) Third 100,000 gpd of capacity - Morrison;
- (4) Fourth 100,000 gpd of capacity - Mount Carbon;
- (5) Allocations beyond 400,000 gpd shall be shared in the same proportions as the cost of the facility expansion, subject to allocation, is shared.

C. In the event of a short-term shortage of wastewater treatment or disposal capacity because of equipment or facility problems, or similar difficulties, the two entities shall share in the shortages in proportion to their respective average daily demands over the six month period predating the shortage.

SECTION SIX
Ownership, Management and Operations

A. Ownership of the sewage treatment site and plant and other facilities which are described in Section Three "B" above or elsewhere in this Agreement, unless specifically and expressly provided otherwise in this Agreement, shall be in Morrison.

B. Management and operation of all facilities which are the subject of this Agreement shall be the right and the responsibility of Morrison, unless specifically and expressly provided otherwise in this Agreement.

C. Morrison agrees to use all reasonable efforts to treat sewage to meet state standards. Morrison shall treat the sewage of both parties with the same efficiency. In the event that corrective actions are required or penalties are imposed, these shall be considered as operating costs and shall be borne by the parties in the same manner as operating costs are shared.

D. Morrison will be responsible for administrative reporting as regards the sewage treatment facility. The costs of such reporting shall be a joint cost.

E. It is agreed that Mount Carbon shall provide no sewage treatment for customers located outside the boundaries of the District as it exists on the date of this Amendment, unless said customers have first made application to Morrison and Morrison has refused service. In no event may such service be extended to areas outside the boundaries of the District as they currently exist, and within another municipality, without the authorization and approval of the Town of Morrison. Additionally, no contract for the provision of sewage disposal which shall require Mount Carbon to exceed its reserved capacity in the sewage treatment plant shall be binding upon Morrison unless previously agreed to in writing by Morrison.

F. Upon completion of the sewage treatment facilities contemplated by this Agreement, Morrison agrees to accept from Mount Carbon sewage for treatment and disposal, in amounts transported to the facility by Mount Carbon but not exceeding the daily capacity reserved by Mount Carbon in the sewage treatment facility.

SECTION SEVEN
Operation Costs, Fees and Termin. on

A. Until Mount Carbon has on line, connected, 200 residential sewer taps, or the equivalent thereof, Mount Carbon will pay to Morrison the greater of one-half of the difference between the costs of operation of the old sewer plant, in the Town of Morrison for the one year period prior to October 1, 1986, and the cost of operating the new sewer plant erected with funds furnished, in part, by Mount Carbon, or its proportional share of total plant operating costs as defined in "C" below.

B. After Mount Carbon has on line 200, or more, residential sewer taps, or the equivalent thereof, Mount Carbon will pay based on projected demand, its proportionate share of the costs of operating the new plant, based upon the actual costs and expenses incurred in the operation of said new plant.

C. For the purposes of determining the prior costs of operation and further costs of operation, in determining the charges to be made to Mount Carbon, the following items will be considered to be the sole and only costs:

1. Operations (the contract cost of the management company, and/or Morrison's actual or estimated cost of operating the plant exclusive of the costs of items 2, 3, and 4 below. By way of illustration only, and not limitation, this cost includes chemicals, supplies, laboratory equipment and services and any other operational cost or expense deemed necessary to plant operation by Morrison.

2. Repairs, maintenance and replacement of component parts and equipment as required.

3. Insurance.

4. Electrical power expense.

D. 1. For the purposes of effecting the payment of the charges from Mount Carbon to Morrison, Morrison will create a budget based on the best evidence available and submit charges for monthly payments in advance based on said budget. Correction and reconciliation to actual costs based upon actual metered sewage flow will take place within 45 days after each calendar year.

2. In the event that the strength of wastes discharged into the sewage treatment plant by either party shall differ significantly in BOD5 and suspended solid or other chemical content, the parties agree that the differential treatment costs occasioned by the higher strength waste may be separately allocated according to a rational method to be agreed upon.

E. In addition to the pro rated costs described above, Mount Carbon agrees to pay Morrison a fee equal to 12% of

the estimated total charges to Mount Carbon for each year, in advance, subject to adjustment at the close of each year based upon actual charges as determined under Paragraph "D" above. In no event shall the monthly payment be less than \$200.00, adjusted by the Consumer Price Index, or similar index, using 1982 as the base year.

F. Mount Carbon agrees to pay all billing under this Agreement within thirty days of the date of the billing. Any amounts paid more than thirty days from the date of the billing shall be subject to a charge of 10% of the amount past due. In addition, delinquent payments shall bear interest at the rate of 1- $\frac{1}{2}$ % per month or part thereof overdue. Failure to pay amounts due within ninety days of the date of the initial billing shall be a default and shall constitute good and sufficient grounds for termination of this Agreement by Morrison. Such termination shall be effective upon mailing of a notice of termination by Morrison to Mount Carbon at the address of Mount Carbon appearing on the records of Morrison. Upon such termination, all rights of Mount Carbon and obligations of Morrison under this Agreement shall be ended.

G. Upon termination of this Agreement for any reason, the ownership of all facilities shall remain with Morrison and all rights of Mount Carbon under this Agreement shall cease.

SECTION EIGHT Miscellaneous

A. Other Agreements. Either party to this Agreement may make agreements with other parties regarding the provision of sewage treatment during the term of this Agreement, so long as there is no substantial impairment of or prejudice to the rights of the other party to this Agreement, subject to Paragraph Six "E" above.

B. Non-Assignability. The rights and obligations of either party to this Agreement are non-assignable and any assignment or attempted assignment shall terminate the obligations of the non-assigning party.

C. Amendment. No amendments to this Agreement shall be effective unless in writing, properly authorized by both parties.

D. Replacement. This Amended Agreement supercedes and replaces the 1982 Agreement and any understandings, amendments or supplements to that Agreement, verbal or written, previously entered into; however, all funds paid and contracts entered into under the 1982 Agreement are authorized and valid and it is not the intent of the parties that any such previous payment or contract shall be invalidated by this Agreement.

Executed by the parties the day and year first above written.

MOUNT CARBON METROPOLITAN DISTRICT



By: *[Signature]*
Vice President

ATTEST:

Charles Langhoff
Assistant Secretary

TOWN OF MORRISON

By: *Francis Gaylord*

ATTEST:

William M. Swain
Town Clerk

REC'D OCT 19 1995

AGREEMENT

THIS AGREEMENT made and entered into this 13th day of October, 1995 by and between the Town of Morrison, a Colorado municipal corporation with offices at P.O. Box 95, Morrison, Colorado, (the "Town") and the Mount Carbon Metropolitan District, a Colorado Metropolitan District and quasi municipal Corporation, with offices at 2750 S. Wadsworth Blvd., Suite C-101, Denver, Colorado, (the "District").

RECITALS

WHEREAS:

1. On November 16, 1982 the Town and the District entered into an Agreement to cooperate in the provision of certain water storage, water treatment and sewage treatment facilities and services (the "1982 Agreement");
2. On October 26, 1986 the Town and the District entered into an Amendment and Restatement of the 1982 Agreement, relieving the District and the Town of any right or obligation with respect to the joint construction, operation or provision of water storage, water treatment or water supply services or facilities, while reaffirming and further defining rights and responsibilities with respect to sewage treatment (the "Restatement");
3. The Restatement provides that each party shall have 100,000 gallons per day of "reserved capacity" of the initial capacity of the Morrison Sewage Treatment Plant (the "plant");
4. The Restatement further provides that, upon the occurrence of a certain event within the control of the District, the District shall pay to the Town the principal sum of \$240,000.00 with interest from and after April 26, 1987, until payment (the "debt");
5. The Restatement further provides that the District may not exercise any right to expansion of the Morrison Sewage Treatment Plant until payment of the debt;
6. The Restatement further provides that the District shall pay to the Town its share of plant operating costs (the "operating costs") on an annual and quarter annual basis;
7. The District has, and has had, no present or immediately foreseeable need for its reserved capacity in the plant and the Town does have a need for up to one-half of the District's current reserved capacity;
8. The District wishes to be relieved of its obligation with respect to the debt and any encumbrance that might exist by virtue of it upon future plant expansion rights;
9. The District has an inadequate source of current revenues to meet its obligations under the Restatement for operating costs and desires to reduce these costs and defer the payment of the remaining recurring amounts to a later date;

EXHIBIT E

10. Each party has found and determined this Agreement to be in its own best interest and that of its constituents and to be in furtherance of the public interest and necessity.

NOW THEREFORE, for and in consideration of the covenants, transfers, releases and other good and valuable consideration hereinafter provided, the sufficiency of which is acknowledged, the parties hereto agree as follows:

1. **Transfer of capacity, warranty.** (a) Mount Carbon Metropolitan District, effective upon the approval and execution of this Agreement by the parties, permanently and irrevocably releases, transfers, assigns and quitclaims to the Town of Morrison fifty thousand gallons per day of the District's current reserved capacity of one hundred thousand gallons per day of the existing capacity of the Morrison Sewage Treatment Plant.

(b) The District warrants and represents that no rights to the transferred capacity exist in any third party and that it shall not hereafter enter into any agreement, service commitment or other obligation in reliance upon, or requiring the availability of such capacity.

2. **District's Release of First Expansion Right.** The District releases, transfers, assigns and quitclaims to the Town of Morrison any right it may have to the first expansion of the capacity of the Morrison Sewage Treatment Plant, to the extent that such expansion does not exceed fifty thousand gallons per day of additional capacity, reserving the right to share proportionally, in accordance with Section Four of the Restatement, in any additional capacity beyond fifty thousand gallons per day of new capacity.

3. **Morrison's Release of Debt.** The Town of Morrison, upon approval and execution of this Agreement by the parties, cancels and releases the District from the obligation to pay to the Town the principal amount of two hundred forty thousand dollars (\$240,000.00) and accrued interest as set forth in Section Two of the Restatement.

4. **Reduction and Deferral of Operating Costs.** (a) The Town shall adjust the shared operating costs, provided for in Section Seven of the Restatement, to reflect the revised shares of reserved capacity provided for by this Agreement, to be effective upon the approval and execution of this Agreement by the parties.

(b) The Town and the District agree that the District has made no 1995 operating cost payments to the Town and that the amount of \$19,258.25, together with interest and penalties in accordance with Section Seven F of the Restatement, is currently past due. This amount does not include the fourth quarter payment due October 1, 1995. The Town and the District further agree that the obligation to pay this amount, as well as such other amounts as will be due from the District for the fourth quarter of 1995, and 1996, 1997 and 1998 operating and administrative fees and expenses, shall be deferred and such amounts shall not be due and payable until January 1, 1999. All amounts deferred shall bear interest at eight and one-half percent (8½%) per annum.

(c) The Town and the District further agree that in the event the District does not pay to the Town the deferred amounts when due, the Town shall have the option to purchase, and upon written notice of its exercise, the District shall convey to the Town, an additional 10,000 gallons per day of its remaining reserved capacity in consideration of cancellation of the deferred amounts and accrued interest.

5. **Warranties and Representations.** Each party warrants and represents to the other that it has full authority to enter into this Agreement, that all necessary approvals and authorizations have been obtained, that all authority has been properly exercised, that the execution and performance of this Agreement is not in violation of any obligation, condition or agreement with any third party, nor of any law, statute, ordinance or regulation, and that when signed, this Agreement will be fully enforceable by the parties according to its terms.

6. **Severability.** The terms of this Agreement are not severable and in the event that any material provision of it is determined to be invalid or unenforceable by a court of competent jurisdiction, then the whole of this Agreement shall be void and of no force or effect and the amounts released in paragraph 3 above and deferred in paragraph 4 above shall be due within sixty days of the date that the decision of such court becomes final, and this obligation shall survive such determination.

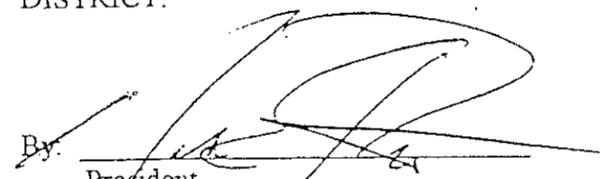
7. **Further Documentation.** Each party agrees to execute any further documents or instruments requested by the other party reasonably necessary to make effective the terms and conditions of this Agreement.

8. **Remedies.** In addition to any other remedies the parties may have in law or equity, the parties agree that this Agreement may be specifically enforced.

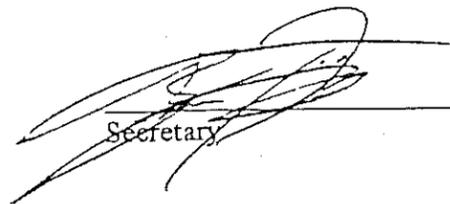
9. **No Other Modification.** Except as modified herein, the Restatement shall remain in full force and effect.

Done as of the day and year first written above.

MOUNT CARBON METROPOLITAN DISTRICT:

By: 
President

ATTEST:


Secretary



TOWN OF MORRISON:

ATTEST:

Sharon G. Blackstock
Town Clerk

By: Mary C. Poe
Mayor

RESOLUTION NO. 99-1

A RESOLUTION AUTHORIZING AN EXTENSION OF TIME WITHIN WHICH MOUNT CARBON METROPOLITAN DISTRICT MAY PAY ITS OBLIGATIONS TO THE TOWN AND AUTHORIZING MODIFICATION OF THE REMEDIES FOR DEFAULT IN THE AMENDMENT AND RESTATEMENT OF THE 1982 AGREEMENT BETWEEN THE TOWN OF MORRISON AND THE MOUNT CARBON METROPOLITAN DISTRICT

WHEREAS, on July 14, 1997, the Mount Carbon Metropolitan District filed a voluntary petition for relief under Chapter 9 of the Bankruptcy Code which bankruptcy remains pending and the District has submitted a proposed Plan for Adjustment of Debts (the "Plan") in connection with the bankruptcy; and

WHEREAS, under the terms of the Amendment and Restatement of the 1982 Agreement (the "Amendment") entered into between the Town of Morrison (the "Town") and the Mount Carbon Metropolitan District (the "District") on October 26, 1986, the District is indebted to the Town in the amount of \$70,875.70 as of December 31, 1998, which amount will be increased by the District's share of estimated 1999 operating expenses, due in early 1999, and the District has requested the Town grant an extension of time until one hundred twenty (120) days following the effective date of the Plan within which to pay the amounts due, as the term "Effective Date" is defined in the Plan;

WHEREAS, the Amendment provides that the District's right to capacity in the Sewage Treatment Plant may be terminated ninety days following notice of a default by the district of its obligations under the Amendment and the District has requested substitution of a remedy that the District will not add taps to the sewage treatment system, regardless of when the right to such tap may have been acquired, at any time that the District is in default under the Amendment.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Town of Morrison, Colorado,
AT:

SECTION 1. The Board of Trustees hereby authorizes an extension of time within which the District must pay amounts due the Town of Morrison, to and including all amounts which may be due for 1999, until 120 days after the Effective Date of a Plan for Adjustment of the District's debts, as the term Effective Date is defined in the Plan.

SECTION 2. Upon payment of all amounts then due the Town of Morrison, the Board of Trustees will approve a modification of that provision of the Amendment allowing termination of the Amendment for non-payment of the District obligations, and substituting therefore, without affecting any other remedies the Town may have, a provision that will require that the District may not add any additional taps or users to the sewage treatment system, and authorizing the Town to prevent such additions, during the time a default exists.

SECTION 3. This Resolution shall be effective upon its adoption by the Board of Trustees.

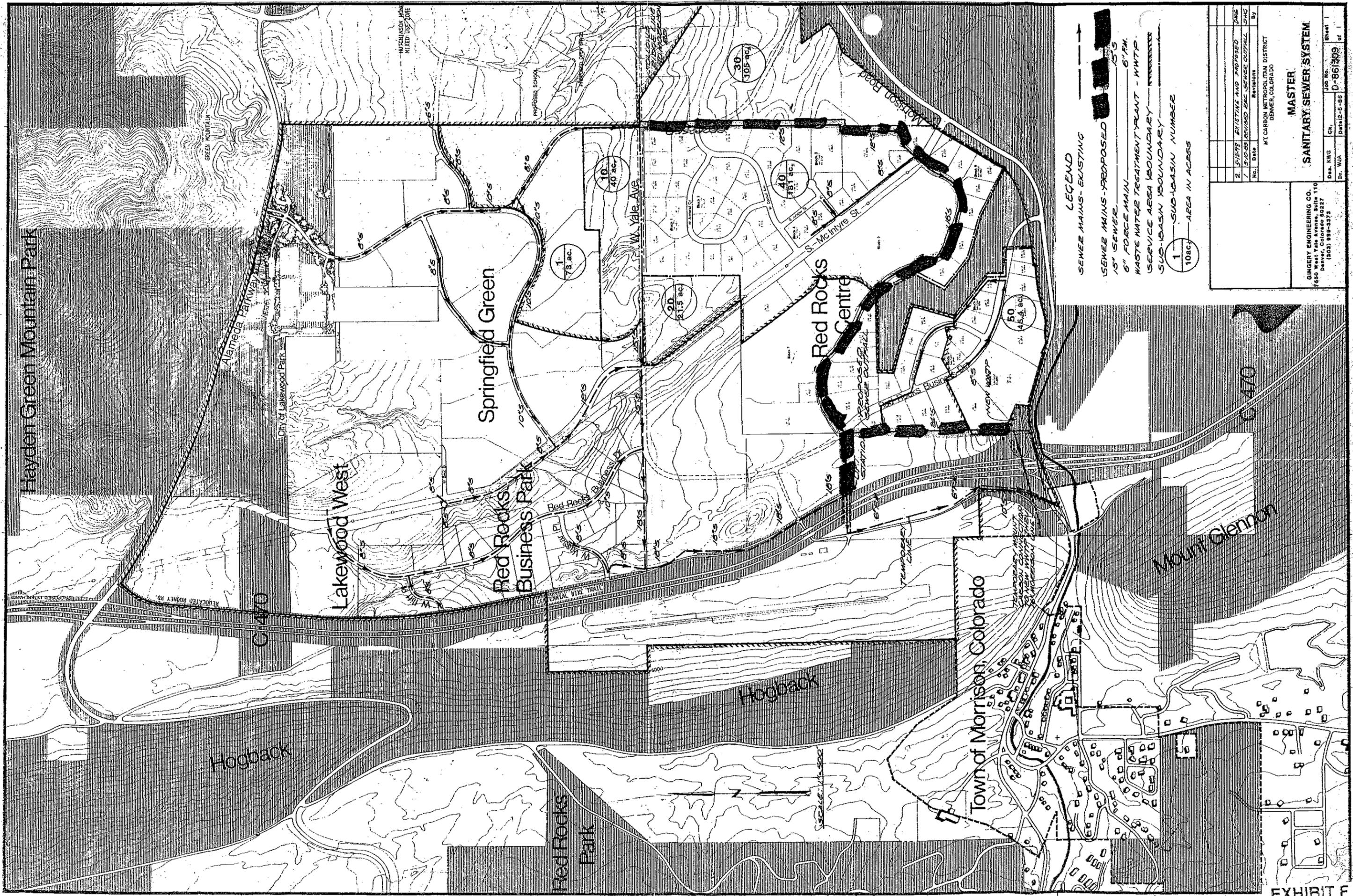
INTRODUCED, READ AND ADOPTED by a vote of 4 For and 3 Against at a regular meeting of the Board of Trustees on January 19, 1999, at 7:00 p.m.

TOWN OF MORRISON


Kathy Dichter, Mayor

ATTEST:


Beth Ann Bethel, Town Clerk



LEGEND

SEWER MAINS - EXISTING

SEWER MAINS - PROPOSED

15" SEWER

6" FORCE MAIN

WASTE WATER TREATMENT PLANT - WWTP

SERVICE AREA BOUNDARY

SUB-BASIN BOUNDARY

1 - SUB-BASIN NUMBER

108C - AREA IN ACRES

REVISIONS		DATE	BY
1	REVISED SEE SHEET 0108A		
2	EXISTING AND PROPOSED		

GINGERY ENGINEERING CO. 7660 West 14th Avenue, Suite 110 Denver, Colorado 80227 (303) 888-3373		MT. CAROLIN METROPOLITAN DISTRICT DENVER, COLORADO	
MASTER SANITARY SEWER SYSTEM		JOB NO. D-861309	SHEET 1
DES. KWG	CH.	DATE 12-5-86	OF 1

Law Office Of

Richard L. Miller

1 Union Square
143 Union Blvd., Suite 270
Lakewood, Colorado 80228
Telephone (303) 988-2841
Telefax (303) 988-0445

VIA FACSIMILE (303) 825-1269

December 23, 2002

Mt. Carbon Metropolitan District
c/o Hayes, Phillips, & Maloney
Attn: Herbert C. Phillips
1350 17th Street, #450
Denver, CO 80202-1517

Re: Mt. Carbon Metropolitan District Service Plan

Dear Mr. Phillips:

I have been asked to provide on behalf of the Town of Morrison a letter for use by Mt. Carbon Metropolitan District outlining Morrison's position with respect to providing water to Red Rocks Centre property, the letter to become an attachment to the District's Amended Service Plan.

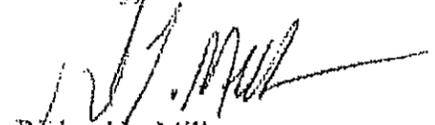
The Town has previously offered and remains willing to extend its water service area to include the property currently under contract to Developers Diversified Realty and any additional property that may be acquired by that developer for purposes of retail development. The Town understands this requirement to be in the range of 200-250 residential equivalents. This water would be for "in-house" use and the Town would work with the developer to obtain water for outdoor irrigation purposes.

There is in effect an Agreement of Right of First Refusal dated September 17, 1996, relating to Red Rocks Centre property described at enclosure 1 to this letter which the Town considers to be a valid, binding obligation of the signatory property owners, their successors, and the districts in accordance with its terms.

The Town has identified a total of 800 residential equivalent taps, which includes the supplies referenced above, that could be made available to Red Rocks Centre properties on a case by case basis, subject to the return of normal supply conditions and upon mutually agreeable terms and conditions. This supply contemplates a dual system with outdoor use water to be provided from a source other than the Town's potable water system.

I hope this letter is responsive to the request. Please advise if I might provide any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. L. Miller', with a long horizontal stroke extending to the right.

Richard L. Miller
Town Attorney,
Morrison, Colorado

cc: Town of Morrison (via facsimile 303-697-8752)
Gary Vose (via facsimile 949-723-0629)
Dick Plastino (via facsimile 303-987-7910)

September 3, 1996

LEGAL DESCRIPTION OF PROPERTY SUBJECT TO THE AGREEMENT OF RIGHT
OF FIRST RIGHT OF REFUSAL-RED ROCKS CENTRE, MORRISON, COLORADO

1. Lot 4, Block 3; Lots 1 through 7 and Outlot, Block 6; Lots 1,2 and 5, Block 7; Lots 11 and 12, Block 8 Red Rocks Centre recorded February 21, 1985, reception no. 85016479 in the Jefferson County, Colorado records and;
2. Lots 1, 2 and 3, Block 3 Red Rocks Centre Amendment No. 1, recorded August 2, 1985, reception no. 85072299 in the Jefferson County, Colorado records and;
3. Lot 1, Block 5 and Lots 3 and 4, Block 7, Red Rocks Centre Amendment No. 2, recorded October 23, 1985, reception no. 85102084 in the Jefferson County, Colorado records.

The Property is shown as the shaded area on the attached map incorporated herein.

22A

EXHIBIT A

AMENDED AND RESTATED SERVICE PLAN
FOR

**MOUNT CARBON
METROPOLITAN DISTRICT**

JEFFERSON COUNTY, COLORADO

As Filed with the Board of County Commissioners
May 27, 2003

AMENDED AND RESTATED SERVICE PLAN
MOUNT CARBON METROPOLITAN SERVICE DISTRICT

SECTION I
INTRODUCTION

On September 14, 1976, an Order and Decree of the District Court of Jefferson County created the Mount Carbon Water and Sanitation District.

On July 23, 1982, the Board of Directors of the District determined that it was in the District's best interest to convert the District to a metropolitan district under the provisions of § 32-1-1006 (2), C.R.S., and thus expand the District's powers and ability to serve its residents. The resolution of the Board of Directors was approved by court order entered on October 4, 1982, and the District was thereby converted to a metropolitan district to be known as Mount Carbon Metropolitan District. Pursuant to its Service Plan dated December 1983, the District was authorized to furnish water, sanitation, park and recreation, street improvement, and traffic safety protection services and facilities.

In July 1997, the District filed a petition for relief pursuant to 11 U.S.C. §301 under Chapter 9 of the U.S. Bankruptcy Code with the U.S. Bankruptcy Court for the District of Colorado, in Case No. 97-20215 DEC. As a condition of implementing the Seventh Amended Plan for Adjustment of Debts (the "Bankruptcy Plan") confirmed by the said bankruptcy court, the District proposes this Amended and Restated Service Plan (the "Service Plan") for the following purposes: (i) To terminate and revoke its powers to furnish park and recreation, street improvement, and traffic safety protection services and facilities, and to limit its powers to the furnishing only of water and sanitation services and facilities, and (ii) to redefine the area in which the District will provide such services and revise the District boundaries in accordance with the enclosed exhibits.

This Service Plan constitutes a fully integrated amended and restated service plan authorizing the District to furnish water and sanitation facilities and services, and no others, as provided by Section 32-1-1004(2)(e) and (j), C.R.S., and as more fully described below.

The District is located primarily within the boundaries of the City of Lakewood and the Town of Morrison, and within the West Metro Fire Protection District. It is anticipated that the Red Rocks Centre Metropolitan District will dissolve and that the area currently located in that district will be included into the Mount Carbon Metropolitan District. Following these boundary changes, the District will consist of approximately 942 acres of developable property in Jefferson County. Exclusive of land in Jefferson County defined as open space and land under C-470, the property within the District is for the most part platted and zoned for residential and commercial purposes. Exhibit A shows the current boundaries of the District, and the boundaries of the District following the Red Rocks Centre boundary adjustment described above.

SECTION II
FINANCIAL PLAN

A. The District will have three main sources of income:

1. Service rates and charges: Periodic billing to water and sewer customers, to pay for operation and maintenance of these utilities.
2. Tap Fees: Payment for the privilege of receiving service from the District to pay costs of construction of the water and sanitary sewer systems and a portion of the debt service. These tap fees will fund the water and sewer infrastructure.
3. Ad valorem taxes: A mill levy placed on taxable property within the District, to repay general obligation debt and certain general operations expenses as more fully provided below.

B. Ad Valorem Taxes

The District is currently in Chapter 9 Bankruptcy. The Bankruptcy Plan calls for a new sixteen (16) million dollar bond issue (the "Exchange Bonds") to replace and defease all of the District's current bonded general obligation debt, on which approximately \$80,000,000 remains due and unpaid. The Exchange Bonds will be issued in series early in 2003, and will draw interest at seven, eight and nine percent (7%, 8% and 9%) per annum for thirty (30) years after issue and no additional interest for the next following ten (10) years. The Exchange Bonds will be funded by an ad valorem tax levy each year in an amount sufficient to pay in full the annual debt service on the Exchange Bonds, up to a maximum of twenty (20) mills, until the earlier of forty (40) years after issue or until the Exchange Bonds are paid in full. The 20 mill limit on the levy for the Exchange Bonds will not be increased for any reason other than a future change in the constitution or law which changes the methodology for establishing the assessed value of property, in which case an adjustment could be made in order to assure that the same dollar value of taxes is derived under the new methodology as would have been derived with a 20 mill limit under the existing methodology.

In addition to the limited tax levy for the Exchange Bonds, an additional property tax for general operations in an amount not to exceed the lesser of \$150,000 or whatever amount would be payable with a levy of 17 mills, as follows: Following the Effective Date of the Bankruptcy Plan, the general administrative costs of the District for salaries, benefits, legal, general planning and engineering, audits and other such reasonable administrative expenses may be paid from the general operations mill levy. In addition, such levy may be used to pay direct operation and maintenance expenses of the water and sewer system to the extent that water and sewer service rates and charges on active taps are not sufficient to pay such direct costs. At such time as service rates and charges are adequate to pay operation and maintenance expenses, the general operations levy shall cease to be used for such direct costs, and shall be reduced to an amount necessary to fund general administration expenses only.

C. New Debt

Apart from the \$16 million Exchange Bonds, no general obligation indebtedness shall be submitted to District electors for approval, or incurred or issued by the District. Except for the Exchange Bonds the District shall not issue or incur any non-general obligation indebtedness without first obtaining the approval of District electors at an election held after the approval of this Service Plan. No ad valorem taxes shall be used to pay or to secure any District debt except the Exchange Bonds.

All previous voter authorization for District debt of any kind, except the Exchange Bonds, is, to the extent permitted by law, revoked, released, terminated and cancelled. The District shall have no authority to issue or incur any indebtedness whatever except as expressly authorized by this Service Plan and any future amendments approved by the Board of County Commissioners of Jefferson County.

D. Limitations on Tap Fees

The District will establish a schedule of water and sewer tap fees that will be comparable to the rates and fees from other water and sewer providers in the area. The amount of tap fees (combined water and sewer) that may be imposed by the District shall not exceed the higher of those of the Town of Morrison, or the average of Southwest Metropolitan Water and Sanitation District, Ken Caryl Water and Sanitation District, College Park Water and Sanitation District and Highlands Ranch Metropolitan District #4, as they are adjusted from time to time. The average of such fees shall include any system development or similar fees or charges for new service imposed in said jurisdictions by Denver Water and district system development fees, as applicable. The limitations set forth in this paragraph may be modified or eliminated with the written approval of the Town of Morrison and the City of Lakewood, and no such change shall be deemed to constitute a material departure from or modification of this Service Plan that would require approval by the Board of County Commissioners of Jefferson County.

One thousand dollars (\$1,000) of every combined water and sewer tap fee paid, allocated between the water and sewer tap fee as determined by the District, shall be applied to debt service on the Exchange Bonds. If a water or sewer tap is sold separately, the amount applied to payment of the Exchange Bonds shall be the amount allocated for that type of tap.

As used in this Service Plan the term "tap fees" means and includes any and all front-end charges, however called or denominated, imposed by the District to pay or defray the costs of capital facilities (or District obligations incurred to pay such costs) and assessed as a condition of receiving service from the District.

E. Financial Plan

Section VII below contains general descriptions of the key proposed capital improvements and their estimated costs. The estimated costs also include contingencies, and expenses for engineering, legal and administrative services for supervision and administrative oversight, necessary approvals and construction management calculated at 25% of estimated

construction costs. The estimated costs do include the costs of acquisition of any property interests and the District shall have the ability to finance such acquisitions if necessary. These cost estimates are included in the Financing Plan, Exhibit B, and are shown for each category of improvement at the times at which they are anticipated to be constructed by the District.

Initial proposed District indebtedness is \$16,000,000 for the Exchange Bonds and \$18,000,000 for the additional new debt. The maximum interest rate on the new debt is expected to be nine percent (9%). The proposed maximum underwriting discount on the new debt will be zero percent (0%).

The Financing Plan demonstrates that the District will have the financial ability to discharge both the Exchange Bonds and the new debt on a reasonable basis, with reasonable mill levies and reasonable rates, fees and charges for District services.

In addition to showing the anticipated District debt issues for capital improvements, the Financing Plan includes the proposed operating revenues derived from ad valorem property taxes and other available revenues for the first budget year and thereafter.

The financial information set forth in this Section II is based upon the estimated assessed valuation of the District after the boundary adjustments described in Section I above.

SECTION III SERVICES

The District shall have authority to finance, acquire land and water rights, design, construct, own, operate and maintain water and sanitary sewer facilities within and outside its legal boundaries, but it shall have authority to serve only property or customers within its legal boundaries and not outside thereof.

The property in the District is currently undeveloped. It cannot develop without organized service for treated water and sanitary sewer. As of November 15, 2002, there are no entities other than the District that are willing and able to provide these services to property within the District.

District property owners in the City of Lakewood may in their sole discretion choose their provider of water and sewer service. However, if a property receives water from the Mount Carbon Metropolitan District, said property must also receive sewer from the District due to water court decree return flow requirements. Any property that receives neither water nor sewer service from the District shall be excluded from the District upon petition from the property owner, but such property will continue to be responsible for the 20-mill levy to pay the Exchange Bonds. Any property which receives either water or sewer service from the District shall remain in the District.

Pursuant to an annexation agreement, water and sewer service in those portions of the District located in Morrison will be provided by the District if the District can provide both

services. A letter from the Morrison Town Attorney is attached hereto as Exhibit G stating the Town's position regarding the provision of water services to the portion of the District located in Morrison.

In Morrison, notwithstanding the absence of an agreement between the District and the Town for the Town to provide water within the District, if, during the first five years after the effective date of this Amended and Restated Service Plan, the District is not able or reasonably will not be able, to provide both water and sewer service to a property legally and practically ready for development within 24 months after a written request for such service by a property owner, the property owner can apply to obtain both water and sewer service from the Town of Morrison. If a property receives neither water nor sewer service from the District, such property will be excluded from the District upon petition of the property owner, but will continue to be responsible for the 20 mill levy to pay the Exchange Bonds. If a property in the District receives either water or sewer service from the District, the property will remain in the District.

The Financial Plan described in Section II.E above is based upon the assumption that the District will provide both water and sewer service to 2142 EQRs within its legal boundaries after the adjustments described in Section I of this Service Plan.

Any and all former authorization and powers for the District to furnish park and recreation, street improvement, and traffic safety protection services and facilities are terminated, cancelled and revoked.

On the effective date of the Bankruptcy Plan, all persons owning property within the District, as shown by the records of the Jefferson County Assessor, shall be sent copies of the Bankruptcy Plan, the disclosure statement relating thereto, and this Service Plan.

SECTION IV POPULATION

Presently, the District has one residence. Previous reports indicate that between 2142 and 5500 taps will be required in the District. After construction of necessary infrastructure, the District will have the ability to provide a maximum of 2142 taps without obtaining additional water rights.

SECTION V VALUATION FOR ASSESSMENT

According to the Jefferson County Assessor, the land in the District has a current assessed value of \$1,182,570 and an estimated actual value of \$4,077,828. The Exhibit B Financing Plan provides projections of future assessed valuation. Development is expected to proceed according to projections for moderate growth. The figures contained in Exhibit B have been derived in conjunction with the Jefferson County Assessor and current estimates for development.

SECTION VI
CONSTRUCTION OF FACILITIES

Exhibits C and F represent preliminary engineering surveys showing how the proposed services will be provided.

A. Water System

1. **Introduction:** The District plans to expand its existing diversion and pumping facility located on Bear Creek below Fox Hollow Golf Course and use its existing water transmission line from that location to the intersection of Morrison Road and McIntyre Street. At that point, a new raw water transmission line will be constructed to a new storage pond and a new water treatment plant. From this treatment plant, treated water will be pumped to an existing 1.5 million gallon treated water storage tank ready for distribution. Distribution for portions of the District located in Lakewood will require pump stations or additional water storage tanks at higher elevations than the existing tank. Water rights and water storage will be utilized for the raw water supply. Modifications to the herein described system may be necessary to provide for transmission, treatment and delivery.

2. **Water Rights:** The District owns or is in the process of acquiring the following water rights:
 - a. **Hock-Hocking Mine:** The District owns a total of .46 cfs of nontributary water from the Hock-Hocking Mine in Park County, Colorado out of a total of 8.5 cfs conditionally decreed to the mine for all beneficial uses in Case No. W-1318. An application for a change of water rights and a plan for augmentation were decreed on June 18, 1986 in Case No. 83CW280 for .37 cfs. Full utilization of this water right will require obtaining or constructing 50 acre feet of storage on the South Platte River and/or Bear Creek. This water court decree contains many conditions for water supply including limitations on the use of lawn grass and a requirement that all sewer flows be treated at the Town of Morrison sewer treatment plant. The District acquired ownership of additional flow rates of .03 cfs and another .06 cfs conditional for municipal use pending a diligence finding in Case No. 97CW222.

 - b. **Soda Lakes and Harriman Ditch:** The District owns 5.15 shares of Harriman Ditch Company and about 23 acre feet of storage in Soda Lakes, which are tributary to Bear Creek Drainage Basin. By decree in Case No. 83CW280, the District can use 6.5 acre feet of average consumptive use credit from its Harriman shares for storage in Soda Lakes or for other uses.

 - c. **Robert Lewis Ditch:** 179.525 inches (4.675 cfs) out of a total 652.8 inches (17.0 cfs) originally decreed to the Robert Lewis Ditch structure. A water change and approval for a plan for augmentation was decreed to the District on December 12, 1988 in Case No. 84CW221. With storage, this decree allows the District to use up to 168 acre feet of average consumptive use credit, provided the District releases 18 acre feet during the winter to replicate historic return flows. Full utilization of this water right will require

obtaining or constructing 400 acre feet of storage in the Bear Creek watershed at or above Bear Creek Lake. This water court decree contains many conditions for water supply including limitations on the use of lawn grass and a requirement that all sewer flows be treated at the Town of Morrison sewer treatment plant

d. Spickerman Ditch: The District has acquired ownership of several priorities awarded to the Spickerman Ditch. These water rights have not been transferred to municipal use.

(1) Priority No. 12: 3.14 cfs from the Upper Spickerman Ditch, with an appropriation date of November 1, 1862, and an estimated net average annual consumptive use credit of 24.71 acre-feet.

(2) Priority No. 18: 5.13 cfs from the Lower Spickerman Ditch, with an appropriation date of June 1, 1865, and an estimated net average annual consumptive use credit of 1.92 acre-feet.

(3) Priority No. 22: 3.55 cfs from the Middle Spickerman Ditch, with an appropriation date of June 1, 1868, and an estimated net average annual consumptive use credit of 11.55 acre-feet.

e. Chatfield Reservoir: The District filed for and obtained a conditional water right to store up to 800 acre-feet of water in the Chatfield Reservoir but this right can be used only if and when Mount Carbon obtains a storage contract with the Corps. In June 1994, Mount Carbon filed an application for reasonable diligence, which was granted by the Court. The water right was continued until July 2003 when Mount Carbon must again file an application for a finding of reasonable diligence. (Case No. 94CW107)

f. Robinson Clay Pit: The District is currently negotiating with Robinson Brick and Tile Company for the purchase of approximately 25 acres of land currently being operated as a clay mine for a water storage facility of approximately 450 acre feet consisting of 400 acre feet for the Robert Lewis Ditch right and possibly 50 acre feet for the Hock-Hocking water right. It is located immediately southeast of the existing 1.5 million gallon water storage tank owned by the District.

3. Design Criteria: The designs for the water system are responsive to good engineering practice and based on the following design criteria:

a. The water supply and water facilities of the District shall be developed, designed and constructed in accordance with Colorado Department of Public Health and Environment requirements. Except as provided below to the contrary, water supply and facilities shall also be developed, designed and constructed in accordance with City of Lakewood standards for property in Lakewood and in accordance with Town of Morrison standards for property in Morrison. If the Town of Morrison provides water, the Town regulations for design and construction of water facilities shall apply. For areas not receiving water services from the Town, City of Lakewood regulations for design and construction of water facilities shall apply; provided, however, that the regulations of the

District may apply to such areas rather than Lakewood regulations if the Lakewood City Engineer determines that District regulations for the design and construction of water facilities equal or exceed those of Lakewood.

b. Potable water requirements must be designed based on the criteria listed in Water Court cases 83-CW-280 and 84-CW-221.

c. Water facilities are to be designed for phased construction, thus permitting responsible gradual investment, approximately paralleling actual needs, resulting in an economically feasible program.

d. Fire protection flows and storage is to be available in all areas, in accordance with National Board of Fire Underwriter's standards and requirements of the West Metro Fire Protection District. No separate or additional tap fee will be charged for fire protection.

4. Water Demands: Water demand has been estimated at 2142 EQR by THK Associates, Inc., 5000 EQR by Johnston Engineering Associates and 5500 EQR by the water decree parameters in the cases listed above. Actual demand will depend on a number of variables including market demand, site constraints such as gulches, slopes, soils, and design constraints including open space and storm water detention, utility easements, parking and traffic.

5. Raw Water Source: Subject to obtaining the necessary permits, the District plans to obtain water from Bear Creek in an expanded diversion structure to be located below the Fox Hollow Golf Course. To effectively utilize the water rights acquired, some raw water storage will be required. The District owns 23.1 acre-feet of raw water storage in Soda Lakes, which is downstream of Morrison and will be utilized for release of replacement water. In addition, the District will construct a 400 acre-foot or larger raw water source to the treatment plant. In order to provide more than 2142 taps, additional water rights which the District owns will need to be changed through water court and in the future additional water rights will have to be purchased and developed. In addition, additional infrastructure, including a possible pipeline to the South Platte River, or other pipelines or points of diversion will need to be constructed.

6. Water Treatment Plant: The District will construct a water treatment plant to serve the water needs of the District.

7. Treated Water Transmission/Storage: A finished water transmission line will be constructed from the proposed water treatment plant to the existing 1.5 million gallon water storage tank located nearby and any other necessary treated water storage facilities.

8. Water Facility Construction and Maintenance: The District will be responsible for financing, designing, constructing, operating and maintaining the facilities shown in Exhibit C, and for operating and maintaining all water facilities in public rights of way and easements, excluding any line from the water meter to the building.

9. Water Taps: There are currently no water taps available until a water treatment plant and other infrastructure is constructed and other requirements of the Colorado Department of Public

Health and Environment are met. Once their requirements are met, the District will be able to provide 400 taps until additional storage is provided. Taps available at any given time will be allocated based on a Tap Allocation Policy adopted by the District and attached as Exhibit D. This Policy may be amended or replaced without an amendment of this Service Plan but only with the written approval of the City of Lakewood and the Town of Morrison.

10. Compatibility: The facility and service standards of the District for water service will be compatible with facility and service standards for water service promulgated by the Town of Morrison and the City of Lakewood pursuant to the provisions of subsection VI.A.3. above.

B. Sewer System

1. Introduction: The District will expand the Morrison Sewage Treatment Plant as required to meet expected demand. The District has in place a partial collection system and outfall sewer main that serves the areas of Red Rocks Business Park, Lakewood West, and Springfield Green. This system presently connects to the Morrison Sewage Treatment Plant through a lift station and force main. This lift station and force main will eventually be replaced with an outfall line along the west side of Red Rocks Centre Subdivision. The outfall line along the west side of Red Rocks Centre Subdivision and another new outfall line will serve the remainder of the District.

The method of service provided in this Section VI.B. may be subject to a requirement that wastewater flows from District property in Lakewood be treated by the Metro Wastewater Reclamation District ("Metro") unless such area is excluded from Metro upon request of the Lakewood City Council to the Metro board of directors. At this time, a request for exclusion is planned but exclusion is not guaranteed.

2. Design Criteria: The sanitary sewer system shall be designed and constructed in accordance with Colorado Department of Public Health and Environment requirements. Sewer facilities located in the City of Lakewood shall also be designed and constructed in accordance with City of Lakewood standards. Sewer facilities located in the Town of Morrison shall also be designed and constructed in accordance with Town of Morrison standards; provided, however, that the regulations of the District may apply in Morrison rather than Morrison regulations if the Town determines that District regulations for the design and construction of sewer facilities equal or exceed those of Morrison.

3. Town of Morrison Sewage Treatment Plant: The Morrison/Mount Carbon Agreement (Exhibit E) is the basis for intergovernmental cooperation in developing a joint use sewage treatment plant pursuant to the Morrison/Mount Carbon Agreement. The facilities are located immediately east of the Morrison Road C-470 Interchange on the north side of Morrison Road.

Sewage flows from a single property in the District are presently treated in the Morrison Sewage Treatment Plant (STP), which discharges to Bear Creek above Bear Creek Lake. The present capacity of the STP is 200,000 gallons per day, which is the equivalent to 667 EQRs. The District owns one-fourth of that capacity, which equals 167 EQRs. The existing STP

present daily operating volume of sewage is approximately 85,000 gallons per day (283 EQRs), leaving 115,000 gallons per day (384 EQRs) of unused capacity.

The STP has been planned by McLaughlin Water Engineers for phased development and can be expanded to treat the ultimate flows from the District. However, as the plant expands and sewage treatment criteria becomes more restrictive, it is anticipated that the plant will include tertiary treatment. It is also anticipated that the plant expansion approval process, design and construction will require approximately 1-2 years. The Town of Morrison and the District authorized McLaughlin Water Engineers to start on the permitting process for the next phase of the plant on October 8, 1998. This work will recommence in 2003. The Morrison/Mount Carbon Agreement defined the initial plant size as 200,000 gallons per day. That size plant was constructed and is presently in operation.

Treatment processes and facilities are master planned for the next phase expansion to .75MGD.

4. Rooney Road Trunk Sewer: The District presently owns and operates a collection system and major sewer outfall line which furnishes sewer collection facilities in the main streets of Springfield Green and Red Rocks Business Park, Filing 1. The outfall line for these two projects is an 18" line, which flows along Rooney Road to a sewage lift station east of the overpass of C-470 adjacent to Bandimere Speedway and then by force main to the STP. The lift station is a temporary station and has the design capacity of 450 EQRs. The Sewer Master Plan calls for a gravity outfall sewer line, not yet constructed, along the west boundary of Red Rocks Centre Subdivision to connect directly to the Morrison Sewage Treatment Plant.

5. Wastewater Collection System: Sanitary sewer mains follow road alignments wherever possible. In rare instances when mains along the road will be inaccessible to lower lying lots, it would be necessary to route sewer mains through a development block. Mains following road alignments are located according to requirements of the Town of Morrison and the City of Lakewood. Provisions are made to maintain the minimum separation between sewer and potable water lines as required by the Colorado Department of Public Health and Environment. Numerous stubs are provided, extending from manholes or sewer lines to the right-of-way. By providing stubs at the time of construction of the lines, the District will assure sewer service to individual lots and minimize the need to disturb road pavement in the future.

Collector sewer grades and manhole spacing conform to the appropriate reviewing agency's requirements. All sewers will be sized to accommodate peak flows from ultimate densities. Sewer mains will be located in public rights-of-way or in deeded easements.

6. Sewer Facility Construction and Maintenance: The District will be responsible for financing, designing, constructing, operating and maintaining the facilities shown in Exhibit F, and for operating and maintaining all sewer facilities in public rights of way and easements, excluding any line from the main sewer to the building.

7. Sewer Taps: There are currently a limited number of sewer taps available. Sewer taps will be allocated based on the District Tap Allocation Policy attached as Exhibit D.

8. Compatibility: The facility and service standards of the District for sewer service will be compatible with facility and service standards for sewer service promulgated by the Town of Morrison and the City of Lakewood pursuant to the provisions of subsection VI.B.2. above.

SECTION VII
ESTIMATED COSTS

A. Water System

Preliminary designs and capital cost estimates have been made for Mount Carbon water improvements proposed. These capital costs are given as one phase but as the design and review process proceeds the construction may be divided into more than one phase. The ultimate costs are estimated to be as follows:

1.	Bear Creek diversion structure	\$ 240,000
2.	Bear Creek pump station	\$ 196,000
3.	20 inch raw water pipe line from McIntyre and Morrison Rd to Lot 3, Block 6 of Springfield Green Subdivision	\$ 886,000
4.	500 Acre Foot raw water storage reservoir	\$ 2,570,330
5.	Land for reservoir and treatment plant	\$ 200,000
6.	Raw water pump station	\$ 431,000
7.	Water treatment plant and treated water transmission line to 1.5 million gallon storage tank	\$ 1,630,000
8.	Upper zone water pump station	\$ 250,000
9.	Upper zone water storage tank (500,000 gallons)	\$ 500,000
	Subtotal	\$ 6,903,350
	25% contingency and engineering	\$ 1,725,850
	Total:	\$ 8,629,200

B. Sewer System

1.	Construct the sewer outfall line from the existing Mount Carbon sewage lift station east of C-470 to the Morrison sewage treatment plant	\$ 450,000
2.	Construct expansion of the Morrison sewage treatment from 200,000 gpd to 1,800,000 gpd capacity	\$ 5,320,000
3.	Construct sewer outfall lines within District boundaries	\$ 1,240,000
	Subtotal	\$ 7,010,000
	25 % contingency and engineering	\$ 1,752,500
	Total:	\$ 8,762,500

SECTION VIII
AGREEMENTS WITH POLITICAL SUBDIVISIONS

On November 16, 1982, the Board of Directors of the District approved an agreement with the Town of Morrison for the joint use of water and sewer facilities. A copy of the agreement is attached as Exhibit E. The agreement was amended on October 26, 1986 and on October 13, 1995 and Resolution 99.1 was adopted on January 19, 1999. Pursuant to the agreement, the District will construct the facilities necessary to provide sanitary sewer service to the District and to the Town. The jointly used facilities will be owned and operated by the Town of Morrison. The District pays its pro rata share of the costs of operation and maintenance including a pro rata share of the sewer-related administrative expenses of the Town as provided in the Agreement.

SECTION IX
MISCELLANEOUS

This Service Plan may be amended in the future pursuant to the Special District Control Act, § 31-1-201, et seq., C.R.S., provided, however, that any amendment to Section II, Finance Plan, of this Service Plan shall be made solely pursuant to the provisions of subsection (2) of §32-1-207 following due notice and public hearing and shall not be made pursuant to paragraph (3)(b) thereof by published notice. Further, the City of Lakewood and Town of Morrison must approve any future amendments to this Service Plan.

The District has rejected existing Public Improvement Agreements with the City of Lakewood for Springfield Green and Red Rocks Business Park Filing No. 1 and with the Town of Morrison for Red Rocks Centre Subdivision. Responsibility for Public Improvements within Springfield Green, Red Rocks Business Park Filing No. 1 and Red Rocks Centre Subdivision is now assumed by the property owners within these subdivisions.

TABLE OF EXHIBITS

Exhibit A **Current Boundaries of the District**

Exhibit B **Financing Plan**

Exhibit C **Preliminary Engineering Survey (Water)**

Exhibit D **Tap Allocation Policy**

Exhibit E **Morrison/Mt Carbon Sewer Agreement**

Exhibit F **Preliminary Engineering Survey (Sewer)**

Exhibit G **Letter from Morrison Town Attorney**

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Exhibit G **Letter from Morrison Town Attorney**

SUMMARY OF FINDINGS REVENUE ANALYSIS

**MOUNT CARBON METRO DISTRICT
MORRISON, COLORADO**

**PREPARED FOR:
MOUNT CARBON METRO DISTRICT**

**PREPARED BY:
THK ASSOCIATES, INC.
2953 SOUTH PEORIA STREET, SUITE 101
AURORA, COLORADO 80014
(303) 770-7201 PHONE
(303) 770-7132 FAX
info@thkassoc.com**

NOVEMBER 13, 2002

INTRODUCTION

This summary provides an overview of revenue potentials for the Mount Carbon Metropolitan District prepared by THK Associates, Inc. based upon calculations that THK performed using the assumptions set forth in documents filed with the Bankruptcy Court in July 1999, in connection with Lakewood's objection to the District's 3rd Amended Plan of Reorganization. The 860-acre property is located on the west side of the Denver metropolitan area in Jefferson County at Interstate C-470 and Morrison Road. The anticipated land uses for the subject site include a mixture of residential, hotel, office/ R&D space, and commercial retail uses.

REVENUE POTENTIALS FROM THE DEVELOPMENT WITHIN THE MOUNT CARBON DISTRICT

As the development within the Mount Carbon District progresses, there will be revenues that can be generated from items such as property taxes and water and sewer tap fees. These revenues can and will be used to retire outstanding bonds and other debt that has been issued to serve the property.

Using the recommended land uses and absorption schedules that were outlined for the property, THK has profiled in Exhibit A the findings using property taxes and tap fees that can be realized from the development over the next 40 years. A number of assumptions regarding these estimates were used, which are summarized as follows:

- A 4% inflation rate has been applied to property values throughout the analysis.
- Residential real estate will be assessed at a rate of 9.15% of market value and commercial properties will be assessed at 29% of market value.
- Property values for the various land use types are estimated as follows:
 - * Single Family & Attached
 - High Density- \$150,000/unit
 - Medium Density- \$200,000/unit
 - Low Density- \$250,000/unit
 - * Multi-Family - \$85,000/unit
 - * Office, High-Tech, Hotel- \$100/square foot
 - * Retail/Commercial- \$110/square foot

- As construction occurs, market and assessed values have been lagged two years to allow for recording on the county tax rolls and collection of taxes.
- A mill levy of 20 mills has been applied to the assessed value, residential and commercial, for debt reduction/bond returns.
- We have assumed that for every 4,804 square feet of commercial and hotel space developed, there will be a need for one single family water and sewer tap equivalent.

The plan calls for \$1,000 from each tap to be used for debt retirement.

The following are the expected uses for the Mount Carbon Metropolitan District over 40 years with development halting upon the utilization of 2,142 water taps in Year 31.

- Residential
 - * Single Family: 1,050 units
 - * Attached: 430 units
 - * Multi-Family: 400 units
- Commercial
 - * Office and Industrial: 975,000 square feet
 - * Retail: 1,257,200 square feet
 - * Hotel: 340,000 square feet

Based on these assumptions the following results were realized (see Exhibit B):

- Total residential market values of \$1,449,577,600 will be generated over the next 40 years.
- Total commercial market values of \$1,245,458,610 will be realized over the next 40 years.
- Total assessed values will grow to \$493,819,350 by 2041.
- Real estate taxes generated by 20 mills on residential and commercial uses will total \$149,549,110 over 40 years.
- Water and sewer tap fee income will total \$2,141,520 over 40 years (2,142 taps at \$1,000 per tap);
- District Expenses amount to \$150,000 annually for overhead, a number defined in the Plan. These expenses will be covered from sources other than the 20 mills.

- Total net income will be \$151,690,630 over 40 years;

The debt payment schedule is based on \$4 million at 7%, \$9 million at 8%, and \$3 million at 9%. Based on these calculations of revenue potentials and retiring accrued interest in the initial stages of development and then retiring the principal, \$16,000,000 in debt can be retired over a 31-year time frame (note that interest payments no longer accrue after 30 years).

EXHIBIT A
PROFILED ANALYSIS
OF THE REPORT

EXHIBIT A

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

	Year 1 2002	Year 2 2003	Year 3 2004	Year 4 2005	Year 5 2006	Year 6 2007	Year 7 2008	Year 8 2009	Year 9 2010	Year 10 2011
Residential Units										
Single Family	0	0	0	100	100	100	100	90	0	0
Annual	0	0	0	75	75	75	75	75	25	0
High Density	0	0	0	25	25	25	25	25	25	10
Medium Density										
Low Density										
Cumulative										
High Density	0	0	0	100	200	300	400	400	490	490
Medium Density	0	0	0	75	150	225	300	375	400	400
Low Density	0	0	0	25	50	75	100	125	150	150
Average Unit Value										
High Density	\$150,000	\$156,000	\$162,240	\$168,750	\$175,450	\$182,500	\$189,800	\$197,300	\$205,290	\$213,500
Medium Density	\$200,000	\$208,000	\$216,320	\$224,970	\$233,970	\$243,330	\$253,060	\$263,180	\$273,710	\$284,640
Low Density	\$250,000	\$260,000	\$270,400	\$281,220	\$292,470	\$304,170	\$316,340	\$328,990	\$342,150	\$355,840
Single Family Values										
High Density	\$0	\$0	\$0	\$16,873,000	\$35,096,000	\$54,750,000	\$75,920,000	\$96,721,100	\$100,592,100	\$104,615,000
Medium Density	\$0	\$0	\$0	\$10,872,750	\$35,096,500	\$54,749,250	\$75,918,000	\$96,692,500	\$109,464,000	\$113,864,000
Low Density	\$0	\$0	\$0	\$7,000,500	\$14,623,500	\$22,812,750	\$31,634,000	\$41,123,750	\$51,322,500	\$56,934,400
Total \$FD Value	\$0	\$0	\$0	\$40,776,250	\$84,815,000	\$132,312,000	\$183,472,000	\$236,537,350	\$261,398,600	\$275,413,400

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

	Year 11 2012	Year 12 2013	Year 13 2014	Year 14 2015	Year 15 2016	Year 16 2017	Year 17 2018	Year 18 2019	Year 19 2020	Year 20 2021
Residential Units										
Single Family	0	0	0	0	0	0	0	0	0	0
Annual	0	0	0	0	0	0	0	0	0	0
High Density	0	0	0	0	0	0	0	0	0	0
Medium Density	0	0	0	0	0	0	0	0	0	0
Low Density	0	0	0	0	0	0	0	0	0	0
Cumulative	490	490	490	490	490	490	490	490	490	490
High Density	400	400	400	400	400	400	400	400	400	400
Medium Density	160	160	160	160	160	160	160	160	160	160
Low Density										
Average Unit Value	\$222,040	\$230,920	\$240,160	\$249,770	\$259,760	\$270,150	\$280,960	\$292,200	\$303,890	\$316,050
High Density	\$296,050	\$307,890	\$320,210	\$333,020	\$346,340	\$360,190	\$374,600	\$389,580	\$405,160	\$421,370
Medium Density	\$370,070	\$384,870	\$400,260	\$416,270	\$432,920	\$450,240	\$468,250	\$486,980	\$506,460	\$526,720
Low Density										
Single Family Values	\$108,799,600	\$113,150,800	\$117,678,400	\$122,387,300	\$127,282,400	\$132,373,500	\$137,670,400	\$143,178,000	\$148,906,100	\$154,864,600
High Density	\$118,420,000	\$123,156,000	\$128,084,000	\$133,206,000	\$138,536,000	\$144,076,000	\$149,840,000	\$155,832,000	\$162,064,000	\$168,548,000
Medium Density	\$59,211,200	\$61,579,200	\$64,041,600	\$66,603,200	\$69,267,200	\$72,038,400	\$74,920,000	\$77,916,800	\$81,033,600	\$84,275,200
Low Density										
Total SFD Value	\$286,430,800	\$297,886,000	\$309,804,000	\$322,198,500	\$335,085,600	\$348,487,900	\$362,430,400	\$376,926,800	\$392,003,700	\$407,687,700

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

	Year 21 2022	Year 22 2023	Year 23 2024	Year 24 2025	Year 25 2026	Year 26 2027	Year 27 2028	Year 28 2029	Year 29 2030	Year 30 2031
Residential Units										
Single Family	0	0	0	0	0	0	0	0	0	0
Apartment	0	0	0	0	0	0	0	0	0	0
High Density	0	0	0	0	0	0	0	0	0	0
Medium Density	490	490	490	490	490	490	490	490	490	490
Low Density	400	400	400	400	400	400	400	400	400	400
	160	160	160	160	160	160	160	160	160	160
Cumulative										
High Density	\$328,690	\$341,840	\$355,510	\$369,730	\$384,520	\$399,900	\$415,900	\$432,540	\$449,840	\$467,830
Medium Density	\$438,220	\$455,750	\$473,980	\$492,940	\$512,640	\$533,170	\$554,500	\$576,680	\$599,750	\$623,740
Low Density	\$547,790	\$569,700	\$592,490	\$616,190	\$640,840	\$666,470	\$693,130	\$720,860	\$749,690	\$779,680
Average Unit Value										
High Density	\$161,058,100	\$167,501,600	\$174,199,900	\$181,167,700	\$188,414,800	\$195,951,000	\$203,791,000	\$211,944,600	\$220,421,600	\$229,236,700
Medium Density	\$175,288,000	\$182,300,000	\$189,592,000	\$197,176,000	\$205,064,000	\$213,268,000	\$221,800,000	\$230,672,000	\$239,900,000	\$249,496,000
Low Density	\$87,646,400	\$91,152,000	\$94,768,400	\$98,590,400	\$102,534,400	\$106,635,200	\$110,900,800	\$115,337,600	\$119,950,400	\$124,748,800
Total \$FD Value	\$423,992,500	\$440,953,600	\$458,590,300	\$476,934,100	\$496,013,200	\$515,854,200	\$536,491,800	\$557,954,200	\$580,272,000	\$603,481,500

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

	Year 31 2032	Year 32 2033	Year 33 2034	Year 34 2035	Year 35 2036	Year 36 2037	Year 37 2038	Year 38 2039	Year 39 2040	Year 40 2041
Residential Units										
Single Family	0	0	0	0	0	0	0	0	0	0
Annular	0	0	0	0	0	0	0	0	0	0
High Density	0	0	0	0	0	0	0	0	0	0
Medium Density	490	490	490	490	490	490	490	490	490	490
Low Density	400	400	400	400	400	400	400	400	400	400
Cumulative	160	160	160	160	160	160	160	160	160	160
High Density										
Medium Density										
Low Density										
Average Unit Value	\$486,540	\$506,000	\$526,240	\$547,290	\$569,180	\$591,950	\$615,630	\$640,260	\$666,870	\$692,500
High Density	\$448,690	\$474,640	\$501,630	\$529,700	\$558,890	\$589,250	\$620,820	\$653,650	\$687,800	\$723,310
Medium Density	\$810,870	\$843,300	\$877,030	\$912,110	\$948,590	\$986,530	\$1,025,990	\$1,067,030	\$1,109,710	\$1,154,100
Low Density										
Single Family Values	\$238,404,600	\$247,940,000	\$257,857,600	\$268,172,100	\$278,898,200	\$290,055,500	\$301,658,700	\$313,727,400	\$326,276,300	\$339,325,000
High Density	\$259,476,000	\$269,856,000	\$280,452,000	\$291,850,000	\$303,556,000	\$315,700,000	\$328,328,000	\$341,460,000	\$355,120,000	\$369,324,000
Medium Density	\$129,739,200	\$134,928,000	\$140,324,800	\$145,937,600	\$151,774,400	\$157,844,800	\$164,156,400	\$170,724,800	\$177,553,600	\$184,656,000
Low Density										
Total SPD Value	\$627,619,800	\$653,724,000	\$678,634,400	\$705,989,700	\$734,228,600	\$763,600,300	\$794,145,100	\$825,912,200	\$858,949,900	\$893,305,000

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

	Year 1 2002	Year 2 2003	Year 3 2004	Year 4 2005	Year 5 2006	Year 6 2007	Year 7 2008	Year 8 2009	Year 9 2010	Year 10 2011
Attached Annual	0	0	0	20	20	20	20	20	20	20
High Density	0	0	0	20	20	20	20	20	20	20
Medium Density	0	0	0	20	20	20	20	20	20	20
Low Density	0	0	0	20	20	20	20	20	20	20
Cumulative	0	0	0	20	40	60	80	100	120	130
High Density	0	0	0	20	40	60	80	100	120	140
Medium Density	0	0	0	20	40	60	80	100	120	140
Low Density	0	0	0	20	40	60	80	100	120	140
Average Unit Value	\$150,000	\$156,000	\$142,240	\$168,730	\$175,480	\$182,500	\$189,800	\$197,390	\$205,290	\$213,500
High Density	\$200,000	\$208,000	\$216,320	\$224,970	\$233,970	\$243,330	\$253,060	\$263,180	\$273,710	\$284,660
Medium Density	\$250,000	\$260,000	\$270,400	\$281,220	\$292,470	\$304,170	\$316,340	\$328,990	\$342,150	\$355,840
Low Density	\$0	\$0	\$0	\$3,374,600	\$7,019,200	\$10,950,000	\$15,184,000	\$19,739,000	\$24,634,800	\$27,755,000
High Density	\$0	\$0	\$0	\$4,999,400	\$9,358,800	\$14,599,800	\$20,744,600	\$26,316,000	\$32,845,200	\$39,652,400
Medium Density	\$0	\$0	\$0	\$5,524,400	\$11,698,800	\$18,250,200	\$25,307,200	\$32,869,000	\$41,058,000	\$49,817,600
Low Density	\$0	\$0	\$0	\$13,498,400	\$28,076,800	\$43,800,000	\$60,736,000	\$78,956,000	\$98,538,000	\$117,425,000
Total Attached Value	\$0	\$0	\$0	\$13,498,400	\$28,076,800	\$43,800,000	\$60,736,000	\$78,956,000	\$98,538,000	\$117,425,000
Multi-Family Annual	0	0	0	200	0	0	0	0	200	0
Cumulative	0	0	0	200	200	200	200	200	400	400
Average Unit Value	\$85,000	\$88,400	\$91,940	\$95,620	\$99,440	\$103,420	\$107,540	\$111,840	\$116,330	\$120,980
Total Multi-Family Value	\$0	\$0	\$0	\$19,124,000	\$19,888,000	\$20,684,000	\$21,512,000	\$22,372,000	\$23,262,000	\$24,192,000
Total Residential Value	\$0	\$0	\$0	\$73,398,650	\$132,779,800	\$196,796,000	\$265,720,000	\$337,865,350	\$405,468,600	\$441,230,400
Assessed Ratio	9.15	9.15	9.15	9.15	9.15	9.15	9.15	9.15	9.15	9.15
Total Residential Assessed Value	\$0	\$0	\$0	\$6,715,980	\$12,149,350	\$18,006,830	\$24,313,380	\$30,914,680	\$37,191,890	\$40,372,580

MOUNT CARSON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

	Year 11 2012	Year 12 2013	Year 13 2014	Year 14 2015	Year 15 2016	Year 16 2017	Year 17 2018	Year 18 2019	Year 19 2020	Year 20 2021
Attached Annual	0	0	0	0	0	0	0	0	0	0
High Density	20	0	0	0	0	0	0	0	0	0
Medium Density	0	0	0	0	0	0	0	0	0	0
Low Density	0	0	0	0	0	0	0	0	0	0
Cumulative	130	130	130	130	130	130	130	130	130	130
High Density	160	160	160	160	160	160	160	160	160	160
Medium Density	140	140	140	140	140	140	140	140	140	140
Low Density	0	0	0	0	0	0	0	0	0	0
Average Unit Value	\$222,040	\$230,920	\$240,160	\$249,770	\$259,760	\$270,160	\$280,940	\$292,200	\$303,890	\$316,060
High Density	\$296,050	\$307,890	\$320,210	\$333,020	\$346,340	\$374,600	\$374,600	\$389,580	\$406,160	\$421,370
Medium Density	\$370,070	\$384,870	\$400,260	\$416,270	\$432,920	\$450,240	\$468,250	\$486,980	\$506,460	\$526,720
Low Density	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Average Unit Value	\$28,865,200	\$30,019,600	\$31,220,800	\$32,470,100	\$33,768,800	\$35,119,500	\$36,524,800	\$37,984,000	\$39,505,700	\$41,086,500
High Density	\$47,368,000	\$49,262,400	\$51,233,600	\$53,283,200	\$55,414,400	\$57,630,400	\$59,936,000	\$64,825,600	\$67,419,200	\$73,740,800
Medium Density	\$51,809,800	\$53,881,800	\$56,036,400	\$58,277,800	\$60,608,800	\$63,033,600	\$65,555,000	\$68,177,200	\$70,904,400	\$73,740,800
Low Density	\$128,043,000	\$133,163,800	\$138,490,800	\$144,031,100	\$149,792,000	\$155,783,500	\$162,015,800	\$168,494,000	\$175,235,700	\$182,246,500
Total Attached Value	0	0	0	0	0	0	0	0	0	0
Multi-Family Annual	400	400	400	400	400	400	400	400	400	400
Cumulative	\$125,820	\$130,850	\$136,080	\$141,520	\$147,180	\$153,070	\$159,190	\$165,560	\$172,180	\$179,070
Average Unit Value	\$50,328,000	\$52,340,000	\$54,432,000	\$56,608,000	\$58,872,000	\$61,228,000	\$63,674,000	\$66,224,000	\$68,872,000	\$71,628,000
Total Multi-Family Value	\$464,801,800	\$483,389,800	\$502,724,800	\$522,837,600	\$543,749,600	\$565,499,400	\$588,122,200	\$611,646,800	\$636,111,400	\$661,562,200
Total Residential Value	9.15	9.15	9.15	9.15	9.15	9.15	9.15	9.15	9.15	9.15
Assessed Ratio	\$42,529,360	\$44,230,170	\$45,999,500	\$47,839,640	\$49,753,090	\$51,743,200	\$53,813,180	\$55,965,680	\$58,204,190	\$60,532,940
Total Residential Assessed Value										

MOUNT CARRON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

	Year 21 2021	Year 22 2022	Year 23 2023	Year 24 2024	Year 25 2025	Year 26 2026	Year 27 2027	Year 28 2028	Year 29 2029	Year 30 2030	Year 31 2031
Attached Annual -	0	0	0	0	0	0	0	0	0	0	0
High Density	0	0	0	0	0	0	0	0	0	0	0
Medium Density	0	0	0	0	0	0	0	0	0	0	0
Low Density	0	0	0	0	0	0	0	0	0	0	0
Cumulative	130	130	130	130	130	130	130	130	130	130	130
High Density	160	160	160	160	160	160	160	160	160	160	160
Medium Density	140	140	140	140	140	140	140	140	140	140	140
Low Density											
Average Unit Value	\$328,690	\$341,840	\$355,510	\$369,730	\$384,520	\$399,900	\$415,900	\$432,540	\$449,840	\$467,830	\$487,400
High Density	\$438,220	\$455,750	\$473,980	\$492,940	\$512,660	\$533,170	\$554,500	\$576,680	\$599,750	\$623,740	\$648,600
Medium Density	\$547,790	\$569,700	\$592,490	\$616,190	\$640,840	\$666,470	\$693,130	\$720,860	\$749,690	\$779,680	\$810,800
Low Density											
Attached Values	\$42,729,700	\$44,439,200	\$46,216,300	\$48,064,900	\$49,987,900	\$51,987,000	\$54,067,000	\$56,230,200	\$58,479,200	\$60,817,900	\$63,249,000
High Density	\$70,115,200	\$72,920,000	\$75,836,800	\$78,870,400	\$82,025,600	\$85,307,200	\$88,720,000	\$92,268,800	\$95,940,000	\$99,749,400	\$103,698,000
Medium Density	\$76,990,600	\$79,755,000	\$82,948,600	\$86,266,600	\$89,717,600	\$93,305,800	\$97,038,200	\$100,920,400	\$104,956,600	\$109,155,200	\$113,518,000
Low Density											
Total Attached Value	\$189,835,500	\$197,117,200	\$205,001,700	\$213,201,900	\$221,730,800	\$230,600,000	\$239,825,200	\$249,419,400	\$259,395,800	\$269,771,500	\$280,547,000
Multi-Family Annual	0	0	0	0	0	0	0	0	0	0	0
Cumulative	400	400	400	400	400	400	400	400	400	400	400
Average Unit Value	\$186,230	\$193,650	\$201,430	\$209,490	\$217,870	\$226,580	\$235,640	\$245,070	\$254,870	\$265,060	\$275,600
Total Multi-Family Value	\$74,492,000	\$77,472,000	\$80,572,000	\$83,796,000	\$87,148,000	\$90,632,000	\$94,256,000	\$98,028,000	\$101,948,000	\$106,024,000	\$110,264,000
Total Residential Value	\$698,020,000	\$715,542,800	\$744,164,000	\$773,932,000	\$804,892,000	\$837,086,200	\$870,573,000	\$905,401,600	\$941,615,800	\$979,277,000	\$1,018,311,000
Assessed Ratio	9.15	9.15	9.15	9.15	9.15	9.15	9.15	9.15	9.15	9.15	9.15
Total Residential Assessed Value	\$62,953,830	\$65,472,170	\$68,091,010	\$70,814,780	\$73,647,620	\$76,593,390	\$79,657,430	\$82,844,250	\$86,157,850	\$89,603,850	\$93,192,000

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

	Year 31 2032	Year 32 2033	Year 33 2034	Year 34 2035	Year 35 2036	Year 36 2037	Year 37 2038	Year 38 2039	Year 39 2040	Year 40 2041
Attached Annual	0	0	0	0	0	0	0	0	0	0
High Density	0	0	0	0	0	0	0	0	0	0
Medium Density	0	0	0	0	0	0	0	0	0	0
Low Density	0	0	0	0	0	0	0	0	0	0
Cumulative	130	130	130	130	130	130	130	130	130	130
High Density	160	160	160	160	160	160	160	160	160	160
Medium Density	140	140	140	140	140	140	140	140	140	140
Low Density	140	140	140	140	140	140	140	140	140	140
Average Unit Value	\$484,540	\$506,000	\$524,240	\$547,200	\$569,180	\$591,950	\$615,630	\$640,290	\$665,870	\$692,500
High Density	\$648,690	\$674,640	\$701,630	\$729,700	\$758,890	\$789,250	\$822,820	\$858,650	\$897,800	\$923,310
Medium Density	\$810,870	\$843,300	\$877,030	\$912,110	\$948,590	\$986,530	\$1,025,990	\$1,067,030	\$1,109,710	\$1,154,100
Low Density	\$63,250,200	\$65,780,000	\$68,411,200	\$71,147,700	\$73,993,400	\$76,953,500	\$80,031,900	\$83,233,800	\$86,563,100	\$90,025,000
High Density	\$103,790,400	\$107,042,400	\$112,260,800	\$116,752,000	\$121,422,400	\$126,280,000	\$131,331,200	\$136,584,000	\$142,045,000	\$147,729,600
Medium Density	\$113,521,800	\$118,062,000	\$122,784,200	\$127,695,400	\$132,802,600	\$138,114,200	\$143,638,600	\$149,384,200	\$155,359,400	\$161,574,000
Low Density	\$280,562,400	\$291,784,400	\$303,456,200	\$315,595,100	\$328,218,400	\$341,347,700	\$355,001,700	\$369,202,000	\$383,970,500	\$399,328,600
Total Attached Value	\$1,018,446,200	\$1,059,184,400	\$1,101,554,600	\$1,145,620,800	\$1,191,443,000	\$1,239,104,000	\$1,288,670,800	\$1,340,218,200	\$1,393,828,400	\$1,449,577,600
Multi-Family Annual	0	0	0	0	0	0	0	0	0	0
Cumulative	400	400	400	400	400	400	400	400	400	400
Average Unit Value	\$275,660	\$286,690	\$298,160	\$310,090	\$322,490	\$335,390	\$348,810	\$362,760	\$377,270	\$392,360
Total Multi-Family Value	\$110,264,000	\$114,676,000	\$119,264,000	\$124,036,000	\$128,996,000	\$134,156,000	\$139,524,000	\$145,104,000	\$150,908,000	\$156,944,000
Total Residential Value	\$1,018,446,200	\$1,059,184,400	\$1,101,554,600	\$1,145,620,800	\$1,191,443,000	\$1,239,104,000	\$1,288,670,800	\$1,340,218,200	\$1,393,828,400	\$1,449,577,600
Assessed Ratio	9.15	9.15	9.15	9.15	9.15	9.15	9.15	9.15	9.15	9.15
Total Residential Assessed Value	\$93,187,830	\$96,915,370	\$100,792,250	\$104,824,300	\$109,017,030	\$113,378,020	\$117,913,380	\$122,629,970	\$127,535,300	\$132,636,350

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

	Year 1 2002	Year 2 2003	Year 3 2004	Year 4 2005	Year 5 2006	Year 6 2007	Year 7 2008	Year 8 2009	Year 9 2010	Year 10 2011
Commercial Space										
Annex	0	0	0	25,000	25,000	25,000	50,000	50,000	50,000	75,000
Office & Industrial	0	0	0	25,000	50,000	75,000	125,000	175,000	50,000	75,000
Total	0	0	0	25,000	50,000	75,000	125,000	175,000	225,000	300,000
Cumulative	0	0	0	0	300,000	320,000	320,000	340,000	340,000	340,000
Retail	0	0	0	0	0	0	170,000	0	0	0
Cumulative	0	0	0	0	0	0	170,000	170,000	170,000	170,000
Hotel	0	0	0	25,000	325,000	45,000	220,000	70,000	50,000	75,000
Cumulative	0	0	0	25,000	350,000	395,000	615,000	685,000	735,000	810,000
Total Commercial Space	0	0	0	25,000	350,000	395,000	615,000	685,000	735,000	810,000
Cumulative	0	0	0	0	0	0	0	0	0	0
Value per Sq. Ft.	\$100	\$104	\$108	\$112	\$117	\$122	\$127	\$132	\$137	\$142
Office/Hotel Value/Sq. Ft.	\$110	\$114	\$119	\$124	\$129	\$134	\$139	\$145	\$151	\$157
Retail Value per Sq. Ft.	\$0	\$0	\$0	\$2,812.160	\$44,454.620	\$51,951.080	\$81,846.140	\$94,615.500	\$105,242.950	\$120,127.510
Commercial Value	\$0	\$0	\$0	\$815,530	\$12,891,840	\$15,045,810	\$23,741,180	\$27,438,500	\$30,520,460	\$34,836,980
Total Commercial	\$0	\$0	\$0	\$7,531,510	\$25,041,190	\$33,072,640	\$48,054,560	\$55,353,180	\$67,712,340	\$75,209,560
Assessed Value @ 2%	\$0	\$0	\$0	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Total Assessed Value	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Mill Levy				\$0	\$0	\$150,630	\$500,820	\$661,450	\$961,090	\$1,167,060
Annual Tax Revenues				\$0	\$0	\$150,630	\$500,820	\$661,450	\$961,090	\$1,167,060
(allows for 2 year										
lag in revenues)										

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

	Year 11 2012	Year 12 2013	Year 13 2014	Year 14 2015	Year 15 2016	Year 16 2017	Year 17 2018	Year 18 2019	Year 19 2020	Year 20 2021
Commercial Space										
Annual	75,000	75,000	100,000	100,000	100,000	125,000	100,000	0	0	0
Office & Industrial	75,000	75,000	100,000	100,000	100,000	125,000	100,000	0	0	0
Total	375,000	450,000	550,000	650,000	750,000	875,000	975,000	975,000	975,000	975,000
Cumulative	0	150,000	490,000	490,000	490,000	150,000	0	0	0	150,000
Retail	340,000	490,000	490,000	490,000	490,000	640,000	640,000	640,000	640,000	790,000
Cumulative	0	170,000	340,000	340,000	340,000	340,000	340,000	340,000	340,000	340,000
Hotel	170,000	340,000	340,000	340,000	340,000	275,000	100,000	0	0	150,000
Cumulative	75,000	395,000	100,000	1,460,000	1,560,000	1,855,000	1,955,000	1,955,000	1,955,000	2,105,000
Total Commercial Space	885,000	1,280,000	1,380,000	1,460,000	1,560,000	1,855,000	1,955,000	1,955,000	1,955,000	2,105,000
Cumulative	\$148	\$154	\$160	\$167	\$173	\$180	\$187	\$195	\$203	\$211
Value per Sq.Ft.	\$163	\$169	\$176	\$183	\$190	\$198	\$206	\$214	\$223	\$232
Value per Sq.Ft.	\$136,034,450	\$204,593,440	\$228,787,510	\$254,589,740	\$282,090,090	\$345,601,060	\$378,154,910	\$393,281,110	\$409,012,350	\$460,135,850
Commercial Value	\$39,449,990	\$59,332,100	\$64,348,390	\$73,831,020	\$81,806,130	\$100,224,310	\$109,664,920	\$114,051,520	\$118,613,580	\$133,439,400
Total Commercial Assessed Value @ 29%	\$81,979,350	\$103,562,270	\$112,347,880	\$121,670,660	\$131,559,220	\$151,967,510	\$163,478,100	\$170,017,200	\$176,817,770	\$193,972,340
Total Assessed Value	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Mill Levy										
Annual Tax Revenues (allows for 2 year lag in revenues)	\$1,354,260	\$1,504,190	\$1,639,590	\$2,071,250	\$2,246,960	\$2,433,410	\$2,631,180	\$3,039,350	\$3,269,560	\$3,400,340

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

	Year 21 2022	Year 22 2023	Year 23 2024	Year 24 2025	Year 25 2026	Year 26 2027	Year 27 2028	Year 28 2029	Year 29 2030	Year 30 2031
Commercial Space										
Annual Office & Industrial Total	0	0	0	0	0	0	0	0	0	0
Cumulative	975,000	975,000	975,000	975,000	975,000	975,000	975,000	975,000	975,000	975,000
Retail Cumulative	0	0	0	0	0	0	0	0	0	0
Hotel Cumulative	790,000	790,000	790,000	790,000	790,000	790,000	790,000	790,000	790,000	790,000
Total Commercial Space Cumulative	340,000	340,000	340,000	340,000	340,000	340,000	340,000	340,000	340,000	340,000
Value per Sq. Ft.	219	228	237	246	255	267	277	288	300	312
Value per Sq. Ft. Cumulative	\$241	\$251	\$261	\$271	\$282	\$293	\$305	\$317	\$330	\$343
Commercial Value	\$478,541,300	\$497,682,950	\$517,890,260	\$578,961,690	\$602,120,150	\$626,204,960	\$661,253,150	\$724,878,860	\$753,874,010	\$784,028,980
Total Commercial Assessed Value @ 29%	\$138,776,980	\$144,328,060	\$150,101,180	\$167,898,890	\$174,614,840	\$181,599,440	\$188,863,410	\$210,214,870	\$218,623,460	\$227,368,400
Total Assessed Value	\$201,790,810	\$209,800,230	\$218,192,190	\$238,713,670	\$248,262,460	\$258,192,830	\$268,520,840	\$293,089,120	\$304,781,310	\$316,972,250
Mill Levy	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Annual Tax Revenues (allows for 2 year lag in revenues)	\$3,536,360	\$3,879,450	\$4,034,620	\$4,196,000	\$4,363,840	\$4,774,270	\$4,945,250	\$5,163,860	\$5,370,420	\$5,861,180

	Year 31 2032	Year 32 2033	Year 33 2034	Year 34 2035	Year 35 2036	Year 36 2037	Year 37 2038	Year 38 2039	Year 39 2040	Year 40 2041
Commercial Space										
Annual Office & Industrial Total	0	0	0	0	0	0	0	0	0	0
Cumulative	975,000	975,000	975,000	975,000	975,000	975,000	975,000	975,000	975,000	975,000
Retail Cumulative	1,257,200	1,257,200	1,257,200	1,257,200	1,257,200	1,257,200	1,257,200	1,257,200	1,257,200	1,257,200
Hotel Cumulative	340,000	340,000	340,000	340,000	340,000	340,000	340,000	340,000	340,000	340,000
Total Commercial Space Cumulative	1,672,200	2,572,200	2,572,200	2,572,200	2,572,200	2,572,200	2,572,200	2,572,200	2,572,200	2,572,200
Value per Sq.Ft.	\$324	\$337	\$351	\$365	\$379	\$395	\$410	\$427	\$444	\$462
Value per Sq.Ft. Cumulative	\$357	\$371	\$386	\$401	\$417	\$434	\$451	\$469	\$486	\$508
Commercial Value	\$575,042,710	\$910,044,420	\$946,446,190	\$984,304,040	\$1,023,676,200	\$1,064,623,250	\$1,107,208,170	\$1,151,490,500	\$1,197,556,360	\$1,245,458,610
Total Commercial Assessed Value @ 29%	\$253,762,390	\$263,912,680	\$274,469,400	\$285,448,170	\$296,866,100	\$308,740,740	\$321,090,370	\$333,933,990	\$347,291,340	\$361,183,000
Total Assessed Value	\$346,950,220	\$360,828,250	\$375,261,650	\$390,272,470	\$405,883,130	\$422,118,760	\$439,003,750	\$456,563,990	\$474,952,640	\$493,819,350
Mill Levy	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Annual Tax (revenues allows for 2 year lag in revenues)	\$6,095,630	\$6,339,450	\$6,939,000	\$7,216,570	\$7,505,230	\$7,905,450	\$8,117,660	\$8,442,380	\$8,780,080	\$9,131,280

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

	Year 1 2002	Year 2 2003	Year 3 2004	Year 4 2005	Year 5 2006	Year 6 2007	Year 7 2008	Year 8 2009	Year 9 2010	Year 10 2011
Water and Sewer Tap fees										
Total Commercial Sq.Ft. Added Annually	0	0	0	25,000	325,000	45,000	220,000	70,000	50,000	75,000
Equipment Number of STD Taps, based on one Tap/4,804 sq.ft.	0	0	0	5	68	9	46	15	10	16
Residential Water Taps	0	0	0	374	240	240	240	230	224	44
Cumulative Taps	0	0	0	379	687	937	1,223	1,468	1,702	1,761
Water and Sewer Tap Fee	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Water & Sewer Tap Fee Income Annual	\$0	\$0	\$0	\$379,400	\$307,850	\$249,570	\$286,000	\$244,770	\$234,610	\$69,110
Cummulative	\$0	\$0	\$0	\$379,400	\$687,250	\$936,820	\$1,222,820	\$1,467,590	\$1,702,200	\$1,761,310
Additional Income From Voluntary Mill Levy on Non-residential Uses										
Assessed Value of Non-residential Uses	\$0	\$0	\$0	\$815,530	\$12,897,840	\$15,065,810	\$23,741,180	\$27,438,500	\$30,520,460	\$34,836,980
Mill Levy	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Additional Annual Tax Revenues (allows for 1 year lag in revenues)	\$0	\$0	\$0	\$0	\$16,310	\$257,840	\$301,320	\$474,820	\$548,770	\$610,410
Net Income	\$0	\$0	\$0	\$379,400	\$307,850	\$400,200	\$786,820	\$906,220	\$1,195,700	\$1,226,170
Present Value	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Annual Present Value	\$0	\$0	\$0	\$357,924	\$290,424	\$377,547	\$742,283	\$854,924	\$1,128,019	\$1,156,764
Cummulative Present Value	\$0	\$0	\$0	\$357,924	\$648,349	\$1,025,896	\$1,768,179	\$2,623,103	\$3,751,122	\$2,284,782

QUINT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

	Year 11 2012	Year 12 2013	Year 13 2014	Year 14 2015	Year 15 2016	Year 16 2017	Year 17 2018	Year 18 2019	Year 19 2020	Year 20 2021
Water and Sewer Tap fees	75,000	395,000	100,000	100,000	100,000	275,000	100,000	0	0	150,000
Additional Commercial Sq.Ft. Added Annually										
Subsequent Number of SFD Taps based on the Tap/4,804 sq.ft.	16	82	21	21	21	57	21	0	0	31
Residential Water Taps	13	0	0	0	0	0	0	0	0	0
Cumulative Taps	1,790	1,873	1,893	1,914	1,935	1,992	2,013	2,013	2,013	2,044
Water and Sewer Tap Fee	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Water & Sewer Tap Fee Income	\$29,010	\$82,220	\$20,820	\$20,820	\$20,820	\$57,240	\$20,820	\$0	\$0	\$31,220
Annual Cumulative	\$1,790,320	\$1,872,540	\$1,893,360	\$1,914,180	\$1,935,000	\$1,992,240	\$2,013,060	\$2,013,060	\$2,013,060	\$2,044,280
Additional Income From Voluntary Mill Levy on Non-Residential Uses	\$39,449,990	\$59,332,100	\$66,348,380	\$73,831,020	\$81,806,130	\$100,224,310	\$109,664,920	\$114,061,520	\$118,613,580	\$133,439,400
Assessed Value of Non-Residential Uses	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Mill Levy	\$696,740	\$789,000	\$1,186,640	\$1,326,970	\$1,476,620	\$1,636,120	\$2,004,490	\$2,193,300	\$2,281,030	\$2,372,270
Additional Annual Tax Revenues (allows for 1 year lag in revenues)	\$1,383,260	\$1,586,410	\$1,660,410	\$2,092,070	\$2,267,780	\$2,490,650	\$2,652,000	\$3,039,350	\$3,269,560	\$3,491,560
Net Income	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Present Value	\$728,685	\$835,702	\$874,684	\$1,102,077	\$1,194,639	\$1,312,045	\$1,397,042	\$1,401,093	\$1,722,365	\$1,807,705
Annual Present Value	\$3,013,467	\$3,849,169	\$4,723,653	\$5,825,930	\$7,020,570	\$8,332,614	\$9,729,656	\$11,330,749	\$13,053,114	\$14,860,819
Cumulative Present Value										

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

	Year 21 2022	Year 22 2023	Year 23 2024	Year 24 2025	Year 25 2026	Year 26 2027	Year 27 2028	Year 28 2029	Year 29 2030	Year 30 2031
Water and Sewer Tap fees										
Total Commercial Sq.Ft. Added Annually	0	0	0	150,000	0	0	0	150,000	0	0
Equipment Number of STD Taps, based on one tap/4,804 sq.ft.	0	0	0	31	0	0	0	31	0	0
Residential Water Taps	0	0	0	0	0	0	0	0	0	0
Cumulative Taps	2,044	2,044	2,044	2,076	2,076	2,076	2,076	2,107	2,107	2,107
Water and Sewer Tap Fee	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Water & Sewer Tap Fee Income Annual	\$0	\$0	\$0	\$31,220	\$0	\$0	\$0	\$31,220	\$0	\$0
Cumulative	\$2,044,280	\$2,044,280	\$2,044,280	\$2,075,500	\$2,075,500	\$2,075,500	\$2,075,500	\$2,106,720	\$2,106,720	\$2,106,720
Additional Income From Voluntary Mill Levy on Non-residential Uses										
Assessed Value of Non-residential Uses	\$138,776,980	\$144,328,060	\$150,101,180	\$167,898,890	\$174,614,840	\$181,599,440	\$188,863,410	\$210,214,870	\$218,623,460	\$227,368,400
Mill Levy	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Additional Annual Tax Revenues (Callows for 1 year lag in revenues)	\$2,668,790	\$2,775,540	\$2,886,560	\$3,002,020	\$3,357,980	\$3,492,300	\$3,631,990	\$3,777,270	\$4,204,300	\$4,372,470
Net Income	\$3,533,360	\$3,879,450	\$4,034,620	\$4,227,220	\$4,363,840	\$4,774,270	\$4,965,250	\$5,195,080	\$5,370,420	\$5,861,180
Present Value	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Annual Present Value	\$1,040,238	\$1,141,160	\$1,186,804	\$1,243,458	\$1,289,645	\$1,404,375	\$1,460,553	\$1,528,159	\$1,579,736	\$1,724,095
Cumulative Present Value	\$15,901,057	\$17,042,216	\$18,229,020	\$19,472,478	\$20,756,123	\$22,160,499	\$23,621,052	\$25,149,210	\$26,728,946	\$28,453,042

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

	Year 1 2002	Year 2 2003	Year 3 2004	Year 4 2005	Year 5 2006	Year 6 2007	Year 7 2008	Year 8 2009	Year 9 2010	Year 10 2011
Debt Payment Schedule										
Beginning Balance (\$4,000,000)	\$4,000,000	\$4,280,000	\$4,579,600	\$4,900,172	\$4,863,784	\$4,896,399	\$4,898,947	\$4,390,883	\$4,000,000	\$4,000,000
Interest at 7%	\$280,000	\$299,600	\$320,572	\$343,012	\$340,465	\$342,748	\$338,726	\$307,360	\$280,000	\$280,000
Ending Balance	\$4,280,000	\$4,579,600	\$4,900,172	\$5,243,184	\$5,204,249	\$5,239,147	\$5,177,673	\$4,698,213	\$4,280,000	\$4,280,000
Accrued Interest	\$280,000	\$299,600	\$320,572	\$343,012	\$340,465	\$342,748	\$338,726	\$307,360	\$280,000	\$280,000
Payments	\$0	\$0	\$0	\$379,400	\$307,850	\$400,200	\$786,820	\$698,213	\$0	\$0
Balance Due	\$4,280,000	\$4,579,600	\$4,900,172	\$4,863,784	\$4,896,399	\$4,898,947	\$4,390,883	\$4,000,000	\$4,000,000	\$4,000,000
Beginning Balance (\$9,000,000)	\$9,000,000	\$9,720,000	\$10,497,600	\$11,337,408	\$12,244,401	\$13,223,953	\$14,281,859	\$15,424,418	\$16,450,365	\$16,850,694
Interest at 8%	\$720,000	\$777,600	\$839,808	\$906,993	\$979,552	\$1,057,916	\$1,142,550	\$1,233,953	\$1,316,009	\$1,348,056
Ending Balance	\$9,720,000	\$10,497,600	\$11,337,408	\$12,244,401	\$13,223,953	\$14,281,859	\$15,424,418	\$16,658,372	\$17,766,374	\$18,198,749
Accrued Interest	\$720,000	\$777,600	\$839,808	\$906,993	\$979,552	\$1,057,916	\$1,142,550	\$1,233,953	\$1,316,009	\$1,348,056
Payments	\$0	\$0	\$0	\$3,244,401	\$0	\$0	\$0	\$208,007	\$915,700	\$946,170
Balance Due	\$9,720,000	\$10,497,600	\$11,337,408	\$12,244,401	\$13,223,953	\$14,281,859	\$15,424,418	\$16,450,365	\$17,252,579	\$17,252,579
Beginning Balance (\$3,000,000)	\$3,000,000	\$3,270,000	\$3,564,300	\$3,885,087	\$4,234,745	\$4,615,872	\$5,031,300	\$5,484,117	\$5,977,688	\$6,515,680
Interest at 7%	\$270,000	\$294,300	\$320,787	\$349,658	\$381,127	\$415,428	\$452,817	\$493,571	\$537,992	\$586,411
Ending Balance	\$3,270,000	\$3,564,300	\$3,885,087	\$4,234,745	\$4,615,872	\$5,031,300	\$5,484,117	\$5,977,688	\$6,515,680	\$7,102,091
Accrued Interest	\$270,000	\$294,300	\$320,787	\$349,658	\$381,127	\$415,428	\$452,817	\$493,571	\$537,992	\$586,411
Payments	\$0	\$0	\$0	\$1,234,745	\$0	\$0	\$0	\$0	\$0	\$0
Balance Due	\$3,270,000	\$3,564,300	\$3,885,087	\$4,234,745	\$4,615,872	\$5,031,300	\$5,484,117	\$5,977,688	\$6,515,680	\$7,102,091

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES: NOVEMBER 2002

	Year 31 2032	Year 32 2033	Year 33 2034	Year 34 2035	Year 35 2036	Year 36 2037	Year 37 2038	Year 38 2039	Year 39 2040	Year 40 2041
Water and Sewer Tap fees										
Total Commercial Sq. Ft. Added Annually	167,200	0	0	0	0	0	0	0	0	0
Equivalent Number of SFD Taps, based on one tap/4,804 sq.ft.	35	0	0	0	0	0	0	0	0	0
Residential Water Taps	0	0	0	0	0	0	0	0	0	0
Cumulative Taps	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142
Water and Sewer Tap Fee	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Water & Sewer Tap Fee Income Annual Cumulative	\$34,800 \$2,141,520	\$0 \$2,141,520								
Additional Income From Voluntary Mill Levy on Non-residential Uses	\$253,762,390	\$263,912,880	\$274,469,400	\$285,448,170	\$296,566,100	\$308,740,740	\$321,090,370	\$333,923,990	\$347,291,340	\$361,183,000
Assessed Value of Non-residential uses	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Mill Levy	\$4,547,370	\$5,075,250	\$5,278,250	\$5,489,390	\$5,708,960	\$5,937,320	\$6,174,810	\$6,421,810	\$6,678,680	\$6,945,830
Additional Annual Tax Revenues (Grows for 1 year lag in revenues)	\$6,130,430	\$6,339,450	\$6,539,000	\$6,721,670	\$6,905,230	\$7,085,450	\$7,261,660	\$7,434,380	\$7,603,080	\$7,777,280
Net Income	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Present Value	\$1,006,954	\$1,041,286	\$1,139,765	\$1,185,358	\$1,232,772	\$1,282,084	\$1,333,366	\$1,386,703	\$1,442,172	\$1,499,858
Annual Present Value	\$29,459,996	\$30,501,282	\$31,641,047	\$32,826,406	\$34,059,177	\$35,341,261	\$36,674,627	\$38,061,330	\$39,503,502	\$41,003,361
Cumulative Present Value										

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

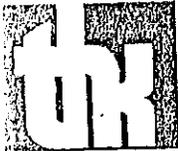
	Year 11 2012	Year 12 2013	Year 13 2014	Year 14 2015	Year 15 2016	Year 16 2017	Year 17 2018	Year 18 2019	Year 19 2020	Year 20 2021
Debt Payment Schedule										
Beginning Balance (\$4,000,000)	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Interest at 7%	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000
Ending Balance	\$4,280,000	\$4,280,000	\$4,280,000	\$4,280,000	\$4,280,000	\$4,280,000	\$4,280,000	\$4,280,000	\$4,280,000	\$4,280,000
Accrued Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payments	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000
Balance Due	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Beginning Balance (\$9,000,000)	\$17,252,579	\$17,529,526	\$17,625,478	\$17,655,106	\$17,255,445	\$16,648,100	\$15,769,298	\$14,658,842	\$13,072,199	\$11,128,415
Interest at 8%	\$1,380,206	\$1,402,362	\$1,410,038	\$1,412,408	\$1,380,436	\$1,331,848	\$1,261,544	\$1,172,707	\$1,045,776	\$890,273
Ending Balance	\$18,632,786	\$18,931,888	\$19,035,516	\$19,067,515	\$18,635,880	\$17,979,948	\$17,030,842	\$15,831,549	\$14,117,975	\$12,018,689
Accrued Interest	\$9,840,793	\$10,139,895	\$10,243,523	\$10,275,522	\$9,843,887	\$9,187,955	\$8,238,849	\$7,039,557	\$5,325,982	\$3,224,694
Payments	\$1,103,240	\$1,306,410	\$1,380,410	\$1,812,070	\$1,987,780	\$2,210,650	\$2,372,000	\$2,759,350	\$2,989,560	\$3,151,560
Balance Due	\$17,529,526	\$17,625,478	\$17,655,106	\$17,255,445	\$16,648,100	\$15,769,298	\$14,658,842	\$13,072,199	\$11,128,415	\$8,867,129
Beginning Balance (\$3,000,000)	\$7,102,091	\$7,741,279	\$8,437,994	\$9,197,414	\$10,025,181	\$10,927,447	\$11,910,918	\$12,982,900	\$14,151,361	\$15,424,984
Interest at 9%	\$439,188	\$696,715	\$759,419	\$827,767	\$902,256	\$983,470	\$1,071,983	\$1,168,461	\$1,273,623	\$1,385,249
Ending Balance	\$7,741,279	\$8,437,994	\$9,197,414	\$9,197,414	\$10,025,181	\$11,010,918	\$12,082,900	\$13,151,361	\$14,424,984	\$15,810,233
Accrued Interest	\$4,741,279	\$5,427,994	\$6,197,414	\$7,025,181	\$7,927,447	\$8,910,918	\$9,982,900	\$11,151,361	\$12,424,984	\$13,810,233
Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Due	\$7,741,279	\$8,437,994	\$9,197,414	\$10,025,181	\$10,927,447	\$11,910,918	\$12,982,900	\$14,151,361	\$15,424,984	\$16,810,233

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

	Year 21 2022	Year 22 2023	Year 23 2024	Year 24 2025	Year 25 2026	Year 26 2027	Year 27 2028	Year 28 2029	Year 29 2030	Year 30 2031
Debt Payment Schedules										
Beginning Balance (\$4,000,000)	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$2,620,569	\$0	\$0
Interest at 7%	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$183,440	\$0	\$0
Ending Balance	\$4,280,000	\$4,280,000	\$4,280,000	\$4,280,000	\$4,280,000	\$4,280,000	\$4,280,000	\$2,804,009	\$0	\$0
Accrued Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payments	\$280,000	\$280,000	\$290,000	\$280,000	\$280,000	\$280,000	\$1,659,431	\$2,804,009	\$0	\$0
Balance Due	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$2,620,569	\$0	\$0	\$0
Beginning Balance (\$9,000,000)	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$7,598,929	\$3,106,423
Interest at 8%	\$709,370	\$720,000	\$720,000	\$720,000	\$720,000	\$720,000	\$720,000	\$720,000	\$607,914	\$248,514
Ending Balance	\$9,709,370	\$9,720,000	\$9,720,000	\$9,720,000	\$9,720,000	\$9,720,000	\$9,720,000	\$9,720,000	\$8,206,843	\$3,354,937
Accrued Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payments	\$784,506	\$720,000	\$720,000	\$720,000	\$720,000	\$720,000	\$720,000	\$2,121,071	\$5,106,420	\$3,354,937
Balance Due	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$7,598,929	\$3,106,423	\$0
Beginning Balance (\$33,000,000)	\$16,813,232	\$15,854,569	\$14,402,030	\$12,663,593	\$10,576,097	\$8,164,105	\$5,124,605	\$3,000,000	\$3,000,000	\$3,000,000
Interest at 9%	\$1,513,191	\$1,426,911	\$1,296,183	\$1,139,723	\$951,849	\$734,769	\$461,214	\$270,000	\$270,000	\$270,000
Ending Balance	\$18,326,423	\$17,281,480	\$15,698,213	\$13,803,317	\$11,527,945	\$8,898,875	\$5,585,819	\$3,270,000	\$3,270,000	\$3,270,000
Accrued Interest	\$15,326,423	\$14,281,480	\$12,698,213	\$10,803,317	\$8,527,945	\$5,898,875	\$3,663,605	\$0	\$0	\$0
Payments	\$2,471,854	\$2,879,460	\$3,034,620	\$3,227,220	\$3,363,940	\$3,774,270	\$2,585,819	\$270,000	\$270,000	\$2,506,243
Balance Due	\$15,854,569	\$14,402,030	\$12,663,593	\$10,576,097	\$8,164,105	\$5,124,605	\$3,000,000	\$3,000,000	\$3,000,000	\$763,757

MOUNT CARBON METROPOLITAN DISTRICT ABSORPTION, TAX REVENUES AND TAP FEES, NOVEMBER 2002

	Year 31 2032	Year 32 2033	Year 33 2034	Year 34 2035	Year 35 2036	Year 36 2037	Year 37 2038	Year 38 2039	Year 39 2040	Year 40 2041
Debt Payment Schedule										
Beginning Balance (\$4,000,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest at 7%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accrued Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Due	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Beginning Balance (\$9,000,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest at 8%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accrued Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Due	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Beginning Balance (\$3,000,000)	\$743,757	\$5,297,935	-\$11,637,385	-\$18,576,385	-\$25,792,955	-\$33,298,185	-\$41,103,635	-\$49,221,295	-\$57,663,675	-\$66,443,755
Interest at 9%	\$68,738	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$832,495	-\$5,297,935	-\$11,637,385	-\$18,576,385	-\$25,792,955	-\$33,298,185	-\$41,103,635	-\$49,221,295	-\$57,663,675	-\$66,443,755
Accrued Interest	\$0	\$6,339,450	\$6,939,000	\$7,216,570	\$7,505,230	\$7,805,450	\$8,117,660	\$8,442,390	\$8,790,080	\$9,131,290
Payments	\$6,130,430	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Due	-\$5,297,935	-\$11,637,385	-\$18,576,385	-\$25,792,955	-\$33,298,185	-\$41,103,635	-\$49,221,295	-\$57,663,675	-\$66,443,755	-\$75,875,035



associates, inc.

market research planning landscape architecture golf feasibility / valuation

November 13, 2002

Mr. Terry Bartholomew
Mount Carbon Metropolitan District
1234 West Alameda Parkway
Lakewood, Colorado 80228

Dear Mr. Bartholomew:

This letter will serve as additional information to be used in the restructuring of the Mount Carbon Metropolitan District. THK prepared a "Summary of Findings Revenues Analysis" dated November 13, 2002 related to the absorption of various land uses, market, and assessed valuations, and revenues that could be realized from a mill levy and "District Fee" from a portion of water and sewer tap fees (\$1,000 of the total fee). That analysis was based upon the findings presented to the Bankruptcy Court in July of 1999 and illustrates that \$16,000,000 dollars in new bond for the "District" could easily be retired at approximately 8% interest within 31 years.

In addition, THK has estimated the revenues that would be available for new infrastructure required to serve the property with water and sewer. We have assumed that there will be a maximum of 2,142 water and sewer taps. Using a total water and sewer tap fee of \$13,500, which is inline with tap fees realized by other districts in the region, less the \$1,000 portion of the total fee would generate \$37,562,546 in revenues for infrastructure. Based on engineering reports, it is estimated that in order to serve 2,142 water and sewer taps; expenditures of \$18,572,374 (adjusted for 4% annual inflation) will be required over the next 12 years. Of that total, \$12,091,250 will be required by Year 5 and the balance of \$6,481,124 will occur in Year 12.

Based on the current ability to serve by the "District" water and sewer capacities will need to be expanded in two phases. The expansions will need to occur in a manner that creates capacity in advance of actual absorption/development. This will create initial "shortfalls" in revenues to provide the infrastructure. Our estimates indicate that there could be an initial "shortfall" of approximately \$6,709,152 until sufficient taps are sold. In order to have adequate funds for required water and sewer infrastructure, pre-purchased taps will be required from developers of the property. Based on the suggested tap fees, a total of 473 water and sewer taps will need to be pre-purchased by Year 4. By Year 6 and years thereafter, significant surplus revenues from the sale of taps will exist, allowing for further expansion of the



associates, inc.

market research planning landscape architecture golf feasibility / valuation

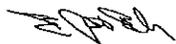
water and sewer systems, if necessary. By Year 31, the "District" could realize \$18,990,172 in excess revenues.

Mr. Terry Bartholomew
November 13, 2002
Page Two

Regarding on-going operation of the "District," we have assumed that the average "tap" will use 45% of an acre-foot of water and sewer on an annual basis, or 146,700 gallons per year. It is estimated that in order to deliver water to the end user costs for pumping, treatment, storage, and administrative expenses (based on my experience as a Director with the East Cherry Creek Valley Water and Sanitation District) and other districts in the region is approximately \$2.65 per 1,000 gallons and sewer costs are approximately \$1.95 per 1,000 gallons. In addition, the economic life of most wells, water and sewer lines and other infrastructure is estimated at 40-years. In addition to the on-going expenses, the \$18 million in infrastructure will need to be replaced/maintained over the life of the system. If total water rates by the "District" average \$3.25 per 1,000 gallons and sewer rates are \$2.75 per 1,000 gallons, the "District" will have sufficient revenues to not only maintain on-going operations, but have reserves for replacement/maintenance of the system as well. These suggested rates are in-line with other rates and fees charged throughout the Denver metro region.

The attached spreadsheets detail our calculations as outlined above. If you have any questions or require any additional information, please do not hesitate to contact us.

Sincerely,



E. Peter Elzi, Jr.
Principal

	Year 1 2003	Year 2 2004	Year 3 2005	Year 4 2006	Year 5 2007	Year 6 2008	Year 7 2009	Year 8 2010	Year 9 2011	Year 10 2011
Water and Sewer Top Fees										
Equipment Number of STD Taps based on one top for each inch	0	0	0	5	9	46	10	10	16	
Buildings Water Taps	0	0	0	374	240	240	230	224	44	
Cumulative Taps	0	0	0	379	619	1,059	1,289	1,513	1,737	
Total Water and Sewer Top Fees	\$11,500	\$14,040	\$14,000	\$18,166	\$18,000	\$17,000	\$17,000	\$17,000	\$17,000	\$18,215
Portion of Fees for Debt	\$1,000	\$1,000	\$1,000	\$14,166	\$17,000	\$16,000	\$16,000	\$16,000	\$16,000	\$17,215
Annual of Water and Sewer Top Fees Available for Infrastructure	\$10,500	\$13,040	\$13,000	\$14,166	\$17,000	\$16,000	\$16,000	\$16,000	\$16,000	\$17,000
Water and Sewer Top Fee Income for Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Required Infrastructure Improvements, 1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Cumulative	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Surplus as shown to be projected by Pre-Purchased Taps	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Cumulative	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Number of Pre-Purchased Taps Required for Infrastructure	0	0	0	7	460	508	508	508	508	508
Annual Cumulative	0	0	0	7	473	168	168	168	168	168
REVENUE AND EXPENSES FOR CONCESSIONS DURING OPERATIONS										
Cumulative Taps	0	0	0	279	687	1,323	1,468	1,702	1,761	
Water Usage, 14.710 per top	0	0	0	\$5,038,560	\$12,020,440	\$17,451,866	\$17,397,440	\$18,279,381	\$18,384,100	
Sewer Usage, 14.710 per top	0	0	0	\$5,038,560	\$12,020,440	\$17,451,866	\$17,397,440	\$18,279,381	\$18,384,100	
Annual Operating Revenue	\$0	\$0	\$0	\$10,077,120	\$24,040,880	\$34,903,732	\$34,794,880	\$36,558,762	\$36,768,200	
Water @ \$33.25 per 1,000 gallons	\$0	\$0	\$0	\$1,461,858	\$3,453,978	\$5,110,710	\$5,110,710	\$5,357,457	\$5,357,457	
Sewer @ 22.75 per 1,000 gallons	\$0	\$0	\$0	\$1,461,858	\$3,453,978	\$5,110,710	\$5,110,710	\$5,357,457	\$5,357,457	
TOTAL	\$0	\$0	\$0	\$10,077,120	\$24,040,880	\$34,903,732	\$34,794,880	\$36,558,762	\$36,768,200	
Annual Operating Cost	\$0	\$0	\$0	\$10,077,120	\$24,040,880	\$34,903,732	\$34,794,880	\$36,558,762	\$36,768,200	
Water @ \$12.75 per 1,000 gallons	\$0	\$0	\$0	\$1,461,858	\$3,453,978	\$5,110,710	\$5,110,710	\$5,357,457	\$5,357,457	
Sewer @ \$11.00 per 1,000 gallons	\$0	\$0	\$0	\$1,461,858	\$3,453,978	\$5,110,710	\$5,110,710	\$5,357,457	\$5,357,457	
TOTAL	\$0	\$0	\$0	\$10,077,120	\$24,040,880	\$34,903,732	\$34,794,880	\$36,558,762	\$36,768,200	
Pre-Purchased Taps (for top and sewer)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Annual Cumulative	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Infrastructure Cost for System Improvements Based on a 40 year life of improvement										
Annual	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Cumulative	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

1) Based on estimate in the "Water and Sewer" report
Source: THV Associates, Inc.

ESTIMATED 2017 REVENUE, INFRASTRUCTURE COSTS, AND OPERATING COSTS FOR THE MOUNT CARMEL WATER AND SEWER DISTRICTS

	Year 11 2012	Year 12 2013	Year 13 2014	Year 14 2015	Year 15 2016	Year 16 2017	Year 17 2018	Year 18 2019	Year 19 2020	Year 20 2021
Water and Sewer Tap Fees										
Equipment Number of 600 Taps, based on one 100/4.504 sq. ft.	16	82	21	21	21	57	21	0	1	31
Residential Water Tap	1,790	1,070	1,090	1,035	1,092	1,992	2,013	2,013	2,013	2,044
Cumulative Total	\$19,963	\$20,778	\$21,114	\$22,478	\$23,513	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Total Water and Sewer Tap Fees	\$18,000	\$19,703	\$20,614	\$21,473	\$22,378	\$23,313	\$24,245	\$25,177	\$26,109	\$27,042
Amount of Water and Sewer Tap Fee Available for Infrastructure	\$580,743	\$1,028,590	\$490,000	\$467,806	\$465,812	\$1,334,513	\$608,581	\$55,004,653	\$31,024,625	\$25,863,816
Water and Sewer Tap Fee Income Annual	\$28,216,020	\$29,842,619	\$30,271,710	\$31,104,618	\$32,519,132	\$33,024,653	\$33,024,653	\$33,024,653	\$33,024,653	\$33,024,653
Cumulative	\$18,000	\$19,703	\$20,614	\$21,473	\$22,378	\$23,313	\$24,245	\$25,177	\$26,109	\$27,042
Required Infrastructure Improvements, 1	50	50	50	50	50	50	50	50	50	50
Water	\$2,481,125	\$2,481,125	\$2,481,125	\$2,481,125	\$2,481,125	\$2,481,125	\$2,481,125	\$2,481,125	\$2,481,125	\$2,481,125
Sewer	\$1,872,374	\$1,872,374	\$1,872,374	\$1,872,374	\$1,872,374	\$1,872,374	\$1,872,374	\$1,872,374	\$1,872,374	\$1,872,374
Annual	\$4,353,500	\$4,353,500	\$4,353,500	\$4,353,500	\$4,353,500	\$4,353,500	\$4,353,500	\$4,353,500	\$4,353,500	\$4,353,500
Cumulative	\$4,353,500	\$8,707,000	\$13,060,500	\$17,414,000	\$21,767,500	\$26,121,000	\$30,474,500	\$34,828,000	\$39,181,500	\$43,535,000
Surplus or Shortfall to be Made up by Other Funded Taps	\$550,743	\$4,664,534	\$490,000	\$467,806	\$465,812	\$1,334,513	\$608,581	\$14,462,270	\$14,462,270	\$14,462,270
Annual	\$16,124,170	\$11,270,220	\$11,690,336	\$12,144,432	\$12,612,364	\$13,080,296	\$13,548,228	\$14,016,160	\$14,484,092	\$14,952,024
Cumulative	\$16,124,170	\$27,394,390	\$39,084,726	\$51,229,158	\$63,841,522	\$76,921,818	\$90,469,946	\$104,486,106	\$119,070,198	\$134,222,222
REVENUES AND EXPENSES FOR CHICAGO DISTRICT OPERATIONS										
Cumulative Total	1,790	1,873	1,955	1,914	1,925	1,992	2,013	2,013	2,013	2,044
Water Meters, 144,700 per tap	202,943,161	271,702,297	277,756,022	283,800,708	289,845,415	295,890,122	298,314,808	298,314,808	298,314,808	299,845,306
Sewer Meters, 144,700 per tap	202,943,161	271,702,297	277,756,022	283,800,708	289,845,415	295,890,122	298,314,808	298,314,808	298,314,808	299,845,306
Water Meters, 144,700 per 1,000 gallons	\$1,244,628	\$1,871,598	\$1,445,248	\$1,219,599	\$1,297,569	\$1,718,004	\$1,797,162	\$1,890,540	\$1,944,324	\$2,053,461
Sewer Meters, 144,700 per 1,000 gallons	\$1,244,628	\$1,871,598	\$1,445,248	\$1,219,599	\$1,297,569	\$1,718,004	\$1,797,162	\$1,890,540	\$1,944,324	\$2,053,461
Water @ \$2.75 per 1,000 gallons	\$4,812,244	\$7,085,900	\$5,382,850	\$4,607,021	\$4,875,936	\$6,514,562	\$6,742,112	\$7,010,612	\$7,238,162	\$7,465,712
Sewer @ \$2.75 per 1,000 gallons	\$4,812,244	\$7,085,900	\$5,382,850	\$4,607,021	\$4,875,936	\$6,514,562	\$6,742,112	\$7,010,612	\$7,238,162	\$7,465,712
TOTAL	\$1,000,122	\$1,140,882	\$1,222,915	\$1,268,114	\$1,313,799	\$1,401,451	\$1,431,076	\$1,461,021	\$1,491,197	\$1,521,544
Annual	\$1,000,122	\$1,140,882	\$1,222,915	\$1,268,114	\$1,313,799	\$1,401,451	\$1,431,076	\$1,461,021	\$1,491,197	\$1,521,544
Cumulative	\$1,000,122	\$2,141,004	\$3,363,919	\$4,632,033	\$5,945,832	\$7,347,283	\$8,778,359	\$10,239,380	\$11,730,577	\$13,252,121
INFRASTRUCTURE COSTS										
Water @ \$32.75 per 1,000 gallons	\$5,244,628	\$7,712,398	\$5,882,850	\$5,007,021	\$5,275,936	\$7,114,562	\$7,342,112	\$7,610,612	\$7,838,162	\$8,065,712
Sewer @ \$32.75 per 1,000 gallons	\$5,244,628	\$7,712,398	\$5,882,850	\$5,007,021	\$5,275,936	\$7,114,562	\$7,342,112	\$7,610,612	\$7,838,162	\$8,065,712
TOTAL	\$10,489,256	\$15,424,796	\$11,765,700	\$10,014,042	\$10,551,872	\$14,229,124	\$14,684,228	\$15,221,224	\$15,676,359	\$16,131,424
Annual	\$10,489,256	\$15,424,796	\$11,765,700	\$10,014,042	\$10,551,872	\$14,229,124	\$14,684,228	\$15,221,224	\$15,676,359	\$16,131,424
Cumulative	\$10,489,256	\$25,854,592	\$37,620,292	\$47,634,334	\$58,186,206	\$72,415,330	\$87,099,558	\$102,320,782	\$118,097,141	\$134,428,565
INFRASTRUCTURE COSTS FOR REPLACEMENT AND SYSTEM IMPROVEMENT										
Annual	\$31,017	\$308,313	\$355,757	\$374,053	\$393,249	\$411,077	\$429,495	\$448,116	\$467,033	\$486,147
Cumulative	\$31,017	\$339,330	\$695,087	\$1,069,140	\$1,462,389	\$1,873,466	\$2,302,961	\$2,751,077	\$3,218,110	\$3,704,257
REPLACEMENT COSTS FOR SYSTEM IMPROVEMENT										
Annual	\$302,281	\$464,459	\$544,300	\$564,300	\$584,300	\$604,300	\$624,300	\$644,300	\$664,300	\$684,300
Cumulative	\$302,281	\$766,740	\$1,311,040	\$1,875,340	\$2,459,640	\$3,063,940	\$3,688,240	\$4,332,540	\$4,996,840	\$5,681,140

ESTIMATED PAYEE REVENUES, INFRASTRUCTURE COSTS, AND OPERATING COSTS FOR THE MOUNT CAINOR WATER AND SEWER DISTRICTS

	Year 21 2021	Year 22 2022	Year 23 2023	Year 24 2024	Year 25 2025	Year 26 2026	Year 27 2027	Year 28 2028	Year 29 2029	Year 30 2030
Water and Sewer Top Fees										
Equipment Rentals	0	0	0	31	0	0	0	31	0	0
of \$10 Topa based on	0	0	0	0	0	0	0	0	0	0
one Top/4000 Gall	0	0	0	0	0	0	0	0	0	0
Reparables Water Total	2,044	2,044	2,044	2,076	2,076	2,076	2,076	2,107	2,107	2,107
Cumulative Total	\$2,044	\$4,088	\$6,132	\$8,208	\$10,284	\$12,360	\$14,436	\$16,512	\$18,588	\$20,664
Topa Water and Sewer Top Fees	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Portion of Fees for Debt	\$20,500	\$20,500	\$20,500	\$20,500	\$20,500	\$20,500	\$20,500	\$20,500	\$20,500	\$20,500
Amount of Water and Sewer Top Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Available for Infrastructure	\$18,500	\$18,500	\$18,500	\$18,500	\$18,500	\$18,500	\$18,500	\$18,500	\$18,500	\$18,500
Water and Sewer Top Fee Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
for Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative	\$18,500	\$37,000	\$55,500	\$74,000	\$92,500	\$111,000	\$129,500	\$148,000	\$166,500	\$185,000
Required Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Investment, 1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sewer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374
Cumulative	\$18,572,374	\$37,144,748	\$55,717,122	\$74,289,496	\$92,861,870	\$111,434,244	\$130,006,618	\$148,578,992	\$167,151,366	\$185,723,740
Sample or Essential to be	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Projected by Pre-Purchased Topa	\$15,309,142	\$15,309,142	\$15,309,142	\$15,309,142	\$15,309,142	\$15,309,142	\$15,309,142	\$15,309,142	\$15,309,142	\$15,309,142
Annual	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Number of Pre-Purchased Topa	0	0	0	-31	-65	0	0	-31	-65	0
Required for Infrastructure	-64	-64	-64	-65	-65	-65	-65	-65	-65	-65
Annual										
Cumulative										
REVENUE AND EXPENSE FOR ONGOING DISTRICT OPERATIONS										
Cumulative Total	2,044	2,044	2,044	2,076	2,076	2,076	2,076	2,107	2,107	2,107
Water Usage, 140,700 per Top	209,895,365	209,895,365	209,895,365	209,895,365	209,895,365	209,895,365	209,895,365	209,895,365	209,895,365	209,895,365
Sewer Usage, 140,700 per Top	209,895,365	209,895,365	209,895,365	209,895,365	209,895,365	209,895,365	209,895,365	209,895,365	209,895,365	209,895,365
Water @ \$3.25 per 1000 gallons	\$3,115,600	\$3,115,600	\$3,115,600	\$3,115,600	\$3,115,600	\$3,115,600	\$3,115,600	\$3,115,600	\$3,115,600	\$3,115,600
Sewer @ \$2.75 per 1000 gallons	\$1,478,875	\$1,478,875	\$1,478,875	\$1,478,875	\$1,478,875	\$1,478,875	\$1,478,875	\$1,478,875	\$1,478,875	\$1,478,875
TOTAL	\$4,594,475	\$4,594,475	\$4,594,475	\$4,594,475	\$4,594,475	\$4,594,475	\$4,594,475	\$4,594,475	\$4,594,475	\$4,594,475
Annual Operating Costs	\$1,807,040	\$1,807,040	\$1,807,040	\$1,807,040	\$1,807,040	\$1,807,040	\$1,807,040	\$1,807,040	\$1,807,040	\$1,807,040
Water @ \$2.75 per 1000 gallons	\$1,281,500	\$1,281,500	\$1,281,500	\$1,281,500	\$1,281,500	\$1,281,500	\$1,281,500	\$1,281,500	\$1,281,500	\$1,281,500
Sewer @ \$2.75 per 1000 gallons	\$525,540	\$525,540	\$525,540	\$525,540	\$525,540	\$525,540	\$525,540	\$525,540	\$525,540	\$525,540
TOTAL	\$1,807,040	\$1,807,040	\$1,807,040	\$1,807,040	\$1,807,040	\$1,807,040	\$1,807,040	\$1,807,040	\$1,807,040	\$1,807,040
Revenue Available for Repairs and	\$2,787,435	\$2,787,435	\$2,787,435	\$2,787,435	\$2,787,435	\$2,787,435	\$2,787,435	\$2,787,435	\$2,787,435	\$2,787,435
Maint. Infrastructure	\$2,787,435	\$2,787,435	\$2,787,435	\$2,787,435	\$2,787,435	\$2,787,435	\$2,787,435	\$2,787,435	\$2,787,435	\$2,787,435
Cumulative	\$2,787,435	\$5,574,870	\$8,362,305	\$11,149,740	\$13,937,175	\$16,724,610	\$19,512,045	\$22,299,480	\$25,086,915	\$27,874,350
Infrastructure Costs System Improvement	\$664,309	\$664,309	\$664,309	\$664,309	\$664,309	\$664,309	\$664,309	\$664,309	\$664,309	\$664,309
Based on 40 year life of treatment plant	\$7,043,844	\$7,043,844	\$7,043,844	\$7,043,844	\$7,043,844	\$7,043,844	\$7,043,844	\$7,043,844	\$7,043,844	\$7,043,844
Annual	\$7,043,844	\$7,043,844	\$7,043,844	\$7,043,844	\$7,043,844	\$7,043,844	\$7,043,844	\$7,043,844	\$7,043,844	\$7,043,844
Cumulative	\$7,043,844	\$14,087,688	\$21,131,532	\$28,175,376	\$35,219,220	\$42,263,064	\$49,306,908	\$56,350,752	\$63,394,596	\$70,438,440

ESTIMATED TOP FEES REVENUES, INFRASTRUCTURE COSTS, AND OPERATING COSTS FOR THE MOUNT CARMEL WATER AND SEWER DISTRICTS

	Year 31 2022	Year 32 2023	Year 33 2024	Year 34 2025	Year 35 2026	Year 36 2027	Year 37 2028	Year 38 2029	Year 39 2030	Year 40 2031
Water and Sewer Top Fees										
Estimated Number of SFD Taps, based on one tap/4,000 sq. ft.	35	0	0	0	0	0	0	0	0	0
Residential Water Taps	0	0	0	0	0	0	0	0	0	0
Cumulative Taps	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142
Total Water and Sewer Top Fee	\$43,785	\$43,537	\$43,289	\$43,041	\$42,793	\$42,545	\$42,297	\$42,049	\$41,801	\$41,553
Portion of Fees for Debt	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Amount of Water and Sewer Top Fees Available for Infrastructure	\$42,785	\$42,537	\$42,289	\$42,041	\$41,793	\$41,545	\$41,297	\$41,049	\$40,801	\$40,553
Water and Sewer Top Fee Income for Infrastructure	\$1,485,133	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Cumulative	\$17,502,540	\$17,502,540	\$17,502,540	\$17,502,540	\$17,502,540	\$17,502,540	\$17,502,540	\$17,502,540	\$17,502,540	\$17,502,540
Required Infrastructure (Inventoried)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sewer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374	\$18,572,374
Surplus or Shortfall to be Funded by PP-Purchased Taps	\$1,485,133	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative	\$18,992,172	\$18,992,172	\$18,992,172	\$18,992,172	\$18,992,172	\$18,992,172	\$18,992,172	\$18,992,172	\$18,992,172	\$18,992,172
Number of PP-Purchased Taps	35	0	0	0	0	0	0	0	0	0
Annual Cumulative	-961	-961	-961	-961	-961	-961	-961	-961	-961	-961
INFRASTRUCTURE COSTS FOR OPERATING DISTRICT OPERATIONS										
Cumulative Taps	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142	2,142
Water Taps, 140,700 per tap	\$314,182,276	\$314,182,276	\$314,182,276	\$314,182,276	\$314,182,276	\$314,182,276	\$314,182,276	\$314,182,276	\$314,182,276	\$314,182,276
Sewer Taps, 140,700 per tap	\$314,182,276	\$314,182,276	\$314,182,276	\$314,182,276	\$314,182,276	\$314,182,276	\$314,182,276	\$314,182,276	\$314,182,276	\$314,182,276
Annual Operating Expenses	\$3,311,548	\$3,311,548	\$3,311,548	\$3,311,548	\$3,311,548	\$3,311,548	\$3,311,548	\$3,311,548	\$3,311,548	\$3,311,548
Water @ \$1,500 per tap	\$3,212,250	\$3,212,250	\$3,212,250	\$3,212,250	\$3,212,250	\$3,212,250	\$3,212,250	\$3,212,250	\$3,212,250	\$3,212,250
Sewer @ \$2,250 per tap	\$99,298	\$99,298	\$99,298	\$99,298	\$99,298	\$99,298	\$99,298	\$99,298	\$99,298	\$99,298
TOTAL	\$6,613,096	\$6,613,096	\$6,613,096	\$6,613,096	\$6,613,096	\$6,613,096	\$6,613,096	\$6,613,096	\$6,613,096	\$6,613,096
Annual Cumulative	\$2,402,171	\$2,402,171	\$2,402,171	\$2,402,171	\$2,402,171	\$2,402,171	\$2,402,171	\$2,402,171	\$2,402,171	\$2,402,171
PP-Purchased Taps	\$1,710,925	\$1,710,925	\$1,710,925	\$1,710,925	\$1,710,925	\$1,710,925	\$1,710,925	\$1,710,925	\$1,710,925	\$1,710,925
TOTAL	\$4,111,096	\$4,111,096	\$4,111,096	\$4,111,096	\$4,111,096	\$4,111,096	\$4,111,096	\$4,111,096	\$4,111,096	\$4,111,096
Income Available for Depreciation and System Replacement	\$2,291,075	\$2,291,075	\$2,291,075	\$2,291,075	\$2,291,075	\$2,291,075	\$2,291,075	\$2,291,075	\$2,291,075	\$2,291,075
Annual Cumulative	\$12,565,527	\$12,565,527	\$12,565,527	\$12,565,527	\$12,565,527	\$12,565,527	\$12,565,527	\$12,565,527	\$12,565,527	\$12,565,527
Replacement Cost for System Improvements Based on a 20 year life of Improvements	\$444,309	\$444,309	\$444,309	\$444,309	\$444,309	\$444,309	\$444,309	\$444,309	\$444,309	\$444,309
Annual Cumulative	\$11,703,937	\$11,703,937	\$11,703,937	\$11,703,937	\$11,703,937	\$11,703,937	\$11,703,937	\$11,703,937	\$11,703,937	\$11,703,937

PROJECTED 2001 WATER SUPPLY PLAN

FOR

**MOUNT CARBON
METROPOLITAN DISTRICT**

Prepared for:

**Mount Carbon Metropolitan District
12340 West Alameda Avenue
Lakewood, CO 80228**

Prepared by:

**JR Engineering
6020 Greenwood Plaza Boulevard
Englewood, Colorado 80111
(303) 740-9393**

**August 30, 1999
Project No. 4322.00**

EXHIBIT C

INTRODUCTION

The Mount Carbon Metropolitan District has existing water rights in the Hock-Hocking Mine and Harriman Ditch with water court decrees 83CW280 and 84CW221, to issue and provide water for up to 2142 equivalent taps (EQR's), with an associated demand of 0.4506 acre-feet per year per EQR. The number of taps that can be issued is limited to the amount of raw water storage established by the water court. The District is currently limited to 400 EQR's because there is only 1.5 million gallons of system storage and the diversion of water is provided through an existing infiltration gallery with a permitted pumping limit of 140 gallons per minute.

The purpose of this plan is to develop a raw water storage facility and treatment plant and upgrade the existing diversion, pumping, and transmission facilities to allow the District to issue and supply water for the maximum 2142 EQR's available under current water court decrees. The plan will also look at provisions for phasing and/or sizing the proposed facilities for future expansion to serve up to 4000 EQR's if additional water rights are acquired or decreed to the District.

This plan addresses the following facilities:

1. Diversion facility and pump station expansion at Bear Creek.
2. Existing raw water line from Bear Creek to Morrison Road and McIntyre.
3. Proposed 450 to 500 acre-ft raw water storage reservoir on the Robinson Brick Company site.
4. New raw water line from Morrison Road and McIntyre to the proposed raw water reservoir site.
5. Water treatment facility at raw water reservoir site.
6. Pumping facility from raw water reservoir to water treatment facility.
7. Pumping facility from water treatment facility to the existing distribution system.

This plan also will detail an opinion of probable cost and a design and construction schedule to complete the facilities by September of 2001.

EXISTING SYSTEM

Water Supply Diversion and Pumping

The existing system consists of an infiltration gallery, collection sump/pump station, and chlorinating facility on Bear Creek downstream of the Bear Creek Reservoir and west of Kipling Street. The facility was constructed in 1986. The facility was constructed under a well permit number 28903-F. The permitted capacity is limited to 140 gallons per minute. The infiltration gallery is approximately 200 feet in length and discharges the collected groundwater into a 48-inch diameter precast concrete clearwell that extends about 28 feet below the surface. The clearwell hold approximately 1700 gallons of water at the normal groundwater elevation approximately 10 feet below the surface around the clearwell. A 20 HP submersible pump is installed in the bottom of the clearwell and discharges the water through a 4-inch line to a meter vault. The discharge line from the vault to the existing 18-inch water line is a 6-inch diameter line. A water supply line from the discharge line in the vault to the chlorine injector and back to the clearwell provides chlorination of the groundwater.

Transmission and Distribution Line and Storage

The existing 18-inch water line was constructed in 1985 and is called the South Platte Pipeline. The line was originally proposed to run along Bear Creek from the South Platte River to the District. It currently begins at the infiltration gallery site and runs west along the south side of Morrison Road to McIntyre and crosses Morrison Road to the northwest corner of the intersection. It ties in to an existing 16-inch transmission line in the proposed future alignment of McIntyre Street. The total length of the line is approximately 16,415 feet. The pipe material is ductile iron pipe. The line was designed for a working pressure of 250 psi.

A connection and meter station with the town of Morrison provides an interconnect between the water systems of the District and Morrison. The proposed Red Rocks Centre development is in the town of Morrison and is to be served by Morrison if Morrison exercises a first right of refusal clause in an agreement dated September 17th, 1996, and recorded in Jefferson County on October 21, 1996, under reception number F0317908.

The water is fed through the existing transmission system of the Red Rocks Centre and the District to the existing 1.5 million-gallon steel tank at the north end of the District. An additional 0.5 million-gallon storage reservoir and pump station is proposed for the remaining area that can not be served by the elevation of the existing storage tank.

WATER RIGHTS AND AVAILABILITY FOR STORAGE

In the memo dated February 10, 1999, prepared by Bishop-Brogden Associates, Inc., the District has existing water rights and water court decrees to serve up to 2142 EQR's as long as 450 acre-feet of water is stored by the District. The memo detailed the water available for diversion during the year from 0 to 1.91 cfs or 857 gpm. The memo also calculated that the District requires approximately 160 acre-feet of water in storage to meet the annual water demands for 2142 EQR's with the variable flow rates of diversion. Additional water would be available in priority during years of above average flow in Bear Creek that can be diverted for storage. The District is also investigating sources for additional water rights and storage to support its current water rights and serve additional taps above the current decrees.

PROPOSED DEVELOPMENT

The following developments are currently proposed for the District:

DESCRIPTION	TOTAL EQR's
Springfield Green	1500
Lakewood West	335
Red Rocks Business Park	350
West Wind	225
Totals	2410
Red Rocks Centre**	1500
Totals	3910

** Not in District and proposed to be served by Morrison.

The Red Rocks Centre development is included in the table because the District would have an option to provide water service to the development if Morrison exercises their option not to provide water service

to the area. The proposed facilities in this plan will be sized and designed to ultimately handle 4000 EQR's if additional water rights and storage are acquired and additional EQR's decreed.

PROPOSED FACILITIES

The following facilities need to be constructed to allow the District to serve the 2142 EQR's that are allowed in the court decrees plus provide expansion to serve up to 4000 EQR's:

1. Surface water diversion structure and pump station on Bear Creek.
2. A 20-inch raw water line from Morrison Road and McIntyre Street to new raw water storage reservoir.
3. A 450 to 500 acre-feet capacity raw water storage pond and pump station to new water treatment plant.
4. A 2 million-gallon per day surface water treatment plant with backwash pond and pump station to pump into the existing distribution system and 1.5 million gallon reservoir.

An evaluation of the existing 18-inch South Platte Pipeline and infiltration gallery/pump station is included in the new diversion structure/pump station and the new 20-inch raw water line.

Surface Diversion Structure and Pumping Station

The diversion flow rate for average annual water demands at buildout of 2142 EQR's will be variable from zero to approximately 850 gallons per minute. Higher flow rates will be required to divert excess water to storage during wet years. Historical data shows the spring runoff period has the highest flows that occur over a 60 day period from April through June. The diversion flow rate to fill the raw water storage pond in a 60 day period is 1886 gallons per minute. The flow range from zero to 1886 gallons per minute was established using two pumps that operate at a variable flow of zero to 950 gallons per minute each. The two pumps would provide a backup pump for normal operating diversion flows and both pumps running simultaneously would handle flows for storage during spring runoff in wet years. The existing 18-inch South Platte Water Line has adequate capacity to carry the maximum flow rate from the diversion structure pump station.

The existing infiltration gallery has a capacity of 140 gallons per minute. To handle the proposed flows for buildout, the system would have to be expanded 10 to 12 times larger than its existing size. The land area available is not sufficient to build a facility of this size. The actual amount of flow that could be diverted using an infiltration gallery would also be significantly affected by the schedule of the Bear Creek Reservoir discharge that is less than a mile upstream of this location. The discharge schedule of the Bear Creek Reservoir will have a direct impact on the diversion of water from Bear Creek to the new raw water storage reservoir. An infiltration gallery could restrict the quantity of water available to divert during high runoff periods.

The Army Corp of Engineers operates the reservoir discharge to maintain water quantity and quality in the reservoir. The reservoir water quality discharges during the winter months will contain sediments from the reservoir that contain inorganic elements that would potentially require additional treatment of the water to remove the contaminants in addition to conventional water treatment for drinking water quality. Water quality tests were obtained and reviewed from the Bear Creek Water Quality Association that monitors water quality in Bear Creek. The association performs water quality testing on the discharge of the reservoir on a regular basis as well as other sites along the creek. Some discharges during the

winter months can contain unsuitable water quality for drinking water and diversion to storage may be discontinued during these periods. The existing infiltration gallery could be used during these periods but the diversion rate would be limited to the existing capacity of 140 gallons per minute. An increase in the pumping rate of the infiltration gallery is possible through a request to the state engineer to increase the permitted flow. This would require an upgrade in the pump station equipment that is included in the opinion of probable cost.

A surface diversion structure is the optimum method of diversion for water quantity and quality control. It allows the flexibility to handle a wide range of flows and some limited management of water quality. The surface diversion would divert water into a wet well for pumping to the raw water storage reservoir.

RAW WATER STORAGE RESERVOIR

The District has a tentative agreement with Robinson Brick Company to purchase and reclaim a portion of the clay quarry site adjacent to the existing 1.5 million-gallon storage reservoir. The site will allow construction of a raw water storage reservoir with a capacity of 450 to 500 acre-feet and a water treatment plant. JR Engineering has reviewed a preliminary site plan for the reservoir that the District and Robinson Brick are using for their agreement.

The pond will receive water from the diversion structure pump station and raw water transmission line. The raw water may require pretreatment during some winter months due to discharges released from Bear Creek Reservoir that could contain levels of pollutants requiring pretreatment prior to discharge into the storage pond. Space is available adjacent to the treatment plant for a treatment basin and/or clarifier.

An intake wet well for pumping into the treatment plant would be constructed in the raw water storage pond. The intake would be a full depth structure and would have intake ports at several depths to allow for selective withdrawal of water from the pond. A three-pump configuration would be used to supply water to the treatment plant. Each pump would be able to pump half of the plant capacity or 1-MGD each with one pump used as a spare or backup.

It is anticipated that the pond will be constructed with a liner and possibly an underdrain system to divert groundwater around and under the pond embankments. The current plan is to divert storm water around the reservoir site. In the future, stormwater may be diverted to the site as an alternate water source.

WATER TREATMENT FACILITY

A 2 million-gallon per day water treatment facility is proposed on the raw water storage reservoir site to supply water for the 2142 EQR's. The facility would supply treated water to the existing 1.5 million-gallon tank and the future Springfield Green pump station and 0.5 million-gallon reservoir. The treatment facility would be supplied from the raw water storage reservoir pump station. The discharge from the facility would be pumped into the existing system.

The facility would remove the normal surface water pollutants to comply with drinking water standards. A pretreatment basin and/or clarifier may be necessary to remove additional pollutants due to sediments in Bear Creek reservoir that are discharged during winter months that contain heavy metals. We have reviewed water quality reports from the Bear Creek reservoir discharge located about one mile upstream of the diversion structure. It is apparent that coordination with the Army Corp of Engineers and the District will be necessary on the discharge schedule for the reservoir. The District may have to cease operations during bottom zone dumping of the reservoir during the winter months or treat the water through a pretreatment process prior to storage and/or conventional treatment.

The conventional treatment process would most likely employ chemical addition for clarification and sand filtration. We anticipate that the filtration will also involve the use of potassium permanganate and manganese green sand and activated carbon filter media to for taste and odor control and giardia elimination. Chemical disinfection using chlorine would also be a part of the treatment process. The addition of softening agents may also be necessary to comply with the lead and copper standards.

FUTURE TAPS AND UPGRADES

The Projected 2001 Water Supply Plan would allow the District to operate at the current maximum of 2142 EQR's. The District has the potential to acquire and/or decree additional water rights that would allow more taps to be issued with upgrades in the system.

The Diversion structure, pump station, raw water line, raw water storage reservoir, and treatment plant have been proposed to initially handle 2142 EQR's. The diversion structure and pump station proposed will divert and pump 500 acre-feet of water to storage in two months at the maximum pumping rate. Provisions will be designed into the diversion structure and pump station to double the diversion and pumping capacity of the facilities in the future if water rights are available to issue additional taps. The pump station will have two pumps initially with a third opening to add an additional pump in the future. This would allow the District to divert and fill the raw water storage reservoir in one month at a rate of approximately 3800 gallons per minute. It is unlikely that this pumping situation would occur except during a very wet and high runoff year and the raw water storage reservoir depleted due to previous dry years. The raw water storage reservoir is approximately three times larger than the 160 acre-feet of water required to be stored annually to operate the system for 2142 EQR's. The diversion, pumping, transmission, and storage facility could provide the capacity to operate a 4 MGD treatment plant for 4000 taps if additional water rights are acquired or decreed to the District.

We have assumed that if additional water rights and storage for additional taps were acquired, the raw water storage reservoir would be at another location and the additional water rights delivered to the proposed diversion structure. The additional water can also be pumped from the proposed raw water reservoir to a future raw water reservoir from the raw water pump station. The pump station is being configured to add additional pumps for this purpose and for treatment plant expansion.

Water treatment and treated water storage capacity would have to be increased for additional taps. The District needs to pursue acquiring additional land at the raw water storage reservoir site to allow for future expansion of the water treatment plant. An additional 2 Mgd water treatment plant and a 2 million gallon treated water storage reservoir would be required to issue 4000 EQR's. We have included a contingency for an additional 2 million gallon water storage reservoir in our opinion of probable cost.

OPINION OF PROBABLE COST

The costs are in 1999-2000 dollars with 20% contingency and 15% engineering factors added to the construction costs. The 20% contingency was used to account for anticipated costs in the design and construction phases of the project that can not be determined until the projects are further into the design process and formal reviews are completed by the various local, state and federal agencies who will review and approve the plans.

The costs have not been adjusted for construction in future years after the year 2000. The costs associated with expansion of the system for 4000 EQR's is specifically listed along with the initial cost to supply the 2142 EQR's. A financial consultant will need to adjust these numbers for future construction since the timing of the expansion is not currently available. We have assumed that all of the initial facilities will be under construction by the last half of the year 2000.

CONCLUSION

The Projected 2001 Water Supply Plan was prepared based on the information currently available and water court decrees that allow the District to issue 2142 EQR's with a minimum of 450 acre-feet of storage with their existing water rights. Expansion of the system to supply 4000 EQR's is included in the plan but is contingent on the District acquiring additional water rights and/or storage.

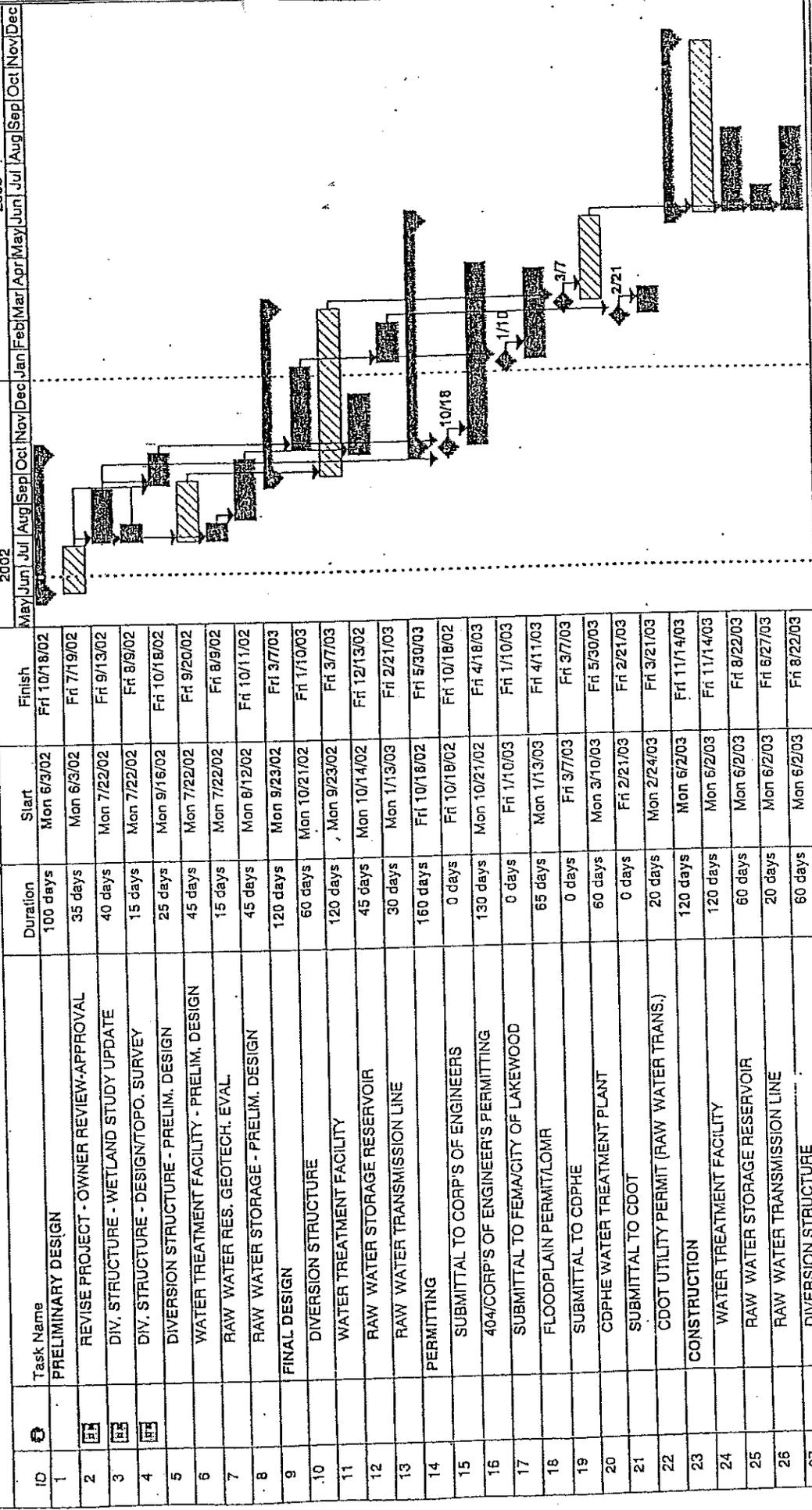
The costs associated with the plan are based on the current information available and are conservative to address costs that can not be determined until the plan is designed and submitted for review and approval.

The possibility of service to the Red Rocks Center Metro District by the District if Morrison decides not to serve the area is an issue that needs to be studied further by the District with Morrison. The district will need to acquire additional water rights to serve the area.

ML Carbon Metropolitan District
Water System Upgrades - Phase 1

6-19-02

2002 2003
May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec



Legend for Gantt chart symbols:

- Task: Solid black bar
- Critical Task: Hatched bar
- Progress: Dotted bar
- Milestone: Diamond symbol
- Summary: Arrow symbol
- External Task: Solid black bar with arrow
- Project Summary: Hatched bar with arrow
- External Milestone: Diamond symbol
- Deadline: Arrow with vertical line
- Rolled Up Task: Solid black bar
- Rolled Up Critical Task: Hatched bar
- Rolled Up Milestone: Diamond symbol
- Rolled Up Progress: Dotted bar
- Split: Arrow with vertical line

Project: Sched052999
Date: Wed 6/19/02

PROBABLE COST
 PROJECTED WATER SUPPLY PLAN FOR 2142 EQR
 MT. CARBON METROPOLITAN DISTRICT

Quantity	Units	Description	Unit Cost	Total Cost
BASE COST				
BEAR CREEK DIVERSION STRUCTURE				
1	LS	Diversion Structure	\$ 120,000	\$ 120,000
1	LS	Site Grading	\$ 60,000	\$ 60,000
1	LS	Site Restoration	\$ 60,000	\$ 60,000
		Subtotal		\$ 240,000
BEAR CREEK PUMP STATION				
1	LS	Wet Well Structure	\$ 36,000	\$ 36,000
2	EA	Pump Station Equipment/Controls/Power	\$ 45,000	\$ 90,000
1	LS	Yard Piping	\$ 30,000	\$ 30,000
1	LS	Upgrade Infiltration Gallery Pump Station	\$ 40,000	\$ 40,000
		Subtotal		\$ 196,000
RAW WATER PIPELINE				
9600	LF	20" Ductile Iron Pipe	\$ 75	\$ 720,000
15	EA	20" Butterfly Valves	\$ 6,000	\$ 90,000
20	EA	20" Fittings/Bends	\$ 2,000	\$ 40,000
1	LS	Connect to Existing System	\$ 6,000	\$ 6,000
1	LS	Raw Water Storage Pond Discharge Structure	\$ 30,000	\$ 30,000
		Subtotal		\$ 886,000
RAW WATER STORAGE RESERVOIR				
25	AC	Land	\$ 10,000	\$ 250,000
1,000,000	CY	Site Earthwork	\$ 1.8	\$ 1,750,000
1,800	LF	Drainage Channel	\$ 90	\$ 162,000
1,500	CY	Embankment Rip-Rap	\$ 90	\$ 135,000
4,222	LF	Perimeter Security Fence	\$ 15	\$ 63,330
1	LS	Site Reclamation	\$ 30,000	\$ 30,000
30,000	CY	Pond Liner (Clay Material)	\$ 2.00	\$ 60,000
1	LS	Aeration System	\$ 120,000	\$ 120,000
		Subtotal		\$ 2,570,330

PROBABLE COST
 PROJECTED WATER SUPPLY PLAN FOR 2142 EQR
 MT. CARBON METROPOLITAN DISTRICT

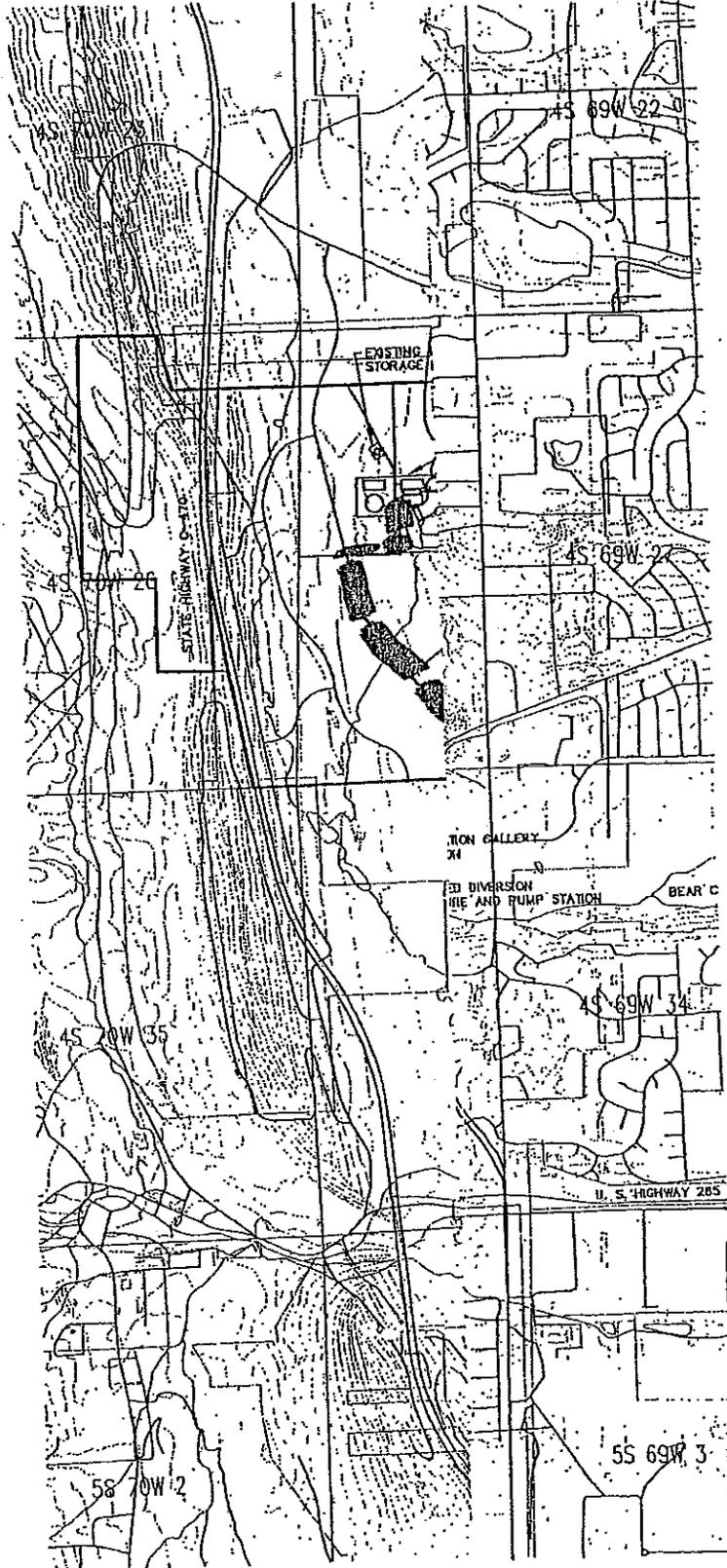
Quantity	Units	Description	Unit Cost	Total Cost
RAW WATER PUMP STATION				
1	LS	Raw Water Pump Station Intake Structure	\$ 250,000	\$ 250,000
3	EA	Raw Water Pumps/Mechanical Piping	\$ 40,000	\$ 120,000
1	LS	Yard Piping to Plant/Backwash Pond	\$ 36,000	\$ 36,000
1	LS	Electrical/Mechanical for Intake Structure	\$ 25,000	\$ 25,000
		Subtotal		\$ 431,000
WATER TREATMENT PLANT				
* 1	LS	2 MGD Water Treatment Process Equipment	\$ 1,000,000	\$ 1,000,000
1	LS	Water Treatment Plant Building	\$ 500,000	\$ 500,000
1	LS	Backwash Pond and Return Piping	\$ 100,000	\$ 100,000
1	LS	Yard Piping to Distribution System	\$ 30,000	\$ 30,000
		Subtotal		\$ 1,630,000
		Total		\$ 5,953,330
		Construction Contingency 15%		\$ 893,000
		Total Construction Cost		\$ 6,846,330
		Engineering 15%		\$ 1,026,949
		Grand Total Base Cost		\$ 7,873,279

* 2MGD Plant has 2 1,000,000 gal cells.

PROBABLE COST
 PROJECTED WATER SUPPLY PLAN FOR 2142 EQR
 MT. CARBON METROPOLITAN DISTRICT

Quantity	Units	Description	Unit Cost	Total Cost
CONTINGENCY COST				
795,000	SF	RAW WATER STORAGE POND		
		Additional Cost to Install Synthetic Pond Liner in Lieu of Clay Liner		\$ 993,750
		Construction Contingency 15%		\$ 149,063
		Total Construction Cost		\$ 1,142,813
		Engineering 15%		\$ 171,422
		Total	\$ 1,314,234	
1	LS	WATER TREATMENT PLANT		
		Additional Treatment Process Equipment for Metals Removal		\$ 500,000
		Additional Treatment Plant Building for Metals Removal Process Equipment		\$ 250,000
		Subtotal		\$ 750,000
		Construction Contingency 15%		\$ 112,500
		Total Construction Cost		\$ 862,500
		Engineering 15%		\$ 129,375
		Total	\$ 991,875	
		Grand Total Contingency Cost	\$ 2,306,109	
		Grand Total Base and Contingency Costs	\$ 10,179,388	

Since the design professional has no control over the cost of labor, materials, or equipment, or over competitive bidding or market conditions, his opinions of probable construction cost provided for herein are to be made on the basis of his experience and qualifications. These opinions represent his best judgment as a design professional familiar with the construction industry. However, the design professional cannot and does not guarantee that proposals, bids, or the construction cost will not vary from opinions of probable cost prepared by him. If the owner wishes greater assurance as to the construction cost, he shall employ an independent cost estimator.



UNTIL SUCH TIME AS THESE DRAINAGES ARE APPROVED BY THE APPROPRIATE RECORDING AGENCIES, AN ENGINEERING, LTD. APPROVES THEIR USE ONLY FOR THE PURPOSES DESIGNATED BY WRITTEN AUTHORIZATION.

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 CALL 3-DIMENSIONAL SURVEYING FOR THE MAKEUP OF PHOTOGRAPHIC INFORMATION.

Engineering, Ltd.
 5020 Greenwood Plaza Blvd.
 Englewood, Colorado 80111
 Tel: (303) 740-8383
 FAX: (303) 721-8018



SCALE	1"=1000'	NO.	REVISION	BY	DATE
DATE	08/20/99				
DES. BY	GNF				
CHK. BY					
DWN. BY	GNF				

2001 WATER SUPPLY PLAN
 EXISTING AND PROPOSED FACILITIES
 MT CARBON METRO DISTRICT

PROCEDURES FOR WATER AND SEWER TAP SERVICE
AND ALLOCATION WITHIN
MOUNT CARBON METROPOLITAN DISTRICT
Adopted November 22, 2002

1) Notice – These Tap Allocation policies shall be provided to all district property owners of record within 30 days after adoption by the District Board of Directors

2) Application for Water and Sewer Service

The District's Application form must be submitted by the developer/owner to the District for review. Sewer and water taps will not be sold separately without the approval of the District. The Application shall set forth, among other things, the following information:

- (a) Name of applicant and project
- (b) Location of property and legal description
- (c) Zoning and proposed land uses with general site plan
- (d) Square footage of development
- (e) The number of taps being requested for the project
- (f) Water and sewer tap size
- (g) Outside irrigation information, including number of trees and square footage of turf area
- (h) When taps will be needed
- (i) Construction time schedule
- (j) Estimated occupancy date

3) Submittal of Plans and Drawings

The District will review plans and drawings submitted by developer/owner to determine whether the District can reasonably service the area, taking into consideration water pressure and supplies, main lines, and whether plans conform to zoning regulations.

4) Computation of Utility Connection Fees (Water and Tap Fees)

All tap fees shall be computed in accordance with the District's current water and sewer tap fee schedule.

5) Contractual Requirements

If the application for water and sewer taps are approved by the District, the developer/owner and the District will enter into a Utility Connection Purchase Agreement for the purchase of water and sewer taps.

6) Payment of Utility Connection Fees

Payment for the water and sewer taps shall be made in cash, in immediately available funds, on or before the date specified in the Utility Connection Purchase Agreement.

7) Fire Protection System Taps

The District shall assess an installation charge for a fire protection system. Such charge will include time and material, for installation if done by the District, plan review and installation inspection of the system.

8) Presold Taps and Option to Purchase Taps

In order to allow the district to generate funds to construct water and sewer infrastructure, the district will enter into a two-year option agreement with a property owner to sell 1200 SFE taps of the 2142 taps that will be available to the district after construction of certain infrastructure. The district reserves the first 400 taps for commercial development to generate taps fees and property tax early in the district's post bankruptcy operation. These presold and option taps shall be exempt from the allocation policies described below.

9) Initial Allocation of Taps

When there have been no connections made, an initial allocation of water and sewer taps which exceeds the districts capacity to serve will be allocated on the following basis:

Applications considered by the District must be supported with approvals by the governing municipality showing the parcels requesting service are ready for building permits. An example of such an allocation is as follows:

Developer A	600 Taps ready to build
Developer B	<u>200</u> Taps ready to build
Total	800 Taps requested

Taps available = 400 taps ready to serve

$$\text{Developer A} \quad \frac{600}{800} = 0.75$$

$$\text{Developer B} \quad \frac{200}{800} = 0.25$$

Developer A	.75 x 400 =	300 taps
Developer B	.25 x 400 =	<u>100</u> taps
		400 taps allocated initially

10) Allocation of Taps When Sewer and/or Water Taps are in Service

In the event the District receives requests for taps during a period of time in which the availability is less than the total of all tap applications made, then the actual available utility connections shall be allocated by the District, as set forth below, as of the date (the "Allocation Date") on which the District has received requests for physical taps based on issued building permits within the district.

The rationale underlying the following formula is to distribute new taps to property owners/developers (O/D) based on an average of two factors. The first factor is how many taps the O/D has paid for and purchased. The second factor is how many have been physically hooked up at the time of allocation under this section 10. Factors one and two are added together and an average is determined by dividing by two (2). An example is shown on pages 4 and 5.

a) "Pro Rata Percentage of Utility Connections Purchased"

This step determines the percentage of utility connections that each O/D has paid for and purchased compared to the number purchased by all O/D. The equation is as follows:

$$\frac{\text{Number of Utility Connections Purchased by Individual O/D}}{\text{Total Utility Connections purchased by all O/D's prior to Allocation Date}} \times 100 = \text{Pro Rata Percentage of Utility Connections Purchased (see example in sub-section (a) on page 4)}$$

b) "Pro Rata Percentage of Utility Connections Physically Hooked Up"

This step determines the percentage of the number of physical hookups an O/D has compared to the total number of physical hookups completed by all O/D.

$$\frac{\text{Number of Utility Connections Physically Hooked up by Individual O/D}}{\text{Total Utility Connections Physically Hooked Up by All Developers}} \times 100 = \text{Pro Rata percentage of Utility Connections physically hooked up. (see example in sub-section (b) on page 4)}$$

c) Average "Pro Rata Percentage Allocation of Available Utility Connections"

This percentage is determined by adding the results of Subsection (a) and (b) above and then dividing this sum by two (2). The equation is as follows:

$$\frac{\text{Subsection (a) + Subsection (b) For Individual O/D} + \text{For Individual O/D}}{2} \times 100 = \text{Pro rata percentage allocation of available Utility Connections. (see example in subsection c on page 4)}$$

d) This step finally calculates the number of utility connections which will be allocated to the individual developer/owner. The percentage obtained Subsection (c) for the individual O/D is multiplied by the total number of utility connections available for physical hookup.

The equation is as follows:

$$\begin{array}{l} \text{The percentage arrived at in} \\ \text{Subsection (c) for individual} \\ \text{O/D} \end{array} \times \begin{array}{l} \text{Total Utility Connections Available} \\ \text{(see example in subsection d on page 4)} \end{array}$$

e) Number of taps for each developer shall be rounded to the nearest "Round Number".

For example, Developer "A" had 32.70 taps would be rounded to 33 Taps

11) Example of Allocation Formula

Assume that:

10 developers have paid for and purchased 500 taps in addition to 325 which have been physically hooked up.

Developer	Taps Paid for/Purchased	%	Taps Hooked Up	%
A	50	10.00	10	3.08
B	50	10.00	15	4.62
C	50	10.00	20	6.15
D	50	10.00	25	7.69
E	50	10.00	30	9.23
F	50	10.00	35	10.77
G	50	10.00	40	12.31
H	50	10.00	50	15.38
I	90	18.00	90	27.69
J	10	2.00	10	3.08
	500	100.00	325	100.00

When 500 new taps become available, what allocation is applicable to each Developer?

FOR DEVELOPERS "A"

$$\text{Subsection (a) } \underline{50} \quad 500 = .1000 = 10.00\%$$

$$\text{Subsection (b) } \underline{10} \quad 325 = .0308 = 3.08\%$$

$$\text{Subsection (c) } \underline{10.00\%} \quad + \frac{3.08\%}{2} = 6.54\%$$

$$\text{Subsection (d) } 6.54\% \times 500 \text{ new Taps} \\ = 32.70 \text{ Taps Allocated to Developer "A"}$$

The following are the final results for all of the Developers:

<u>Developer</u>	<u>Taps Allocated</u>	<u>Round off</u>
A	32.70	33
B	36.55	37
C	40.38	40
D	44.23	44
E	48.08	48
F	51.92	52
G	55.78	56
H	63.45	63
I	114.23	114
J	12.70	13
Total	500.1	500

12) Reallocation of Available Utility Connections Allocated

Each Utility Connection (water and/or sewer tap) not hooked up within one year from the execution of the Utility Connection Purchase Agreement between the developer/owner and the District shall be rescinded by the District and the applicant shall be given a refund of the original amount paid plus interest. Such tap(s) shall become available for reallocation to the next eligible purchaser upon request from such eligible purchaser. Each Utility Connection so reallocated that is not hooked up by new assigned purchaser within 120 days shall again become available for re-allocation.

13) Water and Sewer Tap Fee

The current fee for a Water and Sewer Combination Tap fee is \$13,000.00. The District will always keep fees and rates in compliance with the Service Plan.

EEMENT

This Agreement made this 16th day of November, 1982, between the Town of Morrison, Colorado, a municipal corporation organized under the laws of the State of Colorado (hereinafter Morrison) and Mount Carbon Metropolitan District, a special district located in Jefferson County, Colorado and organized under the laws of the State of Colorado (hereinafter Mount Carbon).

RECITALS

1. The Mount Carbon Metropolitan District wants to assure for itself and its customers for the immediate future an adequate source for water storage, water treatment and sewage treatment.

2. The Town of Morrison wants to expand or reconstruct its water storage, water treatment and sewage treatment facilities.

3. The parties' purpose in entering this agreement is to create an intergovernmental relationship as authorized by C.R.S. 1973 29-1-203, whereby in exchange for the grant of certain funds, satisfaction of other financial commitments and contribution of certain water rights by Mount Carbon, Morrison shall provide, for the term specified in this agreement, certain water storage, water treatment and sewage treatment sources and services.

For the reasons recited above, and in consideration of the mutual covenants contained herein, the parties agree as follows:

SECTION ONE

Water Rights

A. Morrison owns the direct flow and storage water rights described in Exhibit A, attached hereto and incorporated herein by this reference (hereinafter referred to as "Morrison's water rights"). Morrison will proceed with its own plan of water augmentation for its present non-transferred water rights. Mt. Carbon agrees not to file as an objector to this plan.

B. Morrison shall have no obligation to furnish treated water under this agreement until such time as Mt. Carbon has obtained and dedicated to use under this agreement acceptable surface irrigation water rights. Those

water rights which shall be acceptable to Morrison are:

- 1.) Warrior Ditch Company
- 2.) Pioneer Union Ditch Company
- 3.) Hodgson Ditch Company
- 4.) Junior water rights may be acceptable if an operation study demonstrates that these junior water rights plus storage capacity will provide a firm yield during a dry cycle, as determined by the study described in D below.

Mt. Carbon may also acquire underground water rights which could allow for increased diversions to the Morrison water treatment plant. Mt. Carbon shall effect an augmentation plan which will, in effect, supplement the Morrison Augmentation Plan. All of the foregoing rights are hereinafter referred to as "Mount Carbon's Water Rights", or "contributed water rights".

C. Morrison agrees not to protest any transfers of Mt. Carbon's water rights to Morrison's intake or to storage reservoirs which are transferred from downstream of Morrison's present sewage treatment plant outfall, if Mt. Carbon agrees to subordinate under the priority system these transferred water rights to those diverted by Morrison.

D. Morrison shall have prepared, at Mt. Carbon's expense, a water rights yield study which will include simulated reservoir operations in order to determine the firm yield during a dry cycle of Mt. Carbon's contributed water rights and Morrison's water rights. If Mt. Carbon does not agree with Morrison's yield study, then Mt. Carbon may have an alternate study prepared which Morrison will consider. The yield study will be adjusted as necessary upon the completion of Morrison's Augmentation Plan and Mt. Carbon's Augmentation Plan. It is the intent of this agreement that Mt. Carbon may demand an equal amount of treated water (on an acre-feet per year basis) as the useable Mt. Carbon water rights contribute (on a net acre-feet per year basis), as determined by the yield study.

E. Morrison shall have no obligation to, and shall not, furnish treated water to Mt. Carbon, without regard to any steps taken by Mt. Carbon under this agreement and without regard to any development which may occur in reliance upon Mt. Carbon having rights under this agreement, until such time as Mt. Carbon has contributed water rights acceptable to Morrison and adequate, when used pursuant to an approved augmentation plan which may include, at Morrison's option, the use of Morrison water rights, to service the

anticipated needs of Mt. Carbon. In no event will Mt. Carbon be entitled to treated water in excess of raw water furnished by it under water rights contributed under this agreement. In the event that actual yields during a low probability drought period are less than that predicted by the yield study of paragraph D, and such yields result in actual shortages to both entities, then available water will be shared in proportion to the annual volumetric firm yield of water rights contributed by each entity.

SECTION TWO Financing

A. It is agreed that Mount Carbon is solely responsible for the financing of all site acquisition, design, engineering, construction costs (including both labor and materials) and equipment costs of the initial construction program as described in Section Three below, except as might be otherwise specifically provided in this Agreement.

B. It is agreed that Morrison shall not proceed with any phase of site acquisition, design, engineering or construction anticipated under this agreement until Mount Carbon has deposited in escrow cash funds sufficient to meet the estimated costs of that phase. Interest earned on escrowed funds shall accrue to the benefit of Mt. Carbon.

C. Mount Carbon agrees to hold harmless and defend Morrison from any claim on account of site acquisition, design, engineering, construction or equipping of the facilities described in Section Three of this Agreement arising out of actions of Mount Carbon, its agents, and employees.

D. As its financial commitment to the cost of initial facility construction contemplated by Section Three of this Agreement, Morrison agrees to turn over to Mount Carbon, as Morrison's contribution to the cost of construction of the sewage treatment plant, such funds as it may receive from the condemnation of its existing sewage treatment plant and site for purposes of the construction of I-470.

SECTION THREE Initial Construction Program

A. Prior to the construction of any facilities, a complete engineering study shall be performed which study shall identify the necessary capacities and estimated costs of the various described facilities. Such study shall be the "MASTER PLAN". The cost of the "Master Plan" shall be borne by Mount Carbon. Upon the completion of the "Master Plan" the parties shall meet and confer and agree to the phasing and financial arrangements with respect to the construction of each facility.

B. Morrison shall be responsible for the selection of

all individuals and entities whose service shall be necessary for the site acquisition, design, engineering, construction or equipping of the facilities described in this section. Such services shall be compensated by funds previously made available by Mount Carbon. Morrison shall consider any objections Mount Carbon may have to any selection hereunder, but has the right of final selection.

C. Initial Facility Construction.

1. Water Treatment Plant. At the present the Morrison water treatment plant has a capacity of 500,000 gallons per day. Mount Carbon will furnish the capital required to increase plant capacity to 1,000,000 gallons per day. Upon completion of the plant modifications, Mount Carbon shall have the right to demand up to 500,000 gallons per day upon the further conditions that: (1) all costs of the expansion have been paid by Mount Carbon; (2) Morrison has accepted as sufficient those water rights contributed to this Agreement by Mount Carbon in accordance with Section One above; (3) Mount Carbon's water rights have provided the amount of raw water demanded. Morrison shall have the right to use available treated water in excess of Mount Carbon's actual needs, to which Mount Carbon might otherwise be entitled under this agreement until Mt. Carbon needs it.

2. Raw Water Supply System. Morrison agrees to make such improvements in the existing raw water supply system diversion dam pre-filter system and settling pond as may be recommended in the Master Plan and agreed to by the parties with funds provided by Mount Carbon.

3. Finished Water Transmission Line. Morrison agrees to construct, with funds provided by Mount Carbon, a transmission line from the water treatment plant to a point to be agreed upon on the eastern edge of Morrison where said line will be tied into the Mount Carbon distribution system.

4. Water Meter Station. Morrison shall construct, with funds provided by Mount Carbon, a two directional water meter station at a point to be agreed upon by the parties on the eastern edge of Morrison located on the water transmission line described in Paragraph 3 above. All portions of the system down stream from this station shall be and remain the property and responsibility of Mount Carbon.

5. Storage Reservoir. Mount Carbon shall furnish the capital required for acquisition of land and construction of the Strain Gulch Reservoir as now proposed by the Town of Morrison. Upon completion of the Strain Gulch Reservoir, such Reservoir and the Morrison operational Reservoir (recently completed by the Town) shall be considered to be a unit so that each entity shall have reserved capacity in both units equal to 50%. Mount Carbon's rights under this sub section are further contingent upon satisfaction by it of the condi-

tions of Section One above.

6. Storage Tank. Mount Carbon shall construct a storage tank as a part of its distribution systems. Such storage tank shall be at a level so that water from it can be pumped directly through the Morrison low-level pressure zone. The storage tank and the transmission system and meter station described above, shall be designed for two-way flow so that this storage tank can furnish fire protection water to Morrison and the Morrison storage tank can furnish fire protection to Mount Carbon.

7. Sewage Treatment Plant. Mount Carbon shall furnish the funds required for the construction of a 200,000 gallon per day sewage treatment plant, designed to be expanded in modules to capacities above its initial 200,000 gpd capacity. As its sole financial commitment under this Section Three, Morrison shall contribute to construction, or pay to Mount Carbon, all monies received from the sale of its present sewage treatment plant, including site, to the State of Colorado, as stated in Section Two, paragraph D above. For such agreement, Morrison shall have reserved capacity equal to 50% (100,000 gallons per day) of the initial plant capacity.

8. Trunk sewers. Each party shall construct and pay for the trunk sewer to the sewage treatment plant to serve that party. If Morrison's engineer concludes that a joint trunk sewer for some part of the distance would be beneficial, each party would then share the cost of the joint trunk sewer in proportion to each entities reserve capacity in the sewage treatment plant.

SECTION FOUR Future Capital Improvements

A. It is anticipated that the parties may at some future date desire that the facilities described in Section Three above, or any of them, be expanded. At such time the parties shall meet and confer regarding the terms and conditions under which such expansion shall be undertaken.

B. Each party shall share in such expanded capacity in the same proportion as its share of the cost of such expansion shall bear to the total cost of expansion of the particular facility, unless the parties shall otherwise agree.

SECTION FIVE Facility Modification and Allocation of Capacity

A. It is anticipated by the parties that state or

federal requirements with respect to sewage treatment and discharge may change over time, necessitating modification of the sewage treatment facility. The costs of such modification shall be shared by the parties in the same proportion as their use of the facility bears to the total use except that Morrison's use shall first be reduced by 100,000 gallons per day in computing proportionate use, it being agreed by both parties that advanced treatment would not be needed should the plant capacity be limited to 100,000 gallons per day. For example if advanced waste treatment facilities were needed for a 400,000 gallons per day plant and each entity had reserved 200,000 gallons per day of plant capacity, Mount Carbon would be required to pay two-thirds (2/3) of such cost. As a further example, if the total capacity was 600,000 gallons per day, with each party reserving 50%, then Mount Carbon would be required to pay three-fifths (3/5) of the modification costs.

B. It is agreed that if allocation of the sewage treatment plant capacity should be required for any reason, the following priorities will be used:

- (1) First 100,000 gpd of capacity - Morrison
- (2) Second 100,000 gpd of capacity - Mount Carbon
- (3) Third 100,000 gpd of capacity - Morrison
- (4) Fourth 100,000 gpd of capacity - Mount Carbon
- (5) Allocations beyond 400,000 gpd shall be shared in the same proportions as the cost of the facility was shared.

C. In the event of a short-term shortage of treated water or with wastewater treatment or disposal because of equipment or facility problems or similar difficulty, the two entities shall share in the shortages in proportion to their respective average daily demands over the six month period predating the shortage.

SECTION SIX Ownership, Management and Operations

A. Ownership of all facilities and contributed water rights which are the subject of this agreement unless specifically and expressly provided otherwise in this agreement, shall be in Morrison.

B. Management and operation of all facilities which are the subject of this agreement shall be the right and the responsibility of Morrison, unless specifically and expressly provided otherwise in this agreement.

C. Morrison agrees to use all reasonable efforts to provide potable water of quality meeting state standards and to treat sewage to meet state standards. The quality of

water furnished to Mount Carbon and Morrison shall be essentially the same and the sewage treatment efficiency shall be identical. In the event that corrective actions are required or penalties are imposed, these shall be considered as operating costs and shall be borne by the parties in the same manner as operating costs are shared.

D. Morrison will be responsible for administrative reporting to the State Engineer and be responsible for maintaining and protecting such water rights as may be committed to this agreement pursuant to Section One above. The costs incurred shall be a joint cost except that costs incurred in defending a water right are chargeable to the party committing that particular right.

E. - It is agreed that Mount Carbon shall provide no treated water or sewage treatment for customers located outside the boundaries of Section 25, Township 4S, Range 70W, and that part of Section 26, Township 4S, Range 70W, east of the hog back, unless said customers have first made application to Morrison and Morrison has refused service. Additionally, no contract for the provision of water or for sewage disposal which shall require Mount Carbon to exceed its reserved capacity in the facilities described in this Agreement shall be binding upon Morrison unless previously agreed to in writing by Morrison.

F. Upon completion of the facilities contemplated by this agreement, Morrison agrees to provide treated water to Mount Carbon in the amounts demanded by Mount Carbon but not exceeding the daily capacity reserved by Mount Carbon in the water treatment facility and the amount of water delivered under water rights contributed by Mount Carbon as described in Section One above.

G. Upon completion of the sewage treatment facilities contemplated by this agreement, Morrison agrees to accept from Mount Carbon sewage for treatment and disposal, in amounts transported to the facility by Mount Carbon but not exceeding the daily capacity reserved by Mount Carbon in the sewage treatment facility.

H. Amendments, approvals and acceptances made or required under this Agreement shall not be effective unless in writing, signed by the parties.

SECTION SEVEN Operating Costs and Fees

A. Morrison agrees that it shall establish separate water and sewer enterprise funds or separate departments and

shall segregate costs records for all water and sewer wholesale costs. Such costs shall apply to all water supply and treatment and sewage treatment facilities discussed herein, including the water transmission/distribution line and raw water facilities. It shall not include costs for the Morrison water distribution system, the Morrison tanks or the Morrison collection system, to the extent that these facilities are used exclusively for Morrison customers, which costs shall be accounted for separately. Costs for purposes of establishing appropriate charges to Mount Carbon shall include operations and maintenance including utilities, labor and material used, consultant services, replacement items, contingency funds, staff, office space and supplies, reserves for replacement and expansion, and such a proportion of town management costs as may be attributable to the facilities.

B. Mount Carbon will advance, based upon projected demand, its proportionate share of the annual facilities budget as estimated by Morrison. At the end of the fiscal year, which shall be the calendar year, Morrison will determine the actual unit cost per gallon of treated, delivered water and the unit cost per gallon of treated sewage and adjust the charges through an additional charge or a refund based upon Mount Carbon's actual metered water usage or actual metered sewage flow.

C. In addition to the pro rated costs described above, Mount Carbon agrees to pay Morrison a fee equal to 12% of the estimated total charges to Mount Carbon for each year, in advance, subject to adjustment at the close of each year based upon actual charges as determined under paragraph B above. In no event shall the monthly payment be less than the following minimum payments:

(1) For the first 12 months after signing this Agreement, the minimum premium shall be \$200 per month, being deemed as \$100 for water and \$100 for sewer.

(2) For the second year of the contract, the minimum premium charge shall be \$400 per month, such charge deemed as \$200 per month minimum water and \$200 per month minimum sewer.

(3) The minimum premium for succeeding years shall be \$400, adjusted by the Consumer Price Index, or similar index, using 1982 as the base year.

D. Mount Carbon agrees to pay all billing under this Agreement within thirty days of the date of the billing. Any

amounts paid more than thirty days from the date of the billing shall be subject to a penalty of 10% of the amount past due. In addition delinquent payments shall bear interest at the rate of 1-1/2% per month or part thereof overdue. Failure to pay amounts due within ninety days of the date of the initial billing shall be a default and shall constitute good and sufficient grounds for termination of this agreement by Morrison. Such termination shall be effective upon mailing of a notice of termination by Morrison to Mount Carbon at the address of Mount Carbon appearing on the records of Morrison. Upon such termination all rights of Mount Carbon and obligations of Morrison under this agreement shall be ended.

SECTION EIGHT Term and Termination

A. This agreement shall remain in effect in perpetuity unless terminated as provided in Section 7(D) or this Section 8.

B. 1. Morrison may terminate this Agreement on ten days written notice if Mount Carbon has not placed in an escrow account, in a form acceptable to Morrison, within 24 months of the date of execution of this Agreement, twenty five percent of the projected total cost of all facilities described under Section Three above as estimated in the Master Plan. Failure to have prepared a Master Plan within the twenty four month period shall be an additional ground for termination.

2. Morrison may terminate this Agreement on ten days written notice if, within twenty four months of the date of execution of this Agreement, Mount Carbon has not under contract water rights in satisfaction of its obligations under Section 1 above, or, in the opinion of Morrison, has not made satisfactory progress toward the acquisition and contribution of such rights.

3. Upon termination of this Agreement for any reason, the ownership of all facilities, contributed water rights and storage rights shall remain with Morrison and all rights of Mount Carbon under this agreement shall cease except as provided hereinafter in subparagraph C of this Section.

C. In the event of termination of this Agreement, Morrison will determine, in a manner consistent with the yield study conducted pursuant to Section 1, Paragraph D, above, the amount of useable water available, at the time of termination, to Morrison alone as a result of the joint

operations of both entities under this Agreement. Morrison shall deed back to Mt. Carbon, at no cost, the water rights originally contributed under this Agreement by Mount Carbon not needed to maintain that level of water availability as determined by Morrison in the preceding sentence.

SECTION NINE
Non Exclusivity and Non Assignability

A. Either party to this Agreement may make agreements with other parties regarding the provision of water or the provision of sewage treatment during the term of this agreement so long as there is no substantial impairment of or prejudice to the rights of either party to this Agreement.

B. The rights and obligations of either party to this Agreement are non-assignable and any assignment or attempted assignment shall terminate the obligations of the non-assigning party.

Albina C. Kelavity
Clerk

Sam Puller
Secretary

Town of Morrison

Wm. P. ...
Mayor

Mount Carbon Metropolitan District

Charles Langhoff
President

EXHIBIT A
TOWN OF MORRISON
DIRECT FLOW AND STORAGE RIGHTS

Type of Structure	Ownership		Date of Adjudication	Date of Appropriation	Priority Number	Decreed Flow (cfs)	Decreed Storage (Acre-feet)	Amount Owne	
	Total	Town's						(cfs)	(Ac/)
<u>Water rights transferred to town's intake on Bear Creek:</u>									
Prior	160 shs.	2 shs.	02/04/1884 02/04/1884 02/04/1884	12/01/1861 10/31/1864 04/15/1865	4 14 16	12.33 25.47 11.49		0.1233 0.2547 0.1149	
near Union	80 shs.	4 shs.	02/04/1884 02/04/1884 02/04/1884	12/10/1861 09/01/1862 03/15/1865	5 11 15	12.41 8.13 25.13		0.4964 0.3252 1.0052	
gson	400 shs.	35 shs.	02/04/1884	06/01/1861	3	8.250		0.7219	
rrison Domestic	--	--	09/24/1935	09/21/1867	40	3.500		3.5000	
<u>Water Rights not yet changed to municipal use:</u>									
Prior	160 shs.	2.5 shs.	02/04/1884 02/04/1884 02/04/1884 02/04/1884	12/01/1861 04/16/1862 10/31/1864 04/15/1865	4 8 14 16	12.33 2.86 25.47 11.49		0.1927 0.0447 0.3980 0.1795	
ris & Strouse	200 Ins.	100 ins.	02/04/1884	03/01/1863	13	5.20833		2.6042	
la Lakes Reservoir Mineral Water Co. Soda Lake No. 1 Soda Lake No. 2	400 shs.	5 shs.	09/24/1935 09/24/1935	02/11/1893 02/11/1893					598.0 1794.0

AMENDMENT AND RESTATEMENT OF
THE 1982 AGREEMENT

THIS AMENDMENT made and entered into this 6th day of November, 1986, by and between the TOWN OF MORRISON ("Morrison") and the MOUNT CARBON METROPOLITAN DISTRICT ("Mount Carbon") is intended to amend the November 16, 1982 Agreement between the parties ("the Agreement"). All terms that are defined in the 1982 Agreement shall have the same meaning in this Amendment.

RECITALS

A. Morrison has received the benefit of some of the facilities funded and constructed by Mount Carbon pursuant to the 1982 Agreement and Mount Carbon has received the benefit of immediately available sewage treatment utilizing Morrison's discharge permit and a supply of temporary use water.

B. Certain facilities and exchanges contemplated in the 1982 Agreement are not desirable to Mount Carbon at the present time; however, Mount Carbon wishes to insure the availability of expanded sewage treatment capacity utilizing Morrison sewage treatment facilities.

C. The parties hereto now desire, in light of subsequent developments, to amend the 1982 Agreement for their continuing mutual benefit.

FOR AND IN CONSIDERATION OF THE COVENANTS, each to the other hereafter set forth, the parties hereto amend the 1982 Agreement as follows:

SECTION ONE
Water Rights

Section One of the 1982 Agreement is deleted in its entirety.

SECTION TWO
Financing

Section Two of the 1982 Agreement is changed to read as follows:

A. A sewage treatment plant of an initial capacity of 200,000 gallons per day, is presently being completed at Mount Carbon's cost, except as noted in "C" below, utilizing Morrison land and permits and under Morrison's ownership and control.

B. Mount Carbon agrees to hold harmless and defend Morrison from any claim on account of site acquisition, design, engineering, construction or equipping of the sewage treatment facility arising out of actions of Mount Carbon, its agents, and employees.

C. As its financial commitment to the cost of the initial sewage treatment facility construction contemplated by Section Three of this Agreement, Morrison agrees to apply toward construction or turn over to Mount Carbon, as Morrison's contribution to the cost of construction of the sewage treatment plant, such funds as it may receive from the condemnation of its existing sewage treatment plant and site for purposes of the construction of C-470.

D. In lieu of financing any other facilities under the original Agreement and to insure the continued availability of sewage treatment capacity and the right to additional capacity under the terms and conditions of this Agreement, Mount Carbon agrees to pay Morrison promptly from the next proceeds, received by Mount Carbon from any source for capital improvements within its District, the sum of Two Hundred Forty Thousand Dollars (\$240,000.00). If this sum is not paid within six months from the date of this Agreement, it shall accrue interest at the rate of Eighteen Percent (18%) per annum. Payment of this sum shall be a condition precedent to expansion of the sewage treatment plant by Mount Carbon beyond the plant's original 200,000 gallons per day capacity.

Additionally, and in lieu of financing any other facilities proposed in the original Agreement, and in consideration of water and sewer benefits received under that Agreement, and under this Agreement, Mount Carbon agrees that Morrison may apply the funds remaining in its possession from the \$200,000.00 Strain Gulch Reservoir Escrow Account to construction, repair or rehabilitation of such facilities as it deems appropriate subject only to an obligation to pay the balance of \$4,000.00 due and owing for appraisal work at the Strain Gulch Reservoir site.

SECTION THREE Initial Construction Program

Section Three of the 1982 Agreement is amended to read as follows:

A. Contractors: Morrison shall be responsible for the selection of all individuals and entities whose service shall be necessary for the site acquisition, design, engineering, construction or equipping of the sewer treatment facilities described in this Section. Such services shall be compensated

by funds previously made available by Mount Carbon. Morrison shall consider any objections Mount Carbon may have to any selection hereunder, but has the right of final selection.

B. Facilities:

1. Water Meter Station. Morrison has constructed a two directional water meter station at a point agreed upon by the parties on the eastern edge of Morrison located on Morrison's water transmission line. All portions of the system down stream from this station shall be and remain the property and responsibility of Mount Carbon.

2. Sewage Treatment Plant. Mount Carbon has furnished the funds required for the construction of a 200,000 gallon per day sewage treatment plant, designed to be expanded in modules to capacities above its initial 200,000 gpd capacity. As its sole financial commitment under this Section Three, Morrison shall contribute to construction, or pay to Mount Carbon, all monies received from the sale of its present sewage treatment plant, including site, to the State of Colorado, as stated in Section Two, Paragraph "D" above. For such agreement, Morrison shall have reserved capacity equal to 50% (100,000 gallons per day) of the initial plant capacity. Reserved capacity shall mean that portion of capacity to which a party is entitled in an existing facility, under the terms of this Amendment.

3. Trunk Sewers. Each party shall construct and pay for the trunk sewer to the sewage treatment plant to serve that party. If Morrison's engineer concludes that a joint trunk sewer for some part of the distance would be beneficial, each party would then share the cost of the joint trunk sewer in proportion to each entities reserved capacity in the sewage treatment plant.

SECTION FOUR
Future Capital Improvements

A. It is anticipated that the parties or either of them may at some future date desire that the sewage treatment facilities described in Section Three be expanded. Such expansion shall be subject to agreement regarding plant design and equipping of the expanded facility, which agreement may not be unreasonably withheld, to satisfaction of Mount Carbon's financial obligations defined in Section Two above, and to applicable regulatory requirements. Mount Carbon's anticipated needs are not projected to exceed 1.5 million gallons per day; and expansion of Mount Carbon's share of capacity in the plant beyond 1.5 million gpd shall be subject to renegotiation with the Town of Morrison. In the event that total available plant size is insufficient to meet the needs of both parties then the available capacity shall be allocated in accordance with Section Five "B"

below. Mount Carbon further agrees to reduce this 1.5 million gpd of projected capacity upon obtaining a contract giving it the right to discharge to Metro Sewer, by the amount of the permitted discharge to Metro Sewer; provided, however, that: it has the physical ability to discharge to Metro Sewer; that it is economically feasible to do so; and, that such discharge shall in no way affect Mount Carbon's water rights. "Economically feasible" as used above means, to wit: more economic than sharing additional capacity with Morrison in the Morrison plant.

B. Each party shall share in such expanded capacity in the same proportion as its share of the cost of such expansion shall bear to the total cost of expansion of the facility, subject to Section Five below, unless the parties shall otherwise agree. Each party has the right to share in any expansion to the extent of 50% of such expansion, subject to payment of its proportionate cost.

SECTION FIVE Facility Modification and Allocation of Capacity

A. It is anticipated by the parties that state or federal requirements with respect to sewage treatment and discharge may change over time, necessitating modification of the sewage treatment facility. The costs of such modification shall be shared by the parties in the same proportion as their use of the facility bears to the total use except that Morrison's use shall first be reduced by 100,000 gallons per day in computing proportionate use, it being agreed by both parties that advanced treatment would not be needed should the plant capacity be limited to 100,000 gallons per day. For example, if advanced waste treatment facilities were needed for a 400,000 gallons per day plant and each entity had reserved 200,000 gallons per day of plant capacity, Mount Carbon would be required to pay two-thirds (2/3) of such cost. As a further example, if the total capacity was 600,000 gallons per day, with each party reserving 50%, then Mount Carbon would be required to pay three-fifths (3/5) of the modification costs.

E. It is agreed that if allocation of the sewage treatment plant capacity should be required for any reason, the following priorities will be used:

- (1) First 100,000 gpd of capacity - Morrison;
- (2) Second 100,000 gpd of capacity - Mount Carbon;
- (3) Third 100,000 gpd of capacity - Morrison;
- (4) Fourth 100,000 gpd of capacity - Mount Carbon;
- (5) Allocations beyond 400,000 gpd shall be shared in the same proportions as the cost of the facility expansion, subject to allocation, is shared.

C. In the event of a short-term shortage of wastewater treatment or disposal capacity because of equipment or facility problems, or similar difficulties, the two entities shall share in the shortages in proportion to their respective average daily demands over the six month period predating the shortage.

SECTION SIX Ownership, Management and Operations

A. Ownership of the sewage treatment site and plant and other facilities which are described in Section Three "B" above or elsewhere in this Agreement, unless specifically and expressly provided otherwise in this Agreement, shall be in Morrison.

B. Management and operation of all facilities which are the subject of this Agreement shall be the right and the responsibility of Morrison, unless specifically and expressly provided otherwise in this Agreement.

C. Morrison agrees to use all reasonable efforts to treat sewage to meet state standards. Morrison shall treat the sewage of both parties with the same efficiency. In the event that corrective actions are required or penalties are imposed, these shall be considered as operating costs and shall be borne by the parties in the same manner as operating costs are shared.

D. Morrison will be responsible for administrative reporting as regards the sewage treatment facility. The costs of such reporting shall be a joint cost.

E. It is agreed that Mount Carbon shall provide no sewage treatment for customers located outside the boundaries of the District as it exists on the date of this Amendment, unless said customers have first made application to Morrison and Morrison has refused service. In no event may such service be extended to areas outside the boundaries of the District as they currently exist, and within another municipality, without the authorization and approval of the Town of Morrison. Additionally, no contract for the provision of sewage disposal which shall require Mount Carbon to exceed its reserved capacity in the sewage treatment plant shall be binding upon Morrison unless previously agreed to in writing by Morrison.

F. Upon completion of the sewage treatment facilities contemplated by this Agreement, Morrison agrees to accept from Mount Carbon sewage for treatment and disposal, in amounts transported to the facility by Mount Carbon but not exceeding the daily capacity reserved by Mount Carbon in the sewage treatment facility.

SECTION SEVEN
Operation Costs, Fees and Termination

A. Until Mount Carbon has on line, connected, 200 residential sewer taps, or the equivalent thereof, Mount Carbon will pay to Morrison the greater of one-half of the difference between the costs of operation of the old sewer plant, in the Town of Morrison for the one year period prior to October 1, 1986, and the cost of operating the new sewer plant erected with funds furnished, in part, by Mount Carbon, or its proportional share of total plant operating costs as defined in "C" below.

B. After Mount Carbon has on line 200, or more, residential sewer taps, or the equivalent thereof, Mount Carbon will pay based on projected demand, its proportionate share of the costs of operating the new plant, based upon the actual costs and expenses incurred in the operation of said new plant.

C. For the purposes of determining the prior costs of operation and further costs of operation, in determining the charges to be made to Mount Carbon, the following items will be considered to be the sole and only costs:

1. Operations (the contract cost of the management company, and/or Morrison's actual or estimated cost of operating the plant exclusive of the costs of items 2, 3, and 4 below. By way of illustration only, and not limitation, this cost includes chemicals, supplies, laboratory equipment and services and any other operational cost or expense deemed necessary to plant operation by Morrison.

2. Repairs, maintenance and replacement of component parts and equipment as required.

3. Insurance.

4. Electrical power expense.

D. 1. For the purposes of effecting the payment of the charges from Mount Carbon to Morrison, Morrison will create a budget based on the best evidence available and submit charges for monthly payments in advance based on said budget. Correction and reconciliation to actual costs based upon actual metered sewage flow will take place within 45 days after each calendar year.

2. In the event that the strength of wastes discharged into the sewage treatment plant by either party shall differ significantly in BOD5 and suspended solid or other chemical content, the parties agree that the differential treatment costs occasioned by the higher strength waste may be separately allocated according to a rational method to be agreed upon.

E. In addition to the pro rated costs described above, Mount Carbon agrees to pay Morrison a fee equal to 12% of

the estimated total charges to Mount Carbon for each year, in advance, subject to adjustment at the close of each year based upon actual charges as determined under Paragraph "D" above. In no event shall the monthly payment be less than \$200.00, adjusted by the Consumer Price Index, or similar index, using 1982 as the base year.

F. Mount Carbon agrees to pay all billing under this Agreement within thirty days of the date of the billing. Any amounts paid more than thirty days from the date of the billing shall be subject to a charge of 10% of the amount past due. In addition, delinquent payments shall bear interest at the rate of 1- $\frac{1}{2}$ % per month or part thereof overdue. Failure to pay amounts due within ninety days of the date of the initial billing shall be a default and shall constitute good and sufficient grounds for termination of this Agreement by Morrison. Such termination shall be effective upon mailing of a notice of termination by Morrison to Mount Carbon at the address of Mount Carbon appearing on the records of Morrison. Upon such termination, all rights of Mount Carbon and obligations of Morrison under this Agreement shall be ended.

G. Upon termination of this Agreement for any reason, the ownership of all facilities shall remain with Morrison and all rights of Mount Carbon under this Agreement shall cease.

SECTION EIGHT Miscellaneous

A. Other Agreements. Either party to this Agreement may make agreements with other parties regarding the provision of sewage treatment during the term of this Agreement, so long as there is no substantial impairment of or prejudice to the rights of the other party to this Agreement, subject to Paragraph Six "E" above.

B. Non-Assignability. The rights and obligations of either party to this Agreement are non-assignable and any assignment or attempted assignment shall terminate the obligations of the non-assigning party.

C. Amendment. No amendments to this Agreement shall be effective unless in writing, properly authorized by both parties.

D. Replacement. This Amended Agreement supercedes and replaces the 1982 Agreement and any understandings, amendments or supplements to that Agreement, verbal or written, previously entered into; however, all funds paid and contracts entered into under the 1982 Agreement are authorized and valid and it is not the intent of the parties that any such previous payment or contract shall be invalidated by this Agreement.

Executed by the parties the day and year first above written.

MOUNT CARBON METROPOLITAN DISTRICT



By:

[Signature]
Vice President

ATTEST:

Charles Langhoff
Assistant Secretary

TOWN OF MORRISON

By:

[Signature]

ATTEST:

[Signature]
Town Clerk

RECEIVED OCT 19 1995

AGREEMENT

THIS AGREEMENT made and entered into this 13th day of October, 1995 by and between the Town of Morrison, a Colorado municipal corporation with offices at P.O. Box 95, Morrison, Colorado, (the "Town") and the Mount Carbon Metropolitan District, a Colorado Metropolitan District and quasi municipal Corporation, with offices at 2750 S. Wadsworth Blvd., Suite C-101, Denver, Colorado, (the "District").

RECITALS

WHEREAS:

1. On November 16, 1982 the Town and the District entered into an Agreement to cooperate in the provision of certain water storage, water treatment and sewage treatment facilities and services (the "1982 Agreement");
2. On October 26, 1986 the Town and the District entered into an Amendment and Restatement of the 1982 Agreement, relieving the District and the Town of any right or obligation with respect to the joint construction, operation or provision of water storage, water treatment or water supply services or facilities, while reaffirming and further defining rights and responsibilities with respect to sewage treatment (the "Restatement");
3. The Restatement provides that each party shall have 100,000 gallons per day of "reserved capacity" of the initial capacity of the Morrison Sewage Treatment Plant (the "plant");
4. The Restatement further provides that, upon the occurrence of a certain event within the control of the District, the District shall pay to the Town the principal sum of \$240,000.00 with interest from and after April 26, 1987, until payment (the "debt");
5. The Restatement further provides that the District may not exercise any right to expansion of the Morrison Sewage Treatment Plant until payment of the debt;
6. The Restatement further provides that the District shall pay to the Town its share of plant operating costs (the "operating costs") on an annual and quarter annual basis;
7. The District has, and has had, no present or immediately foreseeable need for its reserved capacity in the plant and the Town does have a need for up to one-half of the District's current reserved capacity;
8. The District wishes to be relieved of its obligation with respect to the debt and any encumbrance that might exist by virtue of it upon future plant expansion rights;
9. The District has an inadequate source of current revenues to meet its obligations under the Restatement for operating costs and desires to reduce these costs and defer the payment of the remaining recurring amounts to a later date;

10. Each party has found and determined this Agreement to be in its own best interest and that of its constituents and to be in furtherance of the public interest and necessity.

NOW THEREFORE, for and in consideration of the covenants, transfers, releases and other good and valuable consideration hereinafter provided, the sufficiency of which is acknowledged, the parties hereto agree as follows:

1. Transfer of capacity, warranty. (a) Mount Carbon Metropolitan District, effective upon the approval and execution of this Agreement by the parties, permanently and irrevocably releases, transfers, assigns and quitclaims to the Town of Morrison fifty thousand gallons per day of the District's current reserved capacity of one hundred thousand gallons per day of the existing capacity of the Morrison Sewage Treatment Plant.

(b) The District warrants and represents that no rights to the transferred capacity exist in any third party and that it shall not hereafter enter into any agreement, service commitment or other obligation in reliance upon, or requiring the availability of such capacity.

2. District's Release of First Expansion Right. The District releases, transfers, assigns and quitclaims to the Town of Morrison any right it may have to the first expansion of the capacity of the Morrison Sewage Treatment Plant, to the extent that such expansion does not exceed fifty thousand gallons per day of additional capacity, reserving the right to share proportionally, in accordance with Section Four of the Restatement, in any additional capacity beyond fifty thousand gallons per day of new capacity.

3. Morrison's Release of Debt. The Town of Morrison, upon approval and execution of this Agreement by the parties, cancels and releases the District from the obligation to pay to the Town the principal amount of two hundred forty thousand dollars (\$240,000.00) and accrued interest as set forth in Section Two of the Restatement.

4. Reduction and Deferral of Operating Costs. (a) The Town shall adjust the shared operating costs, provided for in Section Seven of the Restatement, to reflect the revised shares of reserved capacity provided for by this Agreement, to be effective upon the approval and execution of this Agreement by the parties.

(b) The Town and the District agree that the District has made no 1995 operating cost payments to the Town and that the amount of \$19,258.25, together with interest and penalties in accordance with Section Seven F of the Restatement, is currently past due. This amount does not include the fourth quarter payment due October 1, 1995. The Town and the District further agree that the obligation to pay this amount, as well as such other amounts as will be due from the District for the fourth quarter of 1995, and 1996, 1997 and 1998 operating and administrative fees and expenses, shall be deferred and such amounts shall not be due and payable until January 1, 1999. All amounts deferred shall bear interest at eight and one-half percent (8½%) per annum.

(c) The Town and the District further agree that in the event the District does not pay to the Town the deferred amounts when due, the Town shall have the option to purchase, and upon written notice of its exercise, the District shall convey to the Town an additional 10,000 gallons per day of its remaining reserved capacity in consideration of cancellation of the deferred amounts and accrued interest.

5. Warranties and Representations. Each party warrants and represents to the other that it has full authority to enter into this Agreement, that all necessary approvals and authorizations have been obtained, that all authority has been properly exercised, that the execution and performance of this Agreement is not in violation of any obligation, condition or agreement with any third party, nor of any law, statute, ordinance or regulation, and that when signed, this Agreement will be fully enforceable by the parties according to its terms.

6. Severability. The terms of this Agreement are not severable and in the event that any material provision of it is determined to be invalid or unenforceable by a court of competent jurisdiction, then the whole of this Agreement shall be void and of no force or effect and the amounts released in paragraph 3 above and deferred in paragraph 4 above shall be due within sixty days of the date that the decision of such court becomes final, and this obligation shall survive such determination.

7. Further Documentation. Each party agrees to execute any further documents or instruments requested by the other party reasonably necessary to make effective the terms and conditions of this Agreement.

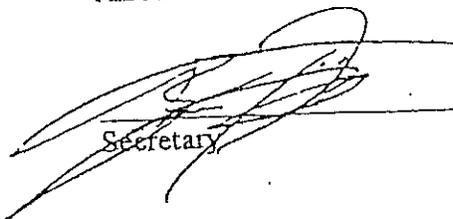
8. Remedies. In addition to any other remedies the parties may have in law or equity, the parties agree that this Agreement may be specifically enforced.

9. No Other Modification. Except as modified herein, the Restatement shall remain in full force and effect.

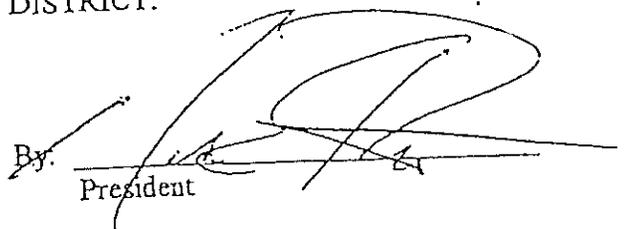
Done as of the day and year first written above.

MOUNT CARBON METROPOLITAN
DISTRICT:

ATTEST:


Secretary



By: 
President

TOWN OF MORRISON:

By: Mary C Fox
Mayor

ATTEST:

Sharon G Blackstock
Town Clerk

RESOLUTION NO. 99-1

A RESOLUTION AUTHORIZING AN EXTENSION OF TIME WITHIN WHICH MOUNT CARBON METROPOLITAN DISTRICT MAY PAY ITS OBLIGATIONS TO THE TOWN AND AUTHORIZING MODIFICATION OF THE REMEDIES FOR DEFAULT IN THE AMENDMENT AND RESTATEMENT OF THE 1982 AGREEMENT BETWEEN THE TOWN OF MORRISON AND THE MOUNT CARBON METROPOLITAN DISTRICT

WHEREAS, on July 14, 1997, the Mount Carbon Metropolitan District filed a voluntary petition for relief under Chapter 9 of the Bankruptcy Code which bankruptcy remains pending and the District has submitted a proposed Plan for Adjustment of Debts (the "Plan") in connection with the bankruptcy; and

WHEREAS, under the terms of the Amendment and Restatement of the 1982 Agreement (the "Amendment") entered into between the Town of Morrison (the "Town") and the Mount Carbon Metropolitan District (the "District") on October 26, 1986, the District is indebted to the Town in the amount of \$70,875.70 as of December 31, 1998, which amount will be increased by the District's share of estimated 1999 operating expenses, due in early 1999, and the District has requested the Town grant an extension of time until one hundred twenty (120) days following the effective date of the Plan within which to pay the amounts due, as the term "Effective Date" is defined in the Plan;

WHEREAS, the Amendment provides that the District's right to capacity in the Sewage Treatment Plant may be terminated ninety days following notice of a default by the district of its obligations under the Amendment and the District has requested substitution of a remedy that the District will not add taps to the sewage treatment system, regardless of when the right to such tap may have been acquired, at any time that the District is in default under the Amendment.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Town of Morrison, Colorado,
AT:

SECTION 1. The Board of Trustees hereby authorizes an extension of time within which the District must pay amounts due the Town of Morrison, to and including all amounts which may be due for 1999, until 120 days after the Effective Date of a Plan for Adjustment of the District's debts, as the term Effective Date is defined in the Plan.

SECTION 2. Upon payment of all amounts then due the Town of Morrison, the Board of Trustees will approve a modification of that provision of the Amendment allowing termination of the Amendment for non-payment of the District obligations, and substituting therefore, without affecting any other remedies the Town may have, a provision that will require that the District may not add any additional taps or users to the sewage treatment system, and authorizing the Town to prevent such additions, during the time a default exists.

SECTION 3. This Resolution shall be effective upon its adoption by the Board of Trustees.

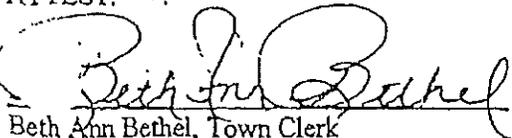
INTRODUCED, READ AND ADOPTED by a vote of 4 For and 3 Against at a regular meeting of the Board of Trustees on January 19, 1999, at 7:00 p.m.

TOWN OF MORRISON



Kathy Dichter, Mayor

ATTEST:


Beth Ann Bethel, Town Clerk

Law Office Of

Richard L. Miller

1 Union Square
143 Union Blvd., Suite 270
Lakewood, Colorado 80228
Telephone (303) 988-2841
Telefax (303) 988-0445

VIA FACSIMILE (303) 825-1269

December 23, 2002

Mt. Carbon Metropolitan District
c/o Hayes, Phillips, & Maloney
Attn: Herbert C. Phillips
1350 17th Street, #450
Denver, CO 80202-1517

Re: Mt. Carbon Metropolitan District Service Plan

Dear Mr. Phillips:

I have been asked to provide on behalf of the Town of Morrison a letter for use by Mt. Carbon Metropolitan District outlining Morrison's position with respect to providing water to Red Rocks Centre property, the letter to become an attachment to the District's Amended Service Plan.

The Town has previously offered and remains willing to extend its water service area to include the property currently under contract to Developers Diversified Realty and any additional property that may be acquired by that developer for purposes of retail development. The Town understands this requirement to be in the range of 200-250 residential equivalents. This water would be for "in-house" use and the Town would work with the developer to obtain water for outdoor irrigation purposes.

There is in effect an Agreement of Right of First Refusal dated September 17, 1996, relating to Red Rocks Centre property described at enclosure 1 to this letter which the Town considers to be a valid, binding obligation of the signatory property owners, their successors, and the districts in accordance with its terms.

The Town has identified a total of 800 residential equivalent taps, which includes the supplies referenced above, that could be made available to Red Rocks Centre properties on a case by case basis, subject to the return of normal supply conditions and upon mutually agreeable terms and conditions. This supply contemplates a dual system with outdoor use water to be provided from a source other than the Town's potable water system.

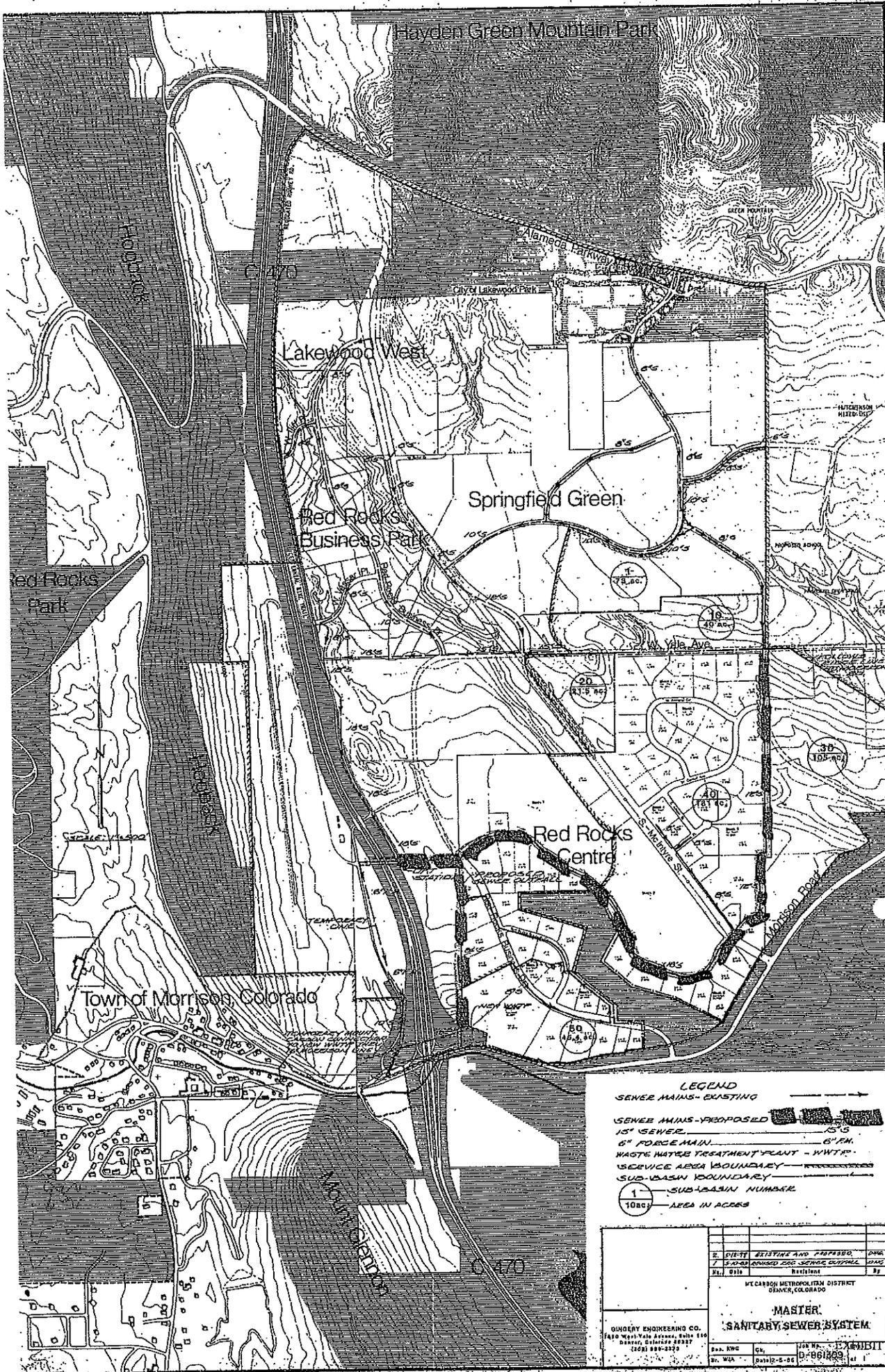
I hope this letter is responsive to the request. Please advise if I might provide any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. L. Miller', with a long horizontal stroke extending to the right.

Richard L. Miller
Town Attorney,
Morrison, Colorado

cc: Town of Morrison (via facsimile 303-697-8752)
Gary Vose (via facsimile 949-723-0629)
Dick Plastino (via facsimile 303-987-7910)



LEGEND

SEWER MAINS - EXISTING

SEWER MAINS - PROPOSED

15" SEWER

6" FORCE MAIN

WASTE WATER TREATMENT PLANT - WWTP

SERVICE AREA BOUNDARY

SUB-BASIN BOUNDARY

1 - SUB-BASIN NUMBER

10ac - AREA IN ACRES

2. DATE	EXISTING AND PROPOSED	DWG.
1. SCALE	AS SHOWN ON THIS DRAWING	DATE
BY	Reference	BY
CITY OF DENVER METRO AREA METROPOLITAN DISTRICT DENVER, COLORADO		
MASTER SANITARY SEWER SYSTEM		
DESIGNED BY	CHKD BY	DATE
DRAWN BY	DATE	PROJECT NO.

GINSBERG ENGINEERING CO.
 1430 West Yale Avenue, Suite 100
 Denver, Colorado 80202
 (303) 896-3372

Rev. RWG Ch. 1/24/88
 Rev. WSA Date 12-5-88
 0-861283

September 3, 1996

LEGAL DESCRIPTION OF PROPERTY SUBJECT TO THE AGREEMENT OF RIGHT
OF FIRST RIGHT OF REFUSAL-RED ROCKS CENTRE, MORRISON, COLORADO

- 1 Lot 4, Block 3; Lots 1 through 7 and Outlot, Block 6; Lots 1,2 and 5, Block 7; Lots 11 and 12, Block 8 Red Rocks Centre recorded February 21, 1985, reception no. 85016479 in the Jefferson County, Colorado records and:
2. Lots 1, 2 and 3, Block 3 Red Rocks Centre Amendment No. 1, recorded August 2, 1985, reception no. 85072299 in the Jefferson County, Colorado records and:
- 3 Lot 1, Block 5 and Lots 3 and 4, Block 7, Red Rocks Centre Amendment No. 2, recorded October 23, 1985, reception no. 85102084 in the Jefferson County, Colorado records.

The Property is shown as the shaded area on the attached map incorporated herein.



HAYES, PHILLIPS, HOFFMANN & CARBERRY, P.C.

Attorneys at Law
Suite 450, The Market Center
1350 Seventeenth Street
Denver, Colorado 80202-1576
Telephone: (303) 825-6444
Facsimile: (303) 825-1269

E-mail: hcphillips@hphclaw.com

John E. Hayes
Herbert C. Phillips
Corey Y. Hoffmann
Kendra L. Carberry

Hilary Mogue Graham
John Blakely Wilson
Jefferson H. Parker

October 27, 2003

VIA PRIVATE COURIER

Randy Funk, Esq.
City of Lakewood City Attorney
Gorsuch Kirgis, LLP
1515 Arapahoe Street
Tower 1, Suite 1000
Denver, CO 80202

Re: Mount Carbon Metropolitan District Intergovernmental Agreement

Dear Randy:

As promised, please find enclosed five signature sheets to the Intergovernmental Agreement fully executed by the District, Colco Corp. and CDN Development, L.P.

As requested, I also enclose a copy of the form of Amended Service Agreement that was filed with Jefferson County.

Thanks, as always, for your help and courtesy in this matter.

Very truly yours,

Herbert C. Phillips

HCP/ma
Enclosures
c: Board of Directors

TOWN OF MORRISON, COLORADO

By: _____
Kathy Dichter, Mayor

ATTEST:

Town Clerk

APPROVED AS TO FORM:

By: _____
Richard L. Miller, Town Attorney

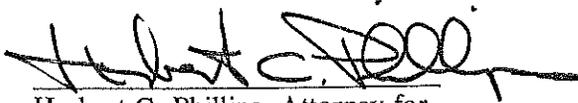
MOUNT CARBON METROPOLITAN
DISTRICT

By: 
Terry Bartholomew, Chairman

ATTEST:

Secretary

APPROVED AS TO FORM:

By: 
Herbert C. Phillips, Attorney for
Mount Carbon Metropolitan District

TOWN OF MORRISON, COLORADO

By: _____
Kathy Dichter, Mayor

ATTEST:

Town Clerk

APPROVED AS TO FORM:

By: _____
Richard L. Miller, Town Attorney

MOUNT CARBON METROPOLITAN
DISTRICT

By: _____
Terry Bartholomew, Chairman

ATTEST:

Amie A. McCarty

Secretary

APPROVED AS TO FORM:

By: _____
Herbert C. Phillips, Attorney for
Mount Carbon Metropolitan District

TOWN OF MORRISON, COLORADO

By: _____
Kathy Dichter, Mayor

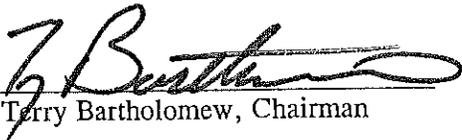
ATTEST:

Town Clerk

APPROVED AS TO FORM:

By: _____
Richard L. Miller, Town Attorney

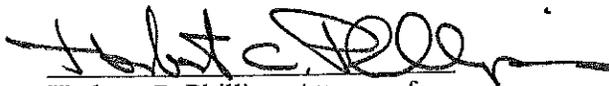
MOUNT CARBON METROPOLITAN
DISTRICT

By: 
Terry Bartholomew, Chairman

ATTEST:


Secretary

APPROVED AS TO FORM:

By: 
Herbert C. Phillips, Attorney for
Mount Carbon Metropolitan District

TOWN OF MORRISON, COLORADO

By: _____
Kathy Dichter, Mayor

ATTEST:

Town Clerk

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By: _____
Richard L. Miller, Town Attorney

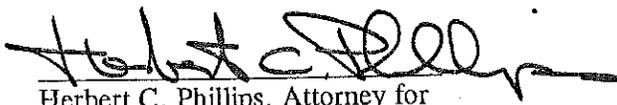
MOUNT CARBON METROPOLITAN
DISTRICT

By: 
Terry Bartholomew, Chairman

ATTEST:


Secretary

APPROVED AS TO FORM:

By: 
Herbert C. Phillips, Attorney for
Mount Carbon Metropolitan District

