

SECTION IV

STREET SYSTEM

The Sunset Metropolitan District proposes to develop an internal street system which will accommodate traffic flow efficiently and which will enhance traffic movement in areas adjacent to the District.

Design Criteria

The street system for the District (to include any off-site roadway improvements built by the District) will be designed and constructed in accordance with the "Subdivision Criteria Manual" published by the El Paso County Department of Transportation and adopted by the Board of County Commissioners of the County of El Paso, State of Colorado. There are no metropolitan or other districts empowered to provide street improvements within a three-mile radius of the proposed Sunset Metropolitan District.

Street Improvements

Table IV-1 summarizes the types and lengths of streets proposed. The street layout is shown in Exhibit A, the District land use map. Collector streets will be located along ridge lines to assure cost-effective construction and maintenance. Street improvements include asphalt paving, curbs and gutter, lighting and landscaping for erosion control.

Ingress and egress for the Village will be planned at numerous locations, as shown in Exhibit A, including two (2) access points onto the Ellicott Highway and at least four (4) access points onto Drennan Road.

Future external road improvements are anticipated. El Paso County plans call for Drennan Road to become a major four or six-lane arterial for access to the Falcon Air Force Station and surrounding development. A 210 foot right-of-way is reserved for this road. A traffic analysis for the Sunset Village Sketch Plan showed that Drennan Road will ultimately need four lanes. Another proposed improvement is a one-mile extension of Enoch Road eastward along the north section line of Section 12 to intersect with the Ellicott Highway. This link also would improve access to the Falcon Air Force Station area. These projects would all benefit the County, adjacent land owners, and other potential developments. An equitable cost sharing plan is envisioned.

The public streets and highways built by the District will be dedicated to El Paso County for maintenance.

Street Improvements Capital Costs

Estimated costs of the major street improvement elements are shown in Table IV-2. The estimated costs for new, minor on-site transportation facilities (residential, collector and minor arterial on-site roads, lighting and road landscaping) as well as for upgrading existing on-site roads to collector standards are included in the minor on-site infrastructure costs listed in Table VIII-1.

Table IV-1: Sunset Metropolitan District
Street Improvement Plan

	R.O.W. (feet)	Linear Footage (feet)	Lanes	Pavement Width (feet)	Curb & Gutter (feet)
Phase 1					
Minor Arterial (a)	120	625	4	64	4
Collector	80	8,710	2	44	4
Urban Minor Res'l	60	26,368	2	32	4
Upgrade Bar 10 Road to Collector Std. (North of Drennan)	80	2,627	2	44	4
Upgrade Drennan Rd.	210	10,586	2	44	4
Extend Enoch Rd.	80	5,314	2	44	4
Phase 2					
Collector	80	4,300	2	44	4
Urban Minor Res'l	60	25,920	2	32	4
Upgrade Bar 10 Road to Collector Std. (South of Drennan)	80	5,278	2	44	4
Upgrade Henderson Road to Collector Std. (East of Bar 10)	80	2,639	2	44	4
Phase 3					
Collector	80	5,600	2	44	4
Industrial Park Road	80	4,090	2	44	4
Urban Minor Res'l	60	18,186	2	32	4
Upgrade Henderson Lane to Collector Std. (North of Drennan)	80	2,641	2	44	4
Expand Drennan Rd.	210	10,586	4	64	4
Entire Village					
Minor Arterial (a)	120	625	4	64	4
Collector	80	18,610	2	44	4
Industrial Park Road	80	4,090	2	44	4
Urban Minor Res'l	60	70,474	2	32	4
Upgrades of existing County roads to Collector Std.	80	13,185	2	44	4
Upgrade Drennan Rd.	210	10,586	4	64	4
Extend Enoch Rd.	80	5,314	2	44	4

(a) - A 16 foot median strip is included in the road design

Table IV-2: Sunset Metropolitan District
 Estimated Costs of Major Street Improvements

Year	Description	Cost	Subtotal
1989	Upgrade Drennan Rd.	635,000	
	Subtotal		\$635,000
1990	Extend Enoch Rd.	660,000	
	Subtotal		\$660,000
1997	Expand Drennan Rd.	1,059,000	
	Subtotal		\$1,059,000
	Total Direct Construction.....		\$2,354,000

SECTION V

STORMWATER (FLOOD AND SURFACE) DRAINAGE

Urban stormwater management is an essential element in any land development project. Such management must address not only the runoff from the District but also drainage that is generated upstream from the District. Therefore, to protect the general health and welfare of the region, the Sunset Metropolitan District proposes to plan and develop the facilities necessary to manage and control the drainage as the property is developed. These facilities will be developed and subsequently maintained by the District.

In addition to the stormwater management benefits which will result from the drainage facilities to be built by the District, the inclusion of stormwater detention and retention facilities in this stormwater management plan could provide for enhanced recharge of the underlying alluvium. Such enhanced recharge of the alluvium would be of benefit not only to the District but also to the other residents of the area who depend on wells for water supply.

Design Criteria

The stormwater drainage facilities to be built by the District will be designed and constructed in accordance with the "Subdivision Criteria Manual" published by the El Paso County Department of Transportation and adopted by the Board of County Commissioners of the County of El Paso, State of Colorado. There are no metropolitan or other districts empowered to provide flood and stormwater drainage services within a three-mile radius of the proposed Sunset Metropolitan District.

No major structural erosion control measures are anticipated to be provided due to the extensive use of open-channel grassed swales. Temporary erosion control measures will be required during construction. Specific measures will depend on the Contractor's method of operation and on the time of year.

Drainage System

The proposed drainage system will consist of storm sewers, culverts, open channel grassed drainage swales, and detention or retention basins to control the storm runoff which will occur due to the proposed development. The proposed grassed drainage swales generally follow the existing swale locations. In most instances, the stormwater runoff will be diverted to the grassed drainage swales, roadway culverts, and the detention or retention basins. The stormwater runoff will also be captured at low points in the streets and released by the inlet structures.

Three small retention/recreational lakes are incorporated into the design of the golf course located in Section 12. A sedimentation basin will be provided as part of detention and retention basin designs to control sediment. Approximately 25 acres of total detention or retention area and 100 acre-feet of total storage volume will be provided to accommodate the design 100-year storm.

The stormwater drainage facilities built by the District will be owned, operated and maintained by the District.

Drainage Improvement Capital Costs

Costs incurred by the District for drainage improvements will be coincidental with roadway construction and the development phasing plan. Estimated costs for drainage improvements are based upon \$2,000 per developed acre and are included in the minor on-site infrastructure costs considered in the District infrastructure capital expenditures estimates in Table VIII-1. The costs for the construction of the retention/recreational lakes are included in Section VI, Parks and Recreation.

SECTION VI

PARKS AND RECREATION

The Sunset Metropolitan District will build, own, operate and maintain various park and recreational facilities for the benefit of the District residents.

Facilities anticipated for development under this segment of the Service Plan are as follows:

1. Open Space Parks, located at the Village Center and each of the Village Squares
2. An 18-hole Golf Course with three lakes and Appurtenances
3. Outdoor Jogging and Exercise Course

The three lakes proposed in the Golf Course all will be located within the floodplain and will serve aesthetic, recreation and stormwater retention functions. These lakes will be a major component of the 25 acres required for stormwater management. The surface area of the lakes will be four to six acres each, large enough for recreation, but small enough to prevent excessive evaporation losses.

The District proposes to provide a jogging trail system utilizing the open drainageways to link these facilities with the golf course. The drainageways and the golf course will be landscaped and irrigated with pre-treated wastewater.

There are no known duly adopted and published standards and criteria which would be applicable to the design and construction of the park and recreation facilities which are to be owned, operated and maintained by the District. There are no metropolitan or other districts empowered to provide park and recreation services within a three-mile radius of the proposed Sunset Metropolitan District.

Estimated costs for major parks and recreation facilities are shown in Table VI-1. The estimated costs for the open space parks and the outdoor jogging and exercise course are included in the minor on-site infrastructure costs considered in the District infrastructure capital expenditures estimates in Table VIII-1.

Table VI-1: Sunset Metropolitan District
 Estimated Cost of Major Park & Recreation Facilities

Year	Description	Cost	Subtotal
1986	Phase I of Golf Course	360,000	
	Golf Course Lake	188,000	
	Subtotal		\$548,000
1987	Phase II of Golf Course	360,000	
	Subtotal		\$360,000
1988	Phase III of Golf Course	360,000	
	Subtotal		\$360,000
1989	Complete Golf Course	360,000	
	Golf Course Lake	188,000	
	Subtotal		\$548,000
1991	Golf Course Lake	414,000	
	Subtotal		\$414,000
Total Direct Construction.....			\$2,230,000

SECTION VII

MOSQUITO CONTROL

The Sunset Metropolitan District will provide mosquito control services for Sunset Village. The presence of fire, recreation, and wastewater ponds will require the District to control these mosquito breeding areas. A truck fitted with spray equipment is planned for the first year.

There are no metropolitan or other districts empowered to provide mosquito control services within a three-mile radius of the proposed Sunset Metropolitan District.

Table VII-1 shows the estimated capital cost of the mosquito control equipment.

Table VII-1: Sunset Metropolitan District
 Estimated Costs of Mosquito Control Equipment

Year	Description	Cost	Subtotal
1986	Mosquito Control Truck	40,000	
	Subtotal		\$40,000
	Total Direct Costs.....		\$40,000

SECTION VIII

FINANCIAL ANALYSIS

This section presents a detailed analysis of the financial feasibility of the Sunset Metropolitan District in the form of a series of statistical tables as follows:

- VIII - 1 Infrastructure Capital Expenditure Estimates
- VIII - 2 Debt Service
- VIII - 3 Operation & Maintenance Cost Estimates
- VIII - 4 Subordinated Issues Debt Service
- VIII - 5 Assumptions used in Cash Flow Analysis
- VIII - 6 Cash Flow Analysis Sheet 1 of 4
- VIII - 7 Cash Flow Analysis Sheet 2 of 4
- VIII - 8 Cash Flow Analysis Sheet 3 of 4
- VIII - 9 Cash Flow Analysis Sheet 4 of 4

These tables set forth detailed annual estimates during the next 40 project years (1986 through 2025) with the 15 years of project development broken into 3 project phases (Phase I - 1986 through 1990, Phase II - 1991 through 1995 and Phase III - 1996 through 2000).

Primary Debt

The most important factor in the development of the above-referenced tables is that annual Infrastructure Capital Expenditures Estimates and the estimated sizing and structuring of annual issues of Primary Debt (General Obligation Bond Issues) necessary to finance the Infrastructure be reasonably staged in both bond issues and construction so that neither bond issues nor construction are excessive for the needs. Thus, 15 separate annual series of Primary Debt bond issues are sized and structured corresponding with the 15 annual Infrastructure Capital Expenditures Estimates of the 3 project phases.

Subordinated Debt

In addition to Infrastructure, the District will acquire water from Pikes Peak Water Company and, if appropriate, from other sources such as Rocky Mountain Water Works' alluvial wells near Rush, Colorado and surface rights from the Arkansas River.

It is estimated that the cost to the District of acquiring water rights from Pikes Peak Water Company will be approximately \$3,700 per acre-foot of fully consumable municipal water, to be determined by reasonable market value of such water. Cost of acquisition of additional water is not possible to determine at this time, but is believed to be comparable. Additional costs of delivery of water to the District's system are treated as

operation and maintenance costs (see Table VIII-3).

Payment by the District to Pikes Peak Water Company and others, as appropriate, for acquisition of water rights is planned to be in the form of 15 separate annual series of First Subordinated Revenue Bond Issues. These 15 annual series of First Subordinated Revenue bond issues are also sized and structured corresponding with the 15 annual Infrastructure Capital Expenditures Estimates and 15 separate annual series of Primary Debt bond issues mentioned hereinabove.

Payment by the District to Pikes Peak Water company for public lands is planned to be \$900,000 in cash or a similarly sized and structured Second Subordinated Revenue Bond Issue in the principal amount of \$1,800,000 at or about the 1990 stage of District development. The public lands value is based upon approximately 180 acres of public lands and \$5,000 per acre. The proponents believe that this \$5,000 per acre is a reasonable value to use as an estimate of the unit value of public lands to be acquired by the District.

Phasing of Debt Issues

Given that in the initial stages of construction there must be a reasonable lead of capacity over actual use to allow for some acceleration, with the planned staging of the bond issues being closely correlated with the acquisition of water and construction of facilities, excessively large off-site structures and acquisitions will not occur before they become necessary. Under this plan the "reasonable" lead of capacity over actual use occurs in the first 3 (1986 - 1988) project years and is overcome at the completion of the 3rd project year of development. Thereafter, each successive project year is feasible cumulatively with its predecessors. Thus, development may theoretically cease in any of project years 4 through 15 without negatively affecting the economic viability of the then existing District.

Bond Issue Amounts

The principal amounts of the proposed Primary Debt and First and Second Subordinated Debt Bond Issues are as follows:

Primary Debt (General Obligation Infrastructure)

1986	\$6,500,000	1994	\$1,910,000
1987	\$2,625,000	1995	\$3,755,000
1988	\$2,620,000	1996	\$1,710,000
1989	\$4,545,000	1997	\$3,470,000
1990	\$5,550,000	1998	\$1,705,000
1991	\$2,600,000	1999	\$1,700,000
1992	\$3,560,000	2000	\$1,700,000
1993	\$1,910,000		-----
		Total.....	\$45,860,000

First Subordinated Debt (Water Acquisition Revenue)

1986	\$397,260	1994	\$389,470
1987	\$405,050	1995	\$385,580
1988	\$401,160	1996	\$303,790
1989	\$401,160	1997	\$299,900
1990	\$401,160	1998	\$299,900
1991	\$389,470	1999	\$296,000
1992	\$389,470	2000	\$303,790
1993	\$389,470		-----
			Total.....\$5,452,630

Second Subordinated Debt (Land Acquisition Revenue)

1990.....	\$1,800,000

GRAND TOTAL ALL SERIES.....	\$53,112,630
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Reserves and Maximum Rates

Principal and Interest Reserves will be established for each of the 15 separate annual series of Primary Debt bond issues. These Reserves will be funded from general District revenues (as opposed to bond proceeds) during the initial five years of each of the 15 separate annual series of Primary Debt bond issues and maintained thereafter at a level equivalent to one times the total maximum annual debt service requirement for the then combined outstanding Primary Debt bond issues.

The maximum interest rate for Primary Debt to be issued by the District will be 15% and the maximum discount will be 5%.

Sources of District Income

The District will have five main sources of income:

1. Water and Sewer Tap Fees: one-time payments for connection to the water and sewer systems installed by the District, initially estimated as follows:

Single Family Homes.....	\$5,200.00	per DU
Townhomes.....	\$4,000.00	per DU
Apartments & Condo's.....	\$4,000.00	per DU
Commercial Sq. Ftg.....	\$2.37	per SF
Industrial Sq. Ftg.....	\$1.18	per SF

2. Development Charges: one-time payments by the developers to the District for the capital costs of street, drainage and park improvements and additional services and initially estimated as follows:

Single Family Homes.....	\$10,000.00	per DU
Townhomes.....	\$7,700.00	per DU
Apartments & Condo's.....	\$7,700.00	per DU
Commercial Sq. Ftg.....	\$4.55	per SF
Industrial Sq. Ftg.....	\$2.27	per SF

3. Tax Revenues: Ad valorem taxes to be levied against all properties within the District (this is a means of assuring that all property owners in the District share equitably in the costs incurred by the District which benefit all properties). The proposed District mill levy rate and estimated assessed valuations for the residential, commercial and industrial units are as follows:

Mill levy rate.....20.00 mills

Estimated assessed valuations:

Single Family Homes.....	\$6,000.00	per DU
Townhomes.....	\$5,000.00	per DU
Apartments & Condo's.....	\$4,000.00	per DU
Commercial Sq. Ftg.....	\$10.50	per SF
Industrial Sq. Ftg.....	\$ 7.00	per SF

4. User Charges: Periodic (monthly or quarterly) billings charged to residents and businesses to cover the costs of operating and maintaining water, sewer, drainage, and park and recreation functions and approximately equivalent to existing out-of-city Colorado Springs water and sewer rates. The initial estimates of per-unit annual revenues from user charges are as follows:

Single Family Homes.....	\$517.96	per DU per year
Townhomes.....	\$453.05	per DU per year
Apartments & Condo's.....	\$453.05	per DU per year
Commercial.....	\$ 0.21	per SF per year
Industrial.....	\$ 0.06	per SF per year

5. Interest Income: interest earned on the general funds balance and on the reserve account balance @ 7.50% per annum.

District Financing Plan

The financing plan is summarized in the tables following this section. Tables VIII-1 through VIII-9 present the District infrastructure capital expenditures estimates, debt service schedule, operation and maintenance cost estimates, subordinated

issues debt service schedule, and a forty-year cash flow analysis.

The District will set and adjust rates periodically to assure a sufficient source of income to service all debt requirements and to cover operation, maintenance and administrative costs. The District will invest its surplus and reserve funds. The income from these investments has been estimated in the financing plan.

All costs are estimated using constant 1985 dollars. Subsequent financial planning will analyze adjustments to reflect changes in costs and revenues due to price fluctuations as they become known.

This financial plan serves as a model for debt management in the District. The electors of the District will be requested to authorize the issuance of general obligation bonds or other general obligation debt, such as long term leases, etc.

The 15 separate series of Primary Debt bond issues are sized and structured to include provision for anticipated requirements that they be insured and/or guaranteed by letter of credit, etc., bringing the Primary Debt bond issues up to "investment grade". Such additional security has become a fairly general requirement for adequate and reasonable access to markets for similar credits.

In conjunction therewith, it is contemplated that the proponents of the District will coordinate with the District in the establishment of District policies reviewing adequately secured advance commitments for payment of Tap Fees, Development Charges and User Charges by participants in the development of the Village. Such collateralized advance commitments are planned to be required by the District prior to and in coordination with its issuance of each of the 15 separate series of Primary Debt bond issues.

In the opinion of Lankford & Company, the Financial Advisor, the General Obligation bond issues ("primary debt") are marketable if secured as described above.

Table VIII-1: Sunset Metropolitan District
Infrastructure Capital Expenditures Estimates

SMDCAP
7/23/85

	YEAR																			PROJECT TOTAL	
	Phase I					Phase II					Phase III										
	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000		2001	2002	2003		2004
SCHEDULE OF DEVELOPMENT																					
Single Family Homes	258	256	256	256	256	264	264	264	264	264	182	181	181	181	181	0	0	0	0	0	3538
Townhomes	75	75	74	74	74	84	84	84	84	84	39	39	38	38	38	0	0	0	0	0	984
Apartments & Condo's	54	54	54	54	54	36	36	36	36	36	58	58	58	57	57	0	0	0	0	0	738
Commercial	0	19	19	19	19	7	7	7	7	7	15	15	15	15	15	0	0	0	0	0	185
Industrial	0	0	0	0	0	0	0	0	0	0	117	117	117	117	117	0	0	0	0	0	585
ESTIMATED COSTS FOR MINOR ON-SITE INFRASTRUCTURE																					
Single Family Homes	\$2,453.00 Per DU																				
Townhomes	\$1,788.89 Per DU																				
Apartments & Condo's	\$1,653.00 Per DU																				
Commercial SF	\$4.81 Per SF																				
Industrial SF	\$1.49 Per SF																				
Cost Escalation	.00% Per Year																				
INFRASTRUCTURE CAPITAL COST ESTIMATES - (000'S of Dollars)																					
Major Water Facilities	660	0	0	333	0	0	990	0	0	0	0	0	0	0	0	0	0	0	0	0	1,983
Major Wastewater Facilities	1,505	0	0	0	1,457	0	0	0	0	1,186	0	0	0	0	0	0	0	0	0	0	4,868
Major Road Facilities	0	0	0	635	660	0	0	0	0	0	0	1,859	0	0	0	0	0	0	0	0	2,354
Major Recreation Facilities	548	360	360	548	0	414	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,250
Major Adm'l Svcs Facilities	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	48
Minor On-Site Facilities	1,144	1,212	1,211	1,211	1,211	1,145	1,145	1,145	1,145	1,145	1,826	1,822	1,821	1,819	1,819	0	0	0	0	0	16,822
Subtotal Direct Construction	3,897	1,572	1,571	2,727	3,328	1,559	2,135	1,145	1,145	2,251	1,826	2,881	1,821	1,819	1,819	0	0	0	0	0	27,497
Const. Contingencies (a)	390	157	157	273	333	156	214	115	115	225	183	288	182	182	182	0	0	0	0	0	2,750
Planning, Engineering & Surveying (b)	585	236	236	489	499	234	320	172	172	338	154	312	153	153	153	0	0	0	0	0	4,125
TOTAL INFRASTRUCTURE CAPITAL COSTS	4,871	1,965	1,963	3,488	4,160	1,949	2,669	1,432	1,432	2,814	1,282	2,682	1,276	1,274	1,274	0	0	0	0	0	34,371

(a) - Construction contingencies are estimated at 18% of Subtotal of Construction Costs
(b) - Planning, Engineering and Surveying services are estimated at 15% of Subtotal of Construction Costs

Table VIII-2: Sewer Metropolitan District
Debt Service

3/23/05

	YEAR																								TOTAL																			
	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	TOTAL			
BOND PRINCIPAL CALCULATION																																												
Capital Requirements	4,875	1,969	1,965	3,469	4,163	1,959	2,679	1,433	1,433	2,616	1,263	2,683	1,279	1,275	1,275																34,235													
Underwriter Discount	225	131	131	227	278	129	178	96	96	168	86	174	85	85	85																2,653													
Cost of Issuance	139	55	52	91	111	52	71	28	28	79	34	69	34	34																917														
Legal and Administrative	195	79	79	136	167	79	107	57	57	113	51	104	51	51	51																1,775													
Capitalized Interest	975	394	353	682	833	339	334	287	287	563	257	521	256	255	255																6,879													
Total Issue Amount	6,500	2,625	2,628	4,545	5,359	2,640	3,559	1,919	1,918	3,755	1,718	3,478	1,785	1,790	1,790																45,568													
DEBT SERVICE SCHEDULE																																												
1986 Issue	0	525	897	897	897	897	897	897	897	897	897	897	897	897	897	897	897	897	897	897	897	897	897	897	897	897	897	897	897	897	897	897	897	897	897	897	897	897	897	897	897	15,724		
1987 Issue	0	0	236	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	7,361	
1988 Issue	0	0	0	236	339	339	339	339	339	339	339	339	339	339	339	339	339	339	339	339	339	339	339	339	339	339	339	339	339	339	339	339	339	339	339	339	339	339	339	339	339	339	7,352	
1989 Issue	0	0	0	0	489	599	599	599	599	599	599	599	599	599	599	599	599	599	599	599	599	599	599	599	599	599	599	599	599	599	599	599	599	599	599	599	599	599	599	599	599	599	599	12,755
1990 Issue	0	0	0	0	0	580	726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	15,756	
1991 Issue	0	0	0	0	0	0	234	312	312	312	312	312	312	312	312	312	312	312	312	312	312	312	312	312	312	312	312	312	312	312	312	312	312	312	312	312	312	312	312	312	312	6,458		
1992 Issue	0	0	0	0	0	0	0	329	429	429	429	429	429	429	429	429	429	429	429	429	429	429	429	429	429	429	429	429	429	429	429	429	429	429	429	429	429	429	429	429	429	429	11,131	
1993 Issue	0	0	0	0	0	0	0	0	172	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	6,288	
1994 Issue	0	0	0	0	0	0	0	0	0	172	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	11,119		
1995 Issue	0	0	0	0	0	0	0	0	0	0	238	438	438	438	438	438	438	438	438	438	438	438	438	438	438	438	438	438	438	438	438	438	438	438	438	438	438	438	438	438	438	15,559		
1996 Issue	0	0	0	0	0	0	0	0	0	0	0	154	285	285	285	285	285	285	285	285	285	285	285	285	285	285	285	285	285	285	285	285	285	285	285	285	285	285	285	285	285	18,225		
1997 Issue	0	0	0	0	0	0	0	0	0	0	0	0	312	444	444	444	444	444	444	444	444	444	444	444	444	444	444	444	444	444	444	444	444	444	444	444	444	444	444	444	5,541			
1998 Issue	0	0	0	0	0	0	0	0	0	0	0	0	0	153	285	285	285	285	285	285	285	285	285	285	285	285	285	285	285	285	285	285	285	285	285	285	285	285	285	285	5,525			
1999 Issue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	153	284	284	284	284	284	284	284	284	284	284	284	284	284	284	284	284	284	284	284	284	284	284	284	284	284	5,525			
2000 Issue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	153	284	284	284	284	284	284	284	284	284	284	284	284	284	284	284	284	284	284	284	284	284	284	284	284	5,525			
Net Debt Service Due	0	525	1,133	1,478	1,991	2,659	3,141	3,579	3,629	4,029	4,454	4,749	5,113	5,378	5,643	5,887	6,128	6,368	6,608	6,848	7,088	7,328	7,568	7,808	8,048	8,288	8,528	8,768	9,008	9,248	9,488	9,728	9,968	10,208	10,448	10,688	10,928	11,168	11,408	11,648	11,888	12,128		
Reserve Requirement	179	219	316	436	581	764	983	1247	1565	1938	2366	2849	3387	3990	4658	5391	6190	7055	8000	9025	10140	11345	12650	14065	15590	17225	18970	20825	22790	24865	27050	29345	31750	34265	36890	39625	42470	45425	48490	51665	54950	58345		
Drawdown of Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total Debt Service Due	179	824	1,449	1,914	2,572	3,144	3,629	4,008	4,217	4,736	5,179	5,667	6,126	6,565	7,004	7,443	7,882	8,321	8,760	9,199	9,638	10,077	10,516	10,955	11,394	11,833	12,272	12,711	13,150	13,589	14,028	14,467	14,906	15,345	15,784	16,223	16,662	17,101	17,540	17,979	18,418			
ENDOW FUND BALANCE	179	428	744	1,129	1,762	2,225	2,789	3,178	3,557	3,935	4,311	4,689	5,067	5,445	5,823	6,201	6,579	6,957	7,335	7,713	8,091	8,469	8,847	9,225	9,603	9,981	10,359	10,737	11,115	11,493	11,871	12,249	12,627	13,005	13,383	13,761	14,139	14,517	14,895	15,273				

a) - Interest only period is 3 years. Debt Service schedule reflects accrual of first principal payment due during the 33rd year.

Table VIII-5: Sunset Metropolitan District
Assumptions used in Cash Flow Analysis

SMDCFD1
7/23/85

Category/Item	Value Assumed
Water & Sewer Tap Fees	
Single Family Homes	\$5,200.00 Per DU
Townhomes	\$4,000.00 Per DU
Apartments & Condo's	\$4,000.00 Per DU
Commercial Sq. Ftg.	\$2.37 Per S.F.
Industrial Sq. Ftg.	\$1.18 Per S.F.
Return on Investments	
General Fund Balance	7.50%
Reserve Fund Balance	7.50%
Annual District User Charges	
Single Family Homes	\$517.96 Per DU
Townhomes	\$453.05 Per DU
Apartments & Condo's	\$453.05 Per DU
Commercial	\$.21 Per S.F.
Industrial	\$.06 Per S.F.
District Development Charges	
Single Family Homes	\$10,000.00 Per DU
Townhomes	\$7,700.00 Per DU
Apartments & Condo's	\$7,700.00 Per DU
Commercial Sq. Ftg.	\$4.55 Per S.F.
Industrial Sq. Ftg.	\$2.27 Per S.F.
Estimated assessed valuations	
Single Family Homes	\$6,000.00 Per DU
Townhomes	\$5,000.00 Per DU
Apartments & Condo's	\$4,000.00 Per DU
Commercial Sq. Ftg.	\$10.50 Per S.F.
Industrial Sq. Ftg.	\$7.00 Per S.F.
Mill levy rate (mills)	20.00
Escalation Rate	
Assessed valuations	.00% NOT ADJUSTED
Revenues & Expenses	.00% As designated with a (1)

Table VIII-6: Sunset Metropolitan District -- Cash Flow Analysis Sheet 1 of 4

SMDCFD1
7/23/85

	Years										Page Total	Cum. Total
	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995		
DEVELOPMENT SCHEDULE & ASSESSED VALUATION												
Single Family Homes	268	266	266	266	266	264	264	264	264	264	2652	2652
Townhomes	75	75	74	74	74	84	84	84	84	84	792	792
Apartments & Condo's	54	54	54	54	54	36	36	36	36	36	450	450
Commercial SF (000's)	0	19	19	19	19	7	7	7	7	7	112	112
Industrial SF (000's)	0	0	0	0	0	0	0	0	0	0	0	0
Cum. Assessed Value \$000	0	0	2,199	4,583	6,962	9,341	11,720	13,945	16,171	18,397		
RECURRING REVENUES - (000\$)												
User Charges (1)	0	197	398	597	797	997	1,190	1,382	1,575	1,768	8,900	8,900
Mill Levy Proceeds	0	0	44	92	139	187	234	279	323	368	1,666	1,666
Total Recurring Revenues	0	197	441	689	936	1,184	1,424	1,661	1,898	2,136	10,567	10,567
RECURRING EXPENDITURES - (000\$)												
District O&M (1)	0	169	340	511	681	852	1,017	1,181	1,346	1,511	7,607	7,607
Total Recurring Exp.	0	169	340	511	681	852	1,017	1,181	1,346	1,511	7,607	7,607
NET RECURRING REVENUES - (000\$)												
Net Recurring Revenues	0	29	102	178	255	332	407	480	552	625	2,960	2,960
DEBT SERVICE REQUIREMENTS - (000\$)												
Total of Reserve and P&I	179	834	1,449	1,914	2,572	3,144	3,624	4,000	4,217	4,396	26,329	26,329
NET REMAINING - (000\$)	-179	-805	-1,347	-1,736	-2,317	-2,813	-3,216	-3,520	-3,664	-3,772	-23,370	-23,370
NON-RECURRING REVENUES - (000\$)												
Development Charges (1)	3,673	3,739	3,731	3,731	3,731	3,598	3,598	3,598	3,598	3,598	36,593	36,593
Water/Sewer Tap Fees (1)	1,910	1,944	1,940	1,940	1,940	1,870	1,870	1,870	1,870	1,870	19,023	19,023
Total	5,583	5,682	5,670	5,670	5,670	5,468	5,468	5,468	5,468	5,468	55,616	55,616
NET REMAINING - (000\$)	5,404	4,877	4,323	3,934	3,353	2,655	2,252	1,948	1,804	1,696	32,246	32,246
SUBORDINATE OBLIGATIONS - (000\$)												
Total Due	41	82	123	164	1,105	245	285	325	364	404	3,138	3,138
NET AVAILABLE FOR GENERAL FUND - (000\$)												
Net Available	5,363	4,795	4,200	3,770	2,248	2,411	1,967	1,623	1,439	1,293	29,109	29,109
FUND BALANCES - (000\$)												
Ending Reserve Fund	179	428	744	1,180	1,762	2,226	2,709	3,170	3,557	3,895		
Beginning General Fund	0	5,779	11,399	16,825	22,228	26,444	31,186	35,842	40,513	45,366		
Net Available	5,363	4,795	4,200	3,770	2,248	2,411	1,967	1,623	1,439	1,293		
Interest on General Fund	402	793	1,170	1,545	1,836	2,164	2,486	2,810	3,146	3,499		
Interest on Reserve Fund	13	32	56	89	132	167	203	238	267	292		
Ending General Fund	5,779	11,399	16,825	22,228	26,444	31,186	35,842	40,513	45,366	50,450		

	Years										Page Total	Cum. Total
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005		
DEVELOPMENT SCHEDULE & ASSESSED VALUATION												
Single Family Homes	182	181	181	181	181	0	0	0	0	0	906	3558
Townhomes	39	39	38	38	38	0	0	0	0	0	192	984
Apartments & Condo's	58	58	58	57	57	0	0	0	0	0	288	738
Commercial SF (000's)	15	15	15	15	15	0	0	0	0	0	74	186
Industrial SF (000's)	117	117	117	117	117	0	0	0	0	0	585	585
Cum. Assessed Value \$000	20,622	22,848	25,341	27,829	30,311	32,790	35,268	35,268	35,268	35,268		
RECURRING REVENUES - (000's)												
User Charges (1)	1,960	2,109	2,257	2,405	2,552	2,700	2,700	2,700	2,700	2,700	24,783	33,683
Mill Levy Proceeds	412	457	507	557	606	656	705	705	705	705	6,016	7,683
Total Recurring Revenues	2,373	2,566	2,764	2,962	3,159	3,356	3,405	3,405	3,405	3,405	30,799	41,366
RECURRING EXPENDITURES - (000's)												
District O&M (1)	1,676	1,803	1,929	2,056	2,182	2,307	2,307	2,307	2,307	2,307	21,182	28,789
Total Recurring Exp.	1,676	1,803	1,929	2,056	2,182	2,307	2,307	2,307	2,307	2,307	21,182	28,789
NET RECURRING REVENUES - (000's)												
Net Recurring Revenues	697	763	835	906	977	1,048	1,098	1,098	1,098	1,098	9,617	12,577
DEBT SERVICE REQUIREMENTS - (000's)												
Total of Reserve and P&I	4,770	5,067	5,426	5,706	5,855	6,018	5,980	5,939	5,898	5,858	56,517	82,846
NET REMAINING - (000's)	-4,073	-4,303	-4,591	-4,800	-4,878	-4,970	-4,882	-4,842	-4,801	-4,760	-46,900	-70,270
NON-RECURRING REVENUES - (000's)												
Development Charges (1)	2,900	2,890	2,882	2,874	2,874	0	0	0	0	0	14,421	51,814
Water/Sewer Tap Fees (1)	1,588	1,582	1,498	1,494	1,494	0	0	0	0	0	7,497	26,520
Total	4,487	4,392	4,380	4,369	4,369	0	0	0	0	0	21,917	77,534
NET REMAINING - (000's)	334	89	-210	-431	-509	-4,970	-4,882	-4,842	-4,801	-4,760	-24,982	7,264
SUBORDINATE OBLIGATIONS - (000's)												
Total Due	435	466	496	527	558	558	558	558	558	558	5,269	8,406
NET AVAILABLE FOR GENERAL FUND - (000's)												
Net Available	-181	-377	-707	-958	-1,067	-5,527	-5,440	-5,399	-5,358	-5,318	-30,251	-1,142
FUND BALANCES - (000's)												
Ending Reserve Fund	4,211	4,529	4,841	5,149	5,401	5,613	5,735	5,817	5,858	5,858		
Beginning General Fund	50,450	54,441	58,459	62,447	66,487	70,732	70,515	70,386	70,297	70,248		
Net Available	-181	-377	-707	-958	-1,067	-5,527	-5,440	-5,399	-5,358	-5,318		
Interest on General Fund	3,776	4,055	4,331	4,612	4,906	4,890	4,881	4,874	4,870	4,870		
Interest on Reserve Fund	316	340	363	386	405	421	430	436	439	439		
Ending General Fund	54,441	58,459	62,447	66,487	70,732	70,515	70,386	70,297	70,248	70,248		

	Years										Page Total	Cum. Total
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		
DEVELOPMENT SCHEDULE & ASSESSED VALUATION												
Single Family Homes	0	0	0	0	0	0	0	0	0	0	0	3558
Townhomes	0	0	0	0	0	0	0	0	0	0	0	984
Apartments & Condo's	0	0	0	0	0	0	0	0	0	0	0	738
Commercial SF (000's)	0	0	0	0	0	0	0	0	0	0	0	186
Industrial SF (000's)	0	0	0	0	0	0	0	0	0	0	0	585
Cum. Assessed Value \$000	35,268	35,268	35,268	35,268	35,268	35,268	35,268	35,268	35,268	35,268	35,268	
RECURRING REVENUES - (000\$)												
User Charges (1)	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	26,997	60,681
Mill Levy Proceeds	705	705	705	705	705	705	705	705	705	705	7,054	14,736
Total Recurring Revenues	3,405	3,405	3,405	3,405	3,405	3,405	3,405	3,405	3,405	3,405	34,051	75,417
RECURRING EXPENDITURES - (000\$)												
District O&M (1)	2,307	2,307	2,307	2,307	2,307	2,307	2,307	2,307	2,307	2,307	23,075	51,864
Total Recurring Exp.	2,307	2,307	2,307	2,307	2,307	2,307	2,307	2,307	2,307	2,307	23,075	51,864
NET RECURRING REVENUES - (000\$)												
Net Recurring Revenues	1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,098	10,976	23,553
DEBT SERVICE REQUIREMENTS - (000\$)												
Total of Reserve and P&I	5,858	5,858	5,858	5,551	5,551	4,110	3,881	3,881	2,972	2,972	46,491	129,337
NET REMAINING - (000\$)	-4,760	-4,760	-4,760	-4,453	-4,453	-3,012	-2,783	-2,783	-1,874	-1,874	-35,514	-105,784
NON-RECURRING REVENUES - (000\$)												
Development Charges (1)	0	0	0	0	0	0	0	0	0	0	0	51,014
Water/Sewer Tap Fees (1)	0	0	0	0	0	0	0	0	0	0	0	26,520
Total	0	0	0	0	0	0	0	0	0	0	0	77,534
NET REMAINING - (000\$)	-4,760	-4,760	-4,760	-4,453	-4,453	-3,012	-2,783	-2,783	-1,874	-1,874	-35,514	-28,250
SUBORDINATE OBLIGATIONS - (000\$)												
Total Due	558	558	558	558	558	558	558	558	558	558	5,576	13,982
NET AVAILABLE FOR GENERAL FUND - (000\$)												
Net Available	-5,318	-5,318	-5,318	-5,011	-5,011	-3,570	-3,341	-3,341	-2,432	-2,432	-41,090	-42,232
FUND BALANCES - (000\$)												
Ending Reserve Fund	5,858	5,858	5,858	5,551	5,551	4,110	3,881	3,881	2,972	2,972		
Beginning General Fund	70,240	70,231	70,221	70,211	70,506	70,824	72,606	74,751	77,057	80,445		
Net Available	-5,318	-5,318	-5,318	-5,011	-5,011	-3,570	-3,341	-3,341	-2,432	-2,432		
Interest on General Fund	4,869	4,869	4,868	4,890	4,912	5,044	5,195	5,356	5,597	5,851		
Interest on Reserve Fund	439	439	439	416	416	308	291	291	223	223		
Ending General Fund	70,231	70,221	70,211	70,506	70,824	72,606	74,751	77,057	80,445	84,087		

	Years										Page Total	Cum. Total	
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025			
DEVELOPMENT SCHEDULE & ASSESSED VALUATION													
Single Family Homes	0	0	0	0	0	0	0	0	0	0	0	0	3558
Townhomes	0	0	0	0	0	0	0	0	0	0	0	0	984
Apartments & Condo's	0	0	0	0	0	0	0	0	0	0	0	0	738
Commercial SF (000's)	0	0	0	0	0	0	0	0	0	0	0	0	186
Industrial SF (000's)	0	0	0	0	0	0	0	0	0	0	0	0	585
Cum. Assessed Value \$000	35,268	35,268	35,268	35,268	35,268	35,268	35,268	35,268	35,268	35,268	35,268		
RECURRING REVENUES - (000\$)													
User Charges (1)	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	25,997	87,678
Mill Levy Proceeds	705	705	705	705	705	705	705	705	705	705	705	7,054	21,790
Total Recurring Revenues	3,405	3,405	3,405	3,405	3,405	3,405	3,405	3,405	3,405	3,405	3,405	34,051	109,468
RECURRING EXPENDITURES - (000\$)													
District O&M (1)	2,307	2,307	2,307	2,307	2,307	2,307	2,307	2,307	2,307	2,307	2,307	23,075	74,939
Total Recurring Exp.	2,307	2,307	2,307	2,307	2,307	2,307	2,307	2,307	2,307	2,307	2,307	23,075	74,939
NET RECURRING REVENUES - (000\$)													
Net Recurring Revenues	1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,098	10,976	34,529
DEBT SERVICE REQUIREMENTS - (000\$)													
Total P&I and Reserve	2,318	2,108	1,904	0	0	0	0	0	0	0	0	6,330	135,667
NET REMAINING - (000\$)	-1,220	-1,010	-806	1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,098	4,647	-101,137
NON-RECURRING REVENUES - (000\$)													
Development Charges (1)	0	0	0	0	0	0	0	0	0	0	0	0	51,014
Water/Sewer Tap Fees (1)	0	0	0	0	0	0	0	0	0	0	0	0	26,520
Total	0	0	0	0	0	0	0	0	0	0	0	0	77,534
NET REMAINING - (000\$)	-1,220	-1,010	-806	1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,098	4,647	-23,603
SUBORDINATE OBLIGATIONS - (000\$)													
Total Due	558	558	558	558	558	558	558	558	558	558	558	5,576	19,558
NET AVAILABLE FOR GENERAL FUND - (000\$)													
Net Available	-1,778	-1,568	-1,364	540	540	540	540	540	540	540	540	-929	-43,161
FUND BALANCES - (000\$)													
Ending Reserve Fund	2,318	2,108	1,904	0	0	0	0	0	0	0	0		
Beginning General Fund	84,087	88,656	93,778	99,488	107,530	116,176	125,469	135,468	146,200	157,746			
Net Available	-1,778	-1,568	-1,364	540	540	540	540	540	540	540			
Interest on General Fund	6,173	6,532	6,931	7,502	8,105	8,754	9,451	10,200	11,006	11,871			
Interest on Reserve Fund	174	158	143	0	0	0	0	0	0	0			
Ending General Fund	88,656	93,778	99,488	107,530	116,176	125,469	135,468	146,200	157,746	170,157			

SECTION IX

CONCLUSION

This Service Plan for the proposed Sunset Metropolitan District is submitted in accordance with the Special District Act, Colorado Revised Statutes, Title 32, Article 1, as amended, and particularly part two of said Article, and complies with said statutes in that the plan contains and includes:

1. A description of the proposed services to be provided by the Sunset Metropolitan District;
2. A financial plan showing how these proposed services will be financed;
3. A preliminary engineering survey showing how these services will be provided;
4. A map of the boundaries of the proposed Sunset Metropolitan District, along with an estimate of the population and valuation for assessment of the proposed District;
5. A general description of the facilities to be constructed, and the standards of such construction, including a statement of how the facility and Service Standards of the proposed District are compatible with facility and service standards of the county within which the proposed Sunset Metropolitan District is located and the municipalities and special districts which are "interested parties" pursuant to the statute;
6. A general description of the estimated cost of acquiring land, engineering services, legal services, administrative services, initial proposed indebtedness and estimated proposed maximum interest rates and discounts, and other major expenses related to the organization and initial operation of the Sunset Metropolitan District; and
7. A description of any arrangement or proposed agreement with any other political subdivision for the performance of any services between the proposed Sunset Metropolitan District and such other political subdivision, and the form of such contracts, if available.

The Service Plan includes sufficient evidence of each of the following:

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

2. The existing service in the area to be served by the Sunset Metropolitan District is inadequate for present and projected needs.
3. The Sunset Metropolitan District is capable of providing economical and sufficient service to the area within its proposed boundaries.
4. The area to be included in the Sunset Metropolitan District has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

The Service Plan also contains sufficient evidence of the following:

1. Adequate service is not, and will not be, available to the area through the County, or other existing municipal or quasi-municipal corporations, including other special districts, within a reasonable time and on a comparable basis.
2. The facility and service standards of the proposed Sunset Metropolitan District are compatible with the facility and service standards of the County and each municipality which is an "interested party" under the statute.
3. This Service Plan is in Substantial compliance with the Sketch Plan for Sunset Village as submitted to El Paso County on or about June 20, 1985, for approval, which Sketch Plan, when adopted, will appropriately amend the County Master Plan adopted pursuant to Section 30-28-106, C.R.S.
4. This proposal is in compliance with any duly adopted County, regional or State long-range water quality management plan for the area.
5. The creation of the Sunset Metropolitan District will be in the best interests of the area proposed to be served.

APPENDIX A

LEGAL DESCRIPTION OF DISTRICT BOUNDARIES

BOUNDARY SURVEY

PART OF SECTIONS 11, 12, AND 13,
T 15 S, R 63 W OF THE 6TH P.M., 1,062.62 AC.
EL PASO COUNTY, COLORADO

EASEMENTS AND/OR RIGHTS-OF-WAY

- 1) Electric - to Mountain View Electric Associates, 20' width Book 2421, Page 843 - No specific location defined. Affects SW and SW 1/4 of Section 12.
- 2) Ditches or canals, U.S. Patent, Recorded in Book 526, Page 245, Page 445, Page 533, Page 535, Page 448, and Book 148, Page 285, and in Book 526, Reception No. 235829 and Book 375, Reception No. 276505 (none in evidence in the field).
- 3) Telephone (electric?) - to Mountain View Electric Associates, Book 2725, Page 22b, specific location is not defined. Affects SW of Section 11.
- 4) Electric (telephone?) - to El Paso County Mutual Telephone Company - Book 2404, Page 877, specific location is not defined. May affect Sections 11, 12, and 13.
- 5) Water Well, Permit No. 6821-P, Book 2992, Page 347
Water Well, Permit No. 01416-P, Book 2992, Page 352
Water Well, Permit No. 11198-P, Book 2992, Page 357
Water Well, Permit No. 14145-P, Book 2992, Page 363

NOTES AND LEGEND:

Bearings are based on the West line of Section 11, monuments being found. Maximum positional tolerance of corners is 1/3000.

All section lines have 60' easements for road rights-of-way (30' each side of said line) reserved for road purposes.

When corners fall in an existing roadway, they are set 6" below the road surface.

- ◆ Section Corners Found, 30" Aluminum Monument
- ◆ Section Corners Set, 30" Aluminum Monument P.L.S. No. 19420
- ◆ Found Steel Pin and Cap
- ◆ Set Steel Pin and Cap No. 19420

LEGAL DESCRIPTION:

The E 1/2 of Section 11 except the SW 1/4, SW 1/4, and the W 1/4, SW 1/4 thereof, Section 12 except the NW 1/4 thereof, and the W 1/2 of Section 13 all in Township 15 South, Range 63 West of the 6th P.M., El Paso County, Colorado.

CERTIFICATION:

I, David A. Richards, certify that on March 4, 1985 a boundary survey of the above described property was completed under my supervision and that the property corners were found or set as shown herein. This map delineates this survey and property corners and is accurate to the best of my knowledge and belief.

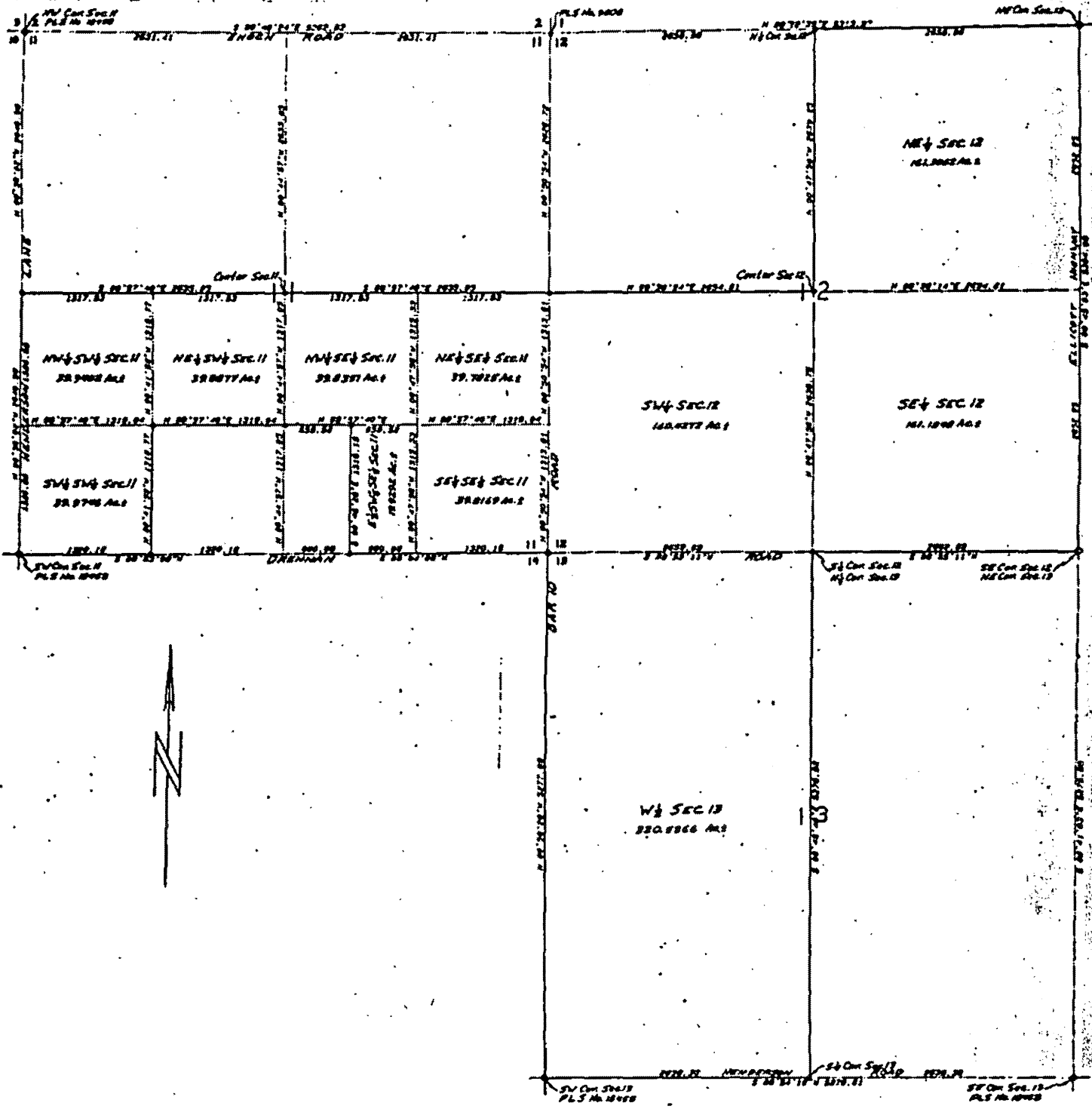
David A. Richards
David A. Richards, P.L.S. No. 19420 Date *March 4, 1985*

NOTICE:

According to Colorado law you must commence any legal action based upon any defect in this survey within six years after you first discover such defect. In no event, any action based upon any defect in this survey be commenced more than two years from the date of certification shown herein.



R E S	PREPARED MARCH 4 1985 BY: OAR
	RICHARDS ENGINEERING AND LAND SURVEYING, INC.
	1885 N. UINTAH STREET
	COLORADO SPRINGS COLORADO
	833-3785 80904
JOB NO. 285-16	SHEET 1 OF 1
SCALE: 1" = 300'	MAR 8 1



APPENDIX B

COLORADO GROUND WATER COMMISSION

FINDINGS OF FACT

7-A-11-A
OK

BEFORE THE GROUND WATER COMMISSION

STATE OF COLORADO

IN THE MATTER OF OBJECTIONS TO THE)
PROPOSED CHANGE OF USE AND PLACE OF)
USE OF GROUND WATER BY RODNEY J.)
PREISSER IN THE UPPER BLACK SQUIRREL)
CREEK DESIGNATED GROUND WATER BASIN)

FINDINGS OF FACT, CONCLUSIONS
AND RECOMMENDATIONS OF THE
HEARING OFFICER

HEARING: July 24 and 25, 1975
In the County Commissioner's Auditorium in the El Paso County
Office Building, Colorado Springs, Colorado, before
Bruce E. DeBrino, Deputy State Engineer for Ground Water,
Hearing Officer for the Ground Water Commission.

APPEARANCES: Mr. Dwayne R. Schroeder, Water Resources Engineer, Ground Water
Commission Staff
Mr. Rodney J. Preisser, Applicant
Mr. Thomas K. Rempic for the applicant
Mr. Harlan W. Erker, Consulting Engineer, for the applicant
Mr. Joseph M. Farmer, Objector
Mr. Alexander Francis Kane, Objector
Mr. John W. Patterson, Consulting Engineer, for the objector
Mr. Elvin Henderson, Objector, property owner
Mr. Francis A. Guthrie, Objector, property owner

COUNSEL: Mr. Loren Swick, Assistant State Solicitor General, for the Ground
Water Commission
Mr. Charles M. Elliot, Special Assistant Attorney General, for the
Commission
Mr. Raphael Moses and Mr. David L. Harrison, for the applicant
Mr. John M. Dickson, for Sweetwater Development Company, Objector
Mr. Charles J. Haase, for the Property Owner Objectors
Mr. Eugene F. Hart, Jr. and Mr. Norman A. Palermo for El Paso County

FINDINGS OF FACT AND CONCLUSIONS

1. The hearing was called pursuant to 37-90-107 (4), Colorado Revised
Statutes, 1973, and conducted pursuant to the provisions of 37-90-113, Colorado
Revised Statutes, 1973.

2. The Upper Black Squirrel Creek Designated Ground Water Basin was
designated as such by order of the Colorado Ground Water Commission dated May 1,
1968.

3. On September 15, 1974, Rodney J. Preisser through his attorneys,
Moses, Wittemyer, and Harrison, submitted to the Ground Water Commission an
application requesting a change of use and a change in place of use of ground
water from four (4) wells located in the Upper Black Squirrel Creek Designated
Ground Water Basin as follows:

Permit No. 6821-F in the NW₁, NW₁ of Section 13,

Township 15 South, Range 63 West,

Permit No. 14193-F in the NW_{1/4}, NW_{1/4} of Section 13,

Township 15 South, Range 63 West,

Permit No. 14195-F in the NW_{1/4}, NE_{1/4} of Section 12,

Township 15 South, Range 63 West,

Permit No. 14146-F in the NW_{1/4}, SW_{1/4} of Section 12,

Township 15 South, Range 63 West.

The request was to change the use from irrigation to irrigation and municipal for each of the above described wells. The applicant proposed to export 1576 acre-feet per year of ground water for municipal use outside of the Upper Black Squirrel Creek Designated Ground Water Basin.

4. The request for the change of use and place of use was published in newspapers of general circulation in the county concerned in the October 24 and 31, 1974, editions, noting that the protest period ended December 2, 1974. Timely protests were received by the Commission from the Board of County Commissioners of El Paso County; Sweetwater Development Company, a Colorado Corporation; Mr. A. L. Adams; Mr. and Mrs. F. L. Ehrig; Hammer Ranches, Incorporated; Joseph J. Kon drup; Claude Akers; Bob Cordova; Merrill Fossinger, Francis A. Guthrie; Dale R. Henderson; Elvin and Elsie Henderson; Mrs. Leona J. Jindra, Mountain View Grange No. 411; and Mrs. Pearl T. Smith.

5. Counsel for Sweetwater Development Company had presented to the Commission on November 4, 1974, a Motion to Dismiss the applicant's request on the ground that the Commission has no jurisdiction or statutory authority to entertain the application or to grant the request. Authorities in support of this motion were also submitted. Counsel for the applicant Freisser submitted a Memorandum of Authorities in Response to Objector's Motion to Dismiss. The motion authorities and response were considered by the Hearing Officer and the motion was overruled.

The Ground Water Commission was charged by the legislative declaration in 37-90-102, Colorado Revised Statutes, 1973 to achieve the full economic development of designated ground water resources while maintaining reasonable pumping levels and protecting prior appropriations of this water.

Section 37-90-111, Colorado Revised Statutes, 1973, gives the Ground Water Commission the authority to supervise and control the exercise and administration of all rights acquired to the use of designated ground water.

This responsibility has been recognized by the Commission in the Upper Black Squirrel Creek Designated Ground Water Basin by its declaration that the Basin is fully appropriated and by disallowing any requests for new appropriations. To the extent possible, existing ground water conditions, historic uses, and return flows should be maintained. Sufficient powers and safeguards are given to the Commission by Section 37-90-111, Colorado Revised Statutes, 1973, to allow maintenance of reasonable pumping levels and to provide proper protection for prior appropriators of this ground waters.

Changes of place of use are clearly allowed as Section 37-90-107 (1), Colorado Revised Statutes, 1973, states in part:

" . . . The place of use shall not be changed without first obtaining authorization from the ground water commission."

The statutes do not specifically state that the Commission may grant a change of type of use of this ground water, but it has been its policy to allow changes of use so long as there were: 1) no increase in appropriation; 2) no injury to prior rights; or 3) as long as the rate of depletion of the resources in a given basin was not materially affected.

The Water Right Determination and Administration Act of 1969 excluded designated ground water from the act. Section 37-92-103 (11), Colorado Revised Statutes states in part:

" . . . Such "underground water" is considered different from "designated ground water" as defined in section 37-90-103 (6)."

Further in Section 37-92-103 (16), Colorado Revised Statutes, 1973:

" . . . waters of the state means all surface and underground water in or tributary to all natural streams within the State of Colorado, except waters referred to in Section 37-90-103 (6)."
(emphasis added)

Therefore, it would not seem logical or appropriate to apply provisions of this 1969 Act to the Ground Water Management Act of 1965 simply because it does not specify certain things such as changes of use of ground water. The situations are entirely different. Tributary ground waters are seasonably recharged and can recover to previous levels while designated ground waters, in most cases, are being "mined." Historic ground water levels are not being maintained. In the course of managing and administering this designated ground water, the Commission must have the authority to allow changes of use of the resource in order to permit the full economic development and use

of it. Conditions change, priorities of use change, and for maximum economic development to be realized, the Commission must have complete flexibility of management to achieve this goal.

6. The bulk of the testimony presented by the applicant, Preisser, and his expert witness and by the principal objector, Sweetwater Development Company, and its expert witness, was aimed at establishing the historic consumptive use of the ground water appropriations of the four subject wells. Counsel for Sweetwater objected to the testimony of the applicant's expert witness, Mr. Harlan Erker, because it was based, in part, on conversations that were held with a Mr. Brewer who was not present for cross-examination. However, Sweetwater's expert witness, Mr. John Patterson, was a party to these conversations and the substance of the conversations was confirmed by him. The hearing officer overruled the objection and accepted Mr. Erker's testimony for its probative value.

7. The testimony of both expert witnesses (Erker and Patterson) established that Brewer, the previous owner of the four Preisser wells, had historically irrigated 622 acres, raising principally corn (260 acres), alfalfa (102 acres), and pasture hay (260 acres). The witnesses differed on the consumptive uses of the various crops grown on this acreage. Preisser's witness contended that total average historic consumptive use for these wells has been 923 acre-feet per year, while Sweetwater's witness determined that 773 acre-feet per year were used. These values are approximately equal to 60% of 2.5 acre-feet per acre and 2.1 acre-feet per acre respectively, times the 622 acres irrigated. In a companion case to this matter, it was determined that the consumptive use of the normal cropping and irrigation practices in this area was 60% of a quantity of water equal to 2.5 acre-feet per acre times the number of acres irrigated.

Sweetwater witnesses introduced testimony that, in their opinion, Mr. Brewer, the previous owner of these wells, was a below normal or not an average irrigator. In light of this testimony and that of the above expert witnesses, it is believed that the historic consumptive use of the Preisser wells has been 840 acre-feet per year. This amount of water is approximately equal to 60% of the quantity of water, in acre-feet, found by multiplying the number of acres irrigated by 2.25 acre-feet per acre.

8. Several of the landowner objectors expressed concern for the decline of the water tables in the Basin and for the potential effect that the Preiscer wells exportation plan would have on their domestic and stock wells. Domestic and stock wells and other small capacity (less than 50 gallons per minute yields) are considered, by the Commission, to be excluded or exempt from the provisions of the Ground Water Act. As stated in Section 37-90-105, well permits for these type uses will be granted by the State Engineer without regard to any other provisions of the article. These wells have not been included on priority lists and have not been considered in evaluations of applications for irrigation or other types of large yield wells. The Commission believes that there will be sufficient water available for domestic and stock wells long after the large capacity wells can no longer be economically operated. Sufficient safeguards are provided for these wells, if they are properly constructed and completely penetrate the aquifer.

9. Several motions and objections to evidence introduced were taken under advisement by the Hearing Officer during the hearing. These objections were duly noted and the facts involved were considered for what they were worth and in light of the objection made to them.

RECOMMENDATIONS

1. Grant the requested change of use for permit Nos. 6821-F, 11198-F, 14145-F, and 14146-F from irrigation to irrigation and municipal.

2. Grant the requested change of use of ground water by exportation in an amount not to exceed 840 acre-feet per year, this amount being 60% of the quantity equal to the number of acres historically irrigated by these wells times 2.25 acre-feet per acre. The annual withdrawal of each well should be determined according to the formula

$$W = (0.4) L + (0.6) A$$

where

W = allowable annual withdrawal of a well measured in acre-feet

L = annual volume from a well used for domestic/municipal uses
in the Basin measured in acre-feet,

and A = 2.25 acre-feet per acre irrigated times the number of acres
irrigated measured in acre-feet.

3. Condition the well permits so that:

- 1) in the above equation, the quantity (J) shall not exceed the quantity (A);
- 2) if waters are exported, irrigation shall not be allowed by the wells involved and the historic number of acres irrigated by the wells shall be taken out of crop production; and
- 3) if water is exported, the wells shall be metered and annual reports of total water withdrawal and the quantity (L) shall be supplied to the Commission no later than February 28 of the following year.

Bruce E. DeBelus

Bruce E. DeBelus
January 20, 1977

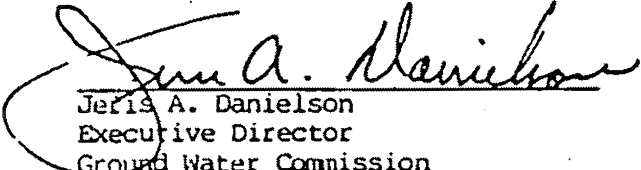
GROUND WATER COMMISSION
STATE OF COLORADO

FINAL PERMIT NO. 6821-FP

UPPER BLACK SQUIRREL CREEK DESIGNATED GROUND WATER BASIN

1. Priority Number: 153
2. Priority Date: April 2, 1965
3. Use: Irrigation and Municipal
4. Name of Claimant: Pikes Peak Water Company
5. Location of well: NW 1/4 of the NW 1/4 of Section 13,
Township 15 South, Range 63 West of the 6th Principal Meridian
6. Maximum annual volume of the appropriation: 640 acre-feet
subject to the condition below:
7. Maximum pumping rate: 1650 gallons per minute
8. Maximum number of acres which may be irrigated: 238 subject to the
condition below.
9. Description of the acres irrigated: NW 1/4 of Section 13 and the SE
1/4 of Section 11, Township 15 South, Range 63 West.
10. Aquifer: alluvium
11. Conditions: Accepted for municipal use pursuant to 'Findings of
Fact, Conclusions, and Recommendations of the Hearing Officer' in
the July 24-25, 1975 hearing 'In the matter of the proposed change
of use and place of use of groundwater by Rodney J. Preisser in the
Upper Black Squirrel Creek Designated Ground Water Basin' as
accepted by the Ground Water Commission on January 21, 1977.

Sept 19, 1984
Date


Jeris A. Danielson
Executive Director
Ground Water Commission

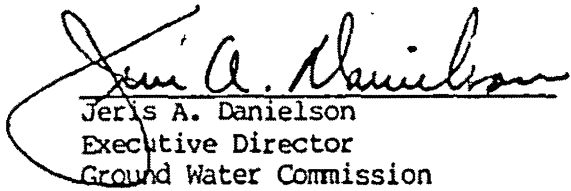
GROUND WATER COMMISSION
STATE OF COLORADO

FINAL PERMIT NO. 11198-FP

UPPER BLACK SQUIRREL CREEK DESIGNATED GROUND WATER BASIN

1. Priority Number: 175
2. Priority Date: August 29, 1966
3. Use: Irrigation and municipal
4. Name of Claimant: Pikes Peak Water Company
5. Location of well: NE 1/4 of the NW 1/4 of Section 13, Township 15 South, Range 63 West of the 6th Principal Meridian
6. Maximum annual volume of the appropriation: 450 acre-feet
7. Maximum pumping rate: 1,325 gallons per minute
8. Maximum number of acres which may be irrigated: 150 acres subject to the condition below.
9. Description of acres irrigated: SW 1/4 of Section 13, Township 15 South, Range 63 West
10. Aquifer: Alluvium
11. Condition: Accepted for municipal use pursuant to 'Findings of Fact, Conclusions, and Recommendations of the Hearing Officer' in the July 24-25, 1975 Hearing 'in the matter of the proposed change of use and place of use of ground water by Rodney J. Preisser in the Upper Black Squirrel Creek Designated Ground Water Basin' as accepted by the Ground Water Commission on January 21, 1977.

Sept 19, 1984
Date


Jeris A. Danielson
Executive Director
Ground Water Commission

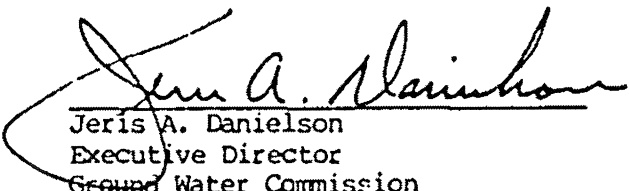
GROUND WATER COMMISSION
STATE OF COLORADO

FINAL PERMIT NO. 14145-FP

UPPER BLACK SQUIRREL CREEK DESIGNATED GROUND WATER BASIN

1. Priority Number: 186
2. Priority Date: March 7, 1959
3. Use: Irrigation and Municipal
4. Name of Claimant: Pikes Peak Water Co.
5. Location of well: NW 1/4 of the NE 1/4 of Section 12, Township 15 South, Range 63 West of the 6th Principal Meridian
6. Maximum annual volume of the appropriation: 345 acre-feet
7. Maximum pumping rate: 1,000 gallons per minute
8. Maximum number of acres which may be irrigated: 138 acres subject to the condition below.
9. Description of acres irrigated: NE 1/4 of Section 12, Township 15 South, Range 63 West
10. Aquifer: Alluvium
11. Condition: Accepted for municipal use pursuant to 'Findings of Fact, Conclusions, and Recommendations of the Hearing Officer' in the July 24-25, 1975 Hearing 'in the matter of the proposed change of use and place of use of ground water by Rodney J. Preisser in the Upper Black Squirrel Creek Designated Ground Water Basin' as accepted by the Ground Water Commission on January 21, 1977.

Sept 19, 1984
Date


Jeris A. Danielson
Executive Director
Ground Water Commission

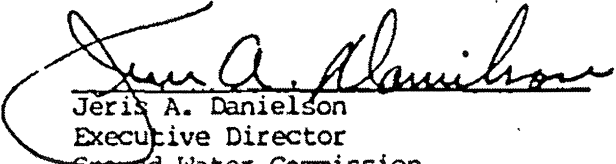
GROUND WATER COMMISSION
STATE OF COLORADO

FINAL PERMIT NO. 14146-FP

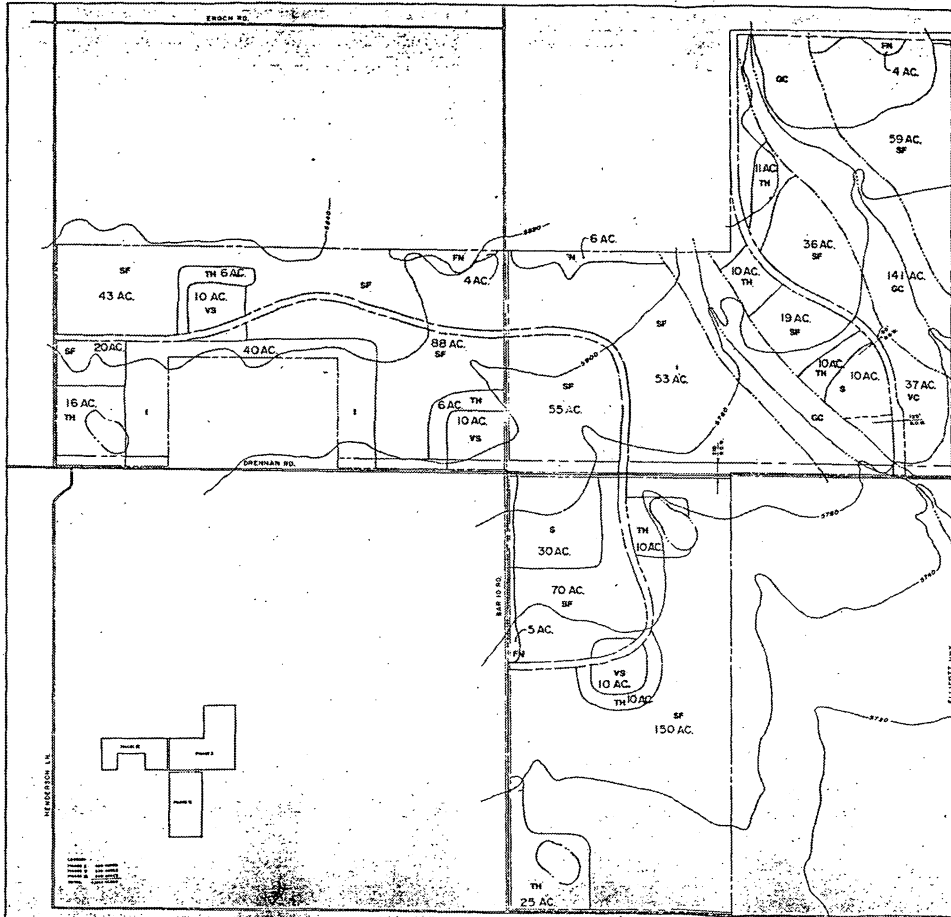
UPPER BLACK SQUIRREL CREEK DESIGNATED GROUND WATER BASIN

1. Priority Number: 185
2. Priority Date: March 3, 1969
3. Use: Irrigation and municipal
4. Name of Claimant: Pikes Peak Water Co.
5. Location of well: NW 1/4 of the SW 1/4 of Section 12, Township 15 South, Range 63 West of the 6th Principal Meridian
6. Maximum annual volume of the appropriation: 345 acre-feet
7. Maximum pumping rate: 1,000 gallons per minute
8. Maximum number of acres which may be irrigated: 138 acres subject to the condition below.
9. Description of acres irrigated: SW 1/4 of Section 12, Township 15 South, Range 63 West
10. Aquifer: Alluvium
11. Condition: Accepted for municipal use pursuant to 'Findings of Fact, Conclusions and Recommendations of the Hearing Officer' in the July 24-25, 1975 Hearing 'in the matter of the proposed change of use and place of use of ground water by Rodney J. Preisser in the Upper Black Squirrel Creek Designated Ground Water Basin' as accepted by the Ground Water Commission on January 21, 1977

Sept 19, 1984
Date


Jeris A. Danielson
Executive Director
Ground Water Commission

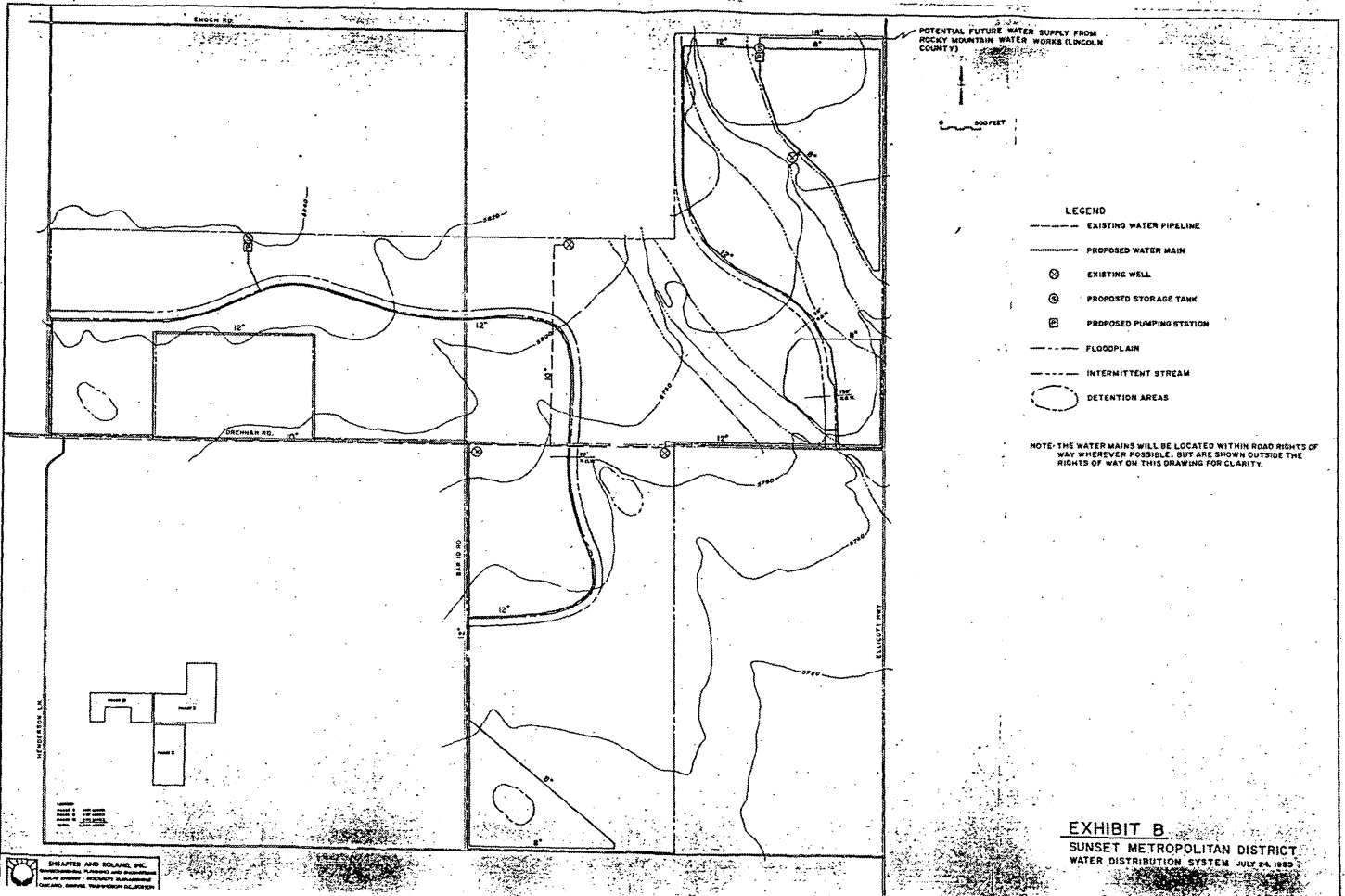
EXHIBITS

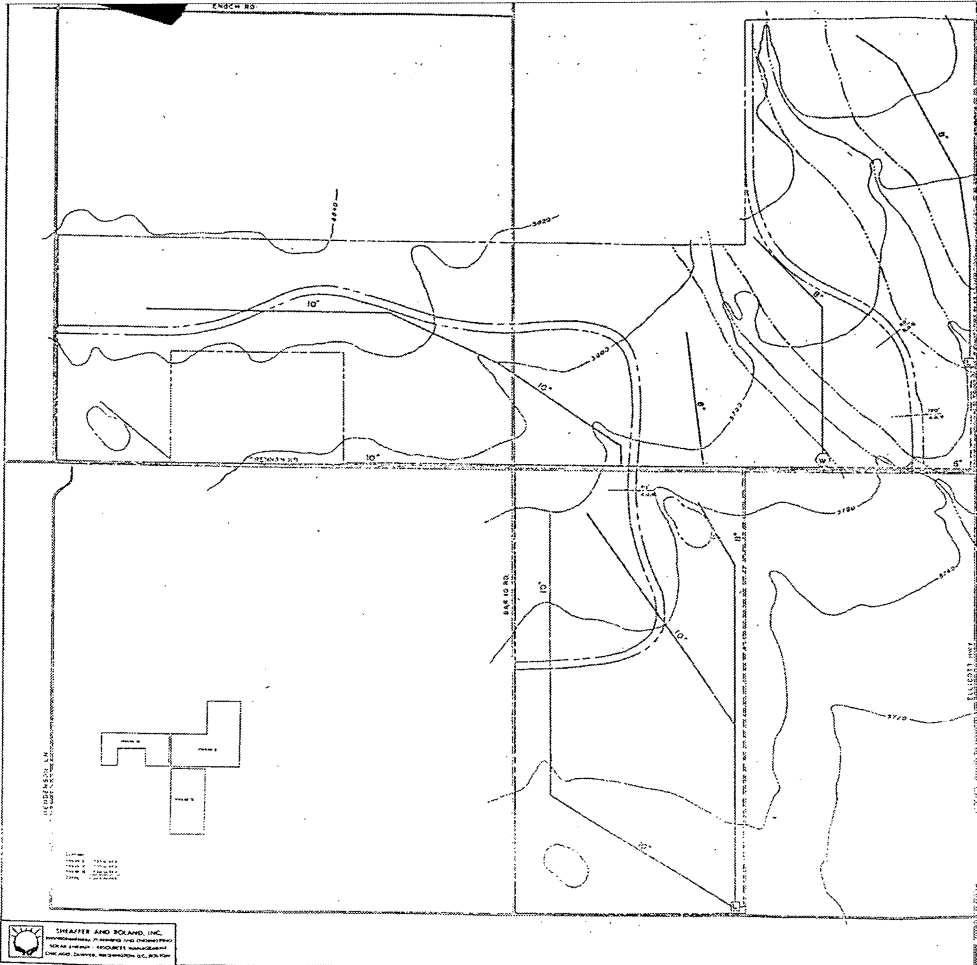


- LEGEND**
- SF SINGLE FAMILY
 - TH TOWNHOUSE
 - VC VILLAGE CENTER
 - VS VILLAGE SQUARE
 - GC GOLF COURSE
 - FM FOREST, NURSERY
 - I INDUSTRY
 - S SCHOOL
 - FLOODPLAIN
 - WETLANDS
 - DETENTION AREA

EXHIBIT A
 SUNSET METROPOLITAN DISTRICT
 DISTRICT BOUNDARIES & LAND USE MAP
 JUNE 27, 1995

HEAFREY AND ROLAND, INC.
 ENGINEERS, ARCHITECTS AND PLANNERS
 1000 N. GARDNER, SUITE 100, DENVER, COLORADO 80202





- LEGEND
- GRAVITY SEWERS
 - - - FORCE MAIN
 - LIFT STATION
 - ⊙ WASTEWATER TREATMENT FACILITY
 - ⋯ FLOODPLAIN
 - - - - - INTERMITTENT STREAM
 - DETENTION AREA

EXHIBIT C
 SUNSET METROPOLITAN DISTRICT
 WASTEWATER MANAGEMENT SYSTEM JULY 24, 1985