

SERVICE PLAN

SADDLEBACK
METROPOLITAN DISTRICT
IN
CLEAR CREEK COUNTY, COLORADO

PREPARED BY

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SERVICE PLAN
SADDLEBACK METROPOLITAN DISTRICT

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SERVICE PLAN
FOR
SADDLEBACK METROPOLITAN DISTRICT

I. PURPOSE:

Pursuant to the requirements of the Special District Act, section 32-1-101, et seq., Colorado Revised Statutes, and a water augmentation plan approved by the District Court in and for Water Division 1 and the State of Colorado, Case No. W-9483-78 and as amended, this service plan has been prepared and is hereby submitted for formation of the Saddleback Metropolitan District.

This service plan has been prepared to comply with the following items as set forth in the above statutory reference:

1. A description of the proposed services:
2. A financial plan showing how the proposed services are to be provided.
3. A preliminary engineering survey showing how the proposed services are to be provided.
4. A map of the proposed special district boundary and an estimate of the population and valuation for assessment of the proposed special 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 special district are compatible with facility and service standards of any county within which all or any portion of the proposed special district is to be located, and of municipalities and special districts which are interested parties pursuant to section 32-1-202 (1), Colorado Revised Statutes;
6. A general description of the estimated cost of acquiring land, engineering services, legal services, administrative services, initial proposed indebtedness and estimated major expenses relating to the organization and initial operation of the district.
7. A description of any arrangement or proposed agreement with any political subdivision for the performance of any services between the proposed special district and such other political subdivision and, if the form of contract to be used is available, it shall be attached to this Service Plan.

The principal function of this proposed district is to enable the existing and future residents of this district to utilize a unified and common approach toward solving problems of a municipal nature and provide services that are not presently available.

II. STATEMENT OF NEED:

The District is being established to provide certain municipal services to a developing area in Clear Creek County, Colorado. There are no other governmental agencies in the area that can provide these required services.



The water augmentation plan as approved by the Water Court requires the formation of a water and sanitation district to be the responsible entity for this augmentation plan. The District will operate these water supply agreements and augmentation plan pursuant to paragraph 8 at page 11 of the Decree in Case No. W-9483-78 as amended. This is required to assure future property owners of the legal right to this water supply.

The augmentation plan is based on an agreement with The Vidler Tunnel Water Company which provides water to augment wells drilled in the District. This agreement provides for an annual charge which increases each year based on the Consumers Price Index. The charge in 1993 was \$32,147.04. This amount is due and payable even if less water is used than specified.

In order to meet these obligations the District will be responsible for controlling and monitoring all wells and the water supply system within the District.

The District will be the entity responsible for operating, maintaining, testing and monitoring the collection, treatment and disposal of sanitary sewage generated within this development. The District will provide only those services that are not provided by the Clear Creek County Environmental Health Department or are needed to assure compliance with the regulations of this department. **The District will operate in compliance with all Clear Creek County regulations and agreements with regard to point and non-point source discharges into the Clear Creek watershed.**

The actual method of sewage treatment will be in compliance with the State of Colorado discharge standards for surface streams, prior to return of the treated effluent to the groundwater system through individual absorption fields.

The District when operating as an owner of facilities will apply for and seek approval of permits from the Clear Creek County Environmental Health Department the same as any other owner.

No group of individual property owners has the ability or inclination to assure compliance with all local and state regulations and provide adequate maintenance of such facilities.

There exists a concern that the County does not have adequate funds and/or equipment for road maintenance within the subject property. The District **will** accept title to and be responsible for operation, maintenance, repair and replacement of the streets and roads within this development. Such services include snow removal and may extend to include access roads.

Original construction will remain the responsibility of the developers and the District does not propose to construct or pay for construction of the initial road system.

After acceptance of a road by the District, the District will be responsible for operation, maintenance and repair. The District **shall** require that developers provide funds to provide such services until the district is financially able to provide such services without such subsidy.

The District will require that all roads comply with the design standards of Clear Creek County, unless both the County and District agree that special circumstances exist that warrant variances from the established standards.

The District may utilize contracts for management and profession services, operation, supervision, maintenance, construction and other obligations of the District.

The District does not request fire protection powers and its responsibility will be limited to indirect support of the existing County Emergency Services District which is responsible for fire protection and ambulance service to the area. The District will rely on this County District for fire protection and other emergency services. Wildfire hazard mitigation shall be accomplished by the Developer and continuing maintenance of Open Space areas shall be accomplished by the District, all in compliance with the Wildfire Mitigation Plan prepared by the Colorado State Forest Service. **The District will receive and escrow funds to pay for providing water supply and storage for fire fighting.** Such storage shall comply with the requirements of this Emergency Services District.

III. WATER SUPPLY:

A crucial concern for development of property in this area is an available water supply. This requires both a physical and a legal supply.

Studies have been made of the geology of this area and it is the opinion of these experts that adequate water is available in the subsurface rock fractures and soils to supply the required physical water supply. The water supply is local in that it consists of water held in the broken rock and porous soil and not in a general aquifer. The water is recharged by infiltration of surface moisture.

The amount of physical water available cannot be determined until the actual wells are drilled and tested. Neighboring developments are served by such wells and the supply has been determined to be adequate.

A copy of the latest report by Wm. Curtis Wells, consulting hydrogeologist, is included in Appendix D. This report addresses this physical water supply.

Any well drilled in this area is considered to be a "tributary" well in that it could affect the availability of water to supply senior water rights holders.

Colorado water law allows for water to be taken from tributary systems provided that the flow of the affected stream is not diminished. This is accomplished in this instance by a plan for augmentation that essentially provides for replacement, of water consumed by diversions using these wells, with water replaced from an outside source thereby maintaining the flow of the stream.

A comprehensive plan was prepared and approved by the District Court for Water Division 1, State of Colorado, case No. W-9483-78, as amended. This plan is based on agreements with Vidler Tunnel Water Company and the City of Golden for delivery and storage of replacement water, respectively. The legal opinion for the sufficiency of the water supply is contained in the Russell J. Sindt letter dated February 20, 1995. (See item 1 of Appendix C)

The plan of augmentation was developed to provide up to 736 single family dwellings and a school site on lands described in the decree in case No. W-9483-78. This plan for augmentation was not to become effective until a proposed District, with water and sewer authority, was organized. The proposed area consisted of 2277 acres and a 32 acre school site.

The plan for augmentation is based on an agreement with Vidler Tunnel Water Company to deliver annually 35.1 acre-feet of water into Clear Creek, partially for replacement and partially for storage in the reservoirs owned by the City of Golden and its successors. This water is allocated for replacement of 24.4 acre-feet of consumptive use annually for in house use only for 736 single family wells, 4.4 acre-feet of consumptive use annually for the school district's domestic purposes and the balance to replace water lost in transportation and storage.

Ownership of these water rights was originally by Saddleback, Ltd. the then owner and developer of this property, except for the school site. Since then Ownership of the private land including the water rights has passed to Uphill Limited Liability Company.

Agreements negotiated with Uphill are included in Appendix C of this report. These agreements essentially provide that Uphill will assign water rights for 86 single family dwelling units plus 4 for fire service needs to the District for use limited to the Saddleback Property initially included in the District and described in Appendix E, part A, consisting of about 577 acres of the original decreed area. The District will immediately convey 90 water tap equivalents back to Uphill. These 90 taps will be assigned back to the District for \$1.00 each as the lands are platted. The District would then assign a permit for a well to a builder or developer upon payment of a development fee which would be used by the District to finance its operation.

Should the District include lands besides the Saddleback Property initially included within the District or if additional taps are needed for development of the Saddleback Property initially included within the District, additional water taps will be made available by Uphill in accordance with the Agreements contained in Appendix C.

There is also a provision in the assignment agreement that would allow Uphill to reclaim any water taps not needed for development of the Saddleback Property initially included within the District.

Copies of the actual agreements are included in Appendix C herein.

IV. SERVICE AREA:

The initial District is to include only those lands described in Appendix E, Part A - Initial Saddleback Property. These parcels contain about 589 acres of undeveloped lands that are presently zoned MR-1, however the use is undeveloped forest.

It is possible that after the District is organized and development is under way that the additional lands, within the original area included in the augmentation plan, may be included (annexed). These three parcels that may be included are the Grett lands as described in Appendix E - part B, the School land as described in Part C and the residual 996 acres of the Saddleback Property as described in Part D, "the Residual Saddleback Property". Other parcels may be included and served in the future as determined by the Board of Directors of the District.



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Any service outside the 1585 acre Saddleback Property will require an alternate legal water supply or approval of Uphill (Uphill Limited Liability Company), the current owner of the water rights. The District will require that service to any included properties, other than the Residual Saddleback Property, must provide additional water rights adequate to provide service to such properties.

V. DESCRIPTION OF PROPOSED SERVICES:

PART A - POWERS

Saddleback Metropolitan District shall have all general duties and powers as set forth in section 32-1-1001, Colorado Revised Statutes and all those specific powers as granted to a Metropolitan District in section 32-1-1004, Colorado Revised Statutes except for those powers presently existing for the Clear Creek Emergency Services District. The proposed District shall have the following specific powers:

The District shall have those duties and powers of a Water District, sections 32-1-103(25) and 32-1-1006, CRS.

The District shall have those duties and powers of a Sanitation District, sections 32-1-103(18) and 32-1-1006, CRS.

The District shall have those powers of a Park District, sections 32-1-103(14) and 32-1-1005, CRS, except for those powers reserved or in conflict with the Clear Creek County Recreation District.

The District shall have those powers of Safety Protection and Street Improvements, section 32-1-1004, CRS.

PART B - SERVICES

The above powers are to enable the District to provide services, either by contract or direct ownership, including, but not limited to, the following:

1. The District shall be responsible for acquiring and protecting the existing water supply rights and agreements for the benefit of existing and future residents of the District.

This District shall be responsible for the operation and reporting requirements of the augmentation plan decree in Case No. W-9483-78, as amended, for those rights owned by the District.

It is proposed that the District will own a percentage interest in the water rights as defined in the Assignment Agreement included in Appendix "C" hereof. Payment of a pro-rata share of the annual payment to Vidler Tunnel Water Company is an obligation incurred with obtaining such percentage interest.

The District's water system will consist of two parts. The first part will be the individual water wells for individual homes or clusters of homes, and will be constructed by the home builder or developer of a cluster. The on-site storage required will be a one day supply of water



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and will be provided by hydropneumatic storage tanks that serve a single residence. The cost of this tank would be part of the building construction cost **as requested by the Emergency Services District.**

The second part will be central storage for fire protection facilities. The District will require each builder or developer to pay a development fee to be held by the District and used to build central fire protection water storage facilities.

The existing water augmentation plan provides that all wells will be metered, regulated and controlled by the District. Rules and regulations will be developed after formation of the District which will address the District responsibilities and establish the right of the District to enter upon private property to accomplish those responsibilities.

2. Regulate and operate a system of individual and group sewage collection and treatment systems. The actual type of treatment to be utilized will be dependent on the geology of the individual site. All treatment units shall have non-evaporative effluent disposal.

All individual homes shall have compound aerobic and anaerobic treatment systems with effluent disposal through individual absorption fields in order to reduce the release of nitrates. If site conditions restrict effluent disposal, remote locations for effluent disposal will be engineered and utilized. Sites are to be selected that will maximize separation of effluent disposal areas from water supply wells.

All individual aerobic treatment systems shall meet Colorado Standards for effluent discharged to a surface stream, prior to subsurface disposal (as required by the water augmentation plan) through absorption fields meeting the standards of the Clear Creek County ISDS Regulations.

The method of treatment to meet the Colorado Discharge Standards shall be through the use of individual home aerated treatment units which have NSF (National Sanitation Foundation) Standard 40 certification. Individual absorption fields shall be designed and installed in accordance with the Clear Creek County ISDS Regulations.

The District shall enter into a contract, with a supplier, to supply builders with equipment for individual aerated sewage treatment systems which as a minimum bear the National Sanitation Foundation (NSF) Standard 40 Certification. The District shall separately contract for the supply and delivery of tankage, either concrete or an alternate approved material, to accommodate the aerated sewage treatment system. The cost of equipment and materials supplied by the District shall be paid for by the lot owner prior to receiving Architectural Review Committee approval of the building plans.

The cost of installation of District furnished equipment and materials and installation of an absorption field, installed in accordance with the Clear Creek County ISDS Regulations shall be paid by the lot owner.

The District shall perform testing of the effluent from all installed individual or group sewage treatment systems **four times per year** to insure compliance with State discharge standards even though the effluent will be disposed of through absorption fields. **The District will operate in compliance with all Clear Creek County regulations and agreements with regard to point and non-point source discharges into the Clear Creek watershed.**

The District shall enter into maintenance agreements for the periodic and emergency maintenance of all installed individual or group sewage treatment systems.

The District shall charge a fee to all lots served by individual sewage treatment systems to cover the costs of testing, maintenance, repair and replacement of individual and group sewage treatment systems.

The District will establish rules and regulations, after formation of the District, to establish the homeowners responsibilities, the District responsibilities, and the right of the District to enter upon private property to accomplish the responsibilities of the District.

3. The District will make provisions for fire protection facilities including water supply and storage as part of the land development. The District may construct and utilize wells to provide water for storage for fire fighting. More likely, the District will purchase initial and replacement water and have it hauled to the fire protection storage (cistern) locations. The reason for this is that a 5 gpm well would require over 4 days to fill a 30,000 gallon cistern. Such wells, if used, shall be dedicated solely for fire fighting.

4. The District will accept and be responsible for roads after construction by the developer. This will include road maintenance, replacement, snow plowing and drainage services for the main roads within the district. **The District will also be responsible for road maintenance, replacement, snow plowing and drainage for the non-county maintained portions of Saddle Ridge Drive and Saddleback Drive leading into the District.**

5. The District will accept ownership and maintenance of Open Space and establish rules and regulations for its use and maintenance in accordance with the recommendations by the office of the Colorado State Forester.

6. Other services such as assisting cable, television, telephone companies, etc. with rights of way or financial assistance may be provided if the directors determine that such services are warranted.

PART C - AVAILABILITY OF SERVICES

The District will be located and serve properties within the existing Emergency Services District and the County Recreation District. The District will cooperate with these existing service Districts to assist these Districts to provide these services to its residents.

Hyland Hills lies about one fourth mile to the East of this proposed District. Hylands Hills is served by individual wells and sewage disposal systems and does not have facilities that could serve this proposed District.

The Town of Idaho Springs lies about one mile west of this proposed District. The facilities of this town are located at a lower elevation and generally upstream from this proposed District and it is neither economically feasible or environmentally acceptable for this Town to provide sewer and water services to this District at this time due to the severe topographic relief between Idaho Springs and the District.

A review of Clear Creek County records discloses no entity that can or does provide the herein listed services on a continual and reliable basis.

VI. VALUATION AND POPULATION PROJECTIONS

Growth in this District will be controlled by zoning and the limit of the available water supply.

The present zoning is MR-1 which provides a maximum density of one dwelling unit per two acres, **site characteristics permitting**. Based on zoning alone the zoning **could** allow up to about 290 dwelling units within the original District.

Based on the best available information we project that 86 dwelling units will be platted in Filing No. 1, the original District boundaries. Additional filings, as platted, would be included into the District.

Estimates of platting and population growth have been prepared and are included in the Schedules in Appendix A.

There are no residents within this proposed District and the existing assessed valuation is about \$25,470. The present land is used for grazing and forest.

This valuation will increase rapidly as the land is improved and converted to residential uses.

For planning purposes we have estimated that this project will develop 3.2 people, including 1 student, per dwelling unit. Based on the existing augmentation plan this would limit the population to 275 within the initial District and 2355 at full development to the maximum of the court approved water augmentation plan. The actual population may be more as additional water supplies will probably be obtained.

We estimate that the value of a single family residence on a two acre tract would be the same on the average as a single family residence within a developed cluster.

The estimated value of residential sites in this district is about \$52,500 per unimproved lot and the average value of an improved lot will be about \$250,000. Based on developments in the adjacent Jefferson County many homes will cost \$400,000 or more. For purposes of these projections we are using the estimated \$250,000 for an improved lot and \$52,500 for an unimproved lot.

The County currently assesses unimproved lots 29% of actual value and improved lots at 10.36%. At these assessment rates the average assessed value for a lot will be \$15,000 and \$32,000 (rounded) for improved sites.

It is anticipated that the District will develop very fast up to the limit of its water supply. An inflation factor has been added for certain expense items, however for purposes of this study we have provided this inflation factor only to costs of the District and not to the value of residential improvements.

A detailed Valuation Schedule and Population Projection has been included in Appendix A - Financial Plan of this report. The developers projection of the development of the initial district shows a 3 1/2 year development program. The Financial Plan (Appendix A) extends the 86 lot development of the initial District to 9 years. Even under the extremely conservative development time frame of 9 years, the District is financially feasible.



VII. PROPOSED IMPROVEMENTS

Capital improvements to be provided under this service plan are to consist of the following:

A. WATER SYSTEM

A rural type water system consisting of individual water wells and water storage tanks (cisterns) for fire protection water storage.

B. SEWAGE COLLECTION AND TREATMENT SYSTEM

Private individual home **compound** aerobic and **anaerobic** treatment systems with subsurface effluent disposal through absorption systems **to reduce the release of nitrates.**

C. MISCELLANEOUS SERVICES

Initially the District proposes to contract for management, inspection, operation and maintenance services in order to keep overhead costs to a minimum.

It is proposed that the District will provide operation and maintenance of the roads in the District.

Road maintenance and operation may be provided by contract with local contractors.

In all instances it is proposed that developers are to pay the full cost of providing capital construction to standards to be set by the District, which as a minimum shall meet the standards of Clear Creek County. Upon completion of these facilities the District will assume the operation, maintenance, repair, etc. of the facilities.

In cases where land within the District develops into large lots having individual water and sewer systems it is proposed that such systems will be owned, operated and maintained by the individual property owner and regulated and controlled by the district.

Cost estimates are included in Appendix B of this report.

VIII. FINANCIAL PLAN

The financing plan for the District provides that all initial facilities such as the roads, sewer and water systems are to be constructed and paid for by builders, developers and/or homeowners.

Each builder, developer and/or homeowner will be required to pay a development charge or systems charge to the district for the privilege of using the District's water supply and augmentation plan. This fee is estimated to be \$5,000 per single family residence and will be in addition to the actual cost of construction. This development fee may vary depending upon the amount that has to be paid to acquire the augmentation plan and water rights.



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An additional fee of \$3,000 will be charged for a capital reserve fund for capital facilities. These fees are to be charged at the time a residence is built. In addition service charges are to be made against all residents to finance the general operations of the District and payment of the water supply agreements. The initial Service Charge is projected to be \$200.00 per month per home or \$2,400.00 per year. The Service Charge is paid ONLY by the property owners in the District which would initially be the 86 homeowners in the Saddleback Mountain Subdivision.

A water supply and water storage for fire protection will be provided concurrent with development. This supply and storage will have the highest priority for available capital funds.

After providing water supply and storage for fire protection, these reserve funds may be used for operation and maintenance of the District until such time as the assessed valuation is such that the mill levy can support the District.

It is very possible that the monthly Service Charge could be reduced when development warrants such reduction.

Each developer will be required by the District to advance funds or otherwise agree to finance the cost of maintaining access roads that are not accepted by the County. Such costs would be apportioned among all developers and/or homeowners using such facility.

It is planned that the District will levy a small tax for operations and maintenance of District facilities. This initial tax is proposed to be ten mills. Authorization for this tax is to be made at the time of election to organize the District. The initial tax base is small so this tax will be small until the District grows. During the first years this tax will be paid by the existing land owners.

Under this plan the District will not authorize or issue general obligation bonds.

The District will charge all residents for services provided and specifically a water service fee, inspection fees, road maintenance fee and other appropriate fees as determined by the Board of Directors. These charges will include the District's proportionate share of the annual fee due to Vidler Tunnel Water Company for augmentation water. The charge by Vidler Tunnel Water Company inflates annually based on the U.S. Consumer Price Index. The charge for 1993 was \$32,147.04 which was an increase of 4.05 percent over the 1992 charge.

We estimate that the District's costs will increase annually at between five and ten percent and in order to provide for these increases it is proposed that the District will increase its charges enough to cover these increases.

In general it is estimated that the District will assess service charges at actual cost plus fifty percent. This markup will be applied to the District's overhead.

Under this plan the developers of property in the District will build all roads, common water systems, common sewage disposal systems and any required community facilities at no cost to the District. Some systems that serve more than one residence will be owned and operated by the District. Systems serving only single family dwelling units or single buildings may remain in the ownership of the individual under general regulation and supervision of the District and Clear Creek County.



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The financing plan is flexible and can easily conform to the actual growth in the District. The District's initial fixed costs will need to be paid by the initial property owners and as the District grows money will be available to pay for the required services.

An estimated budget has been prepared for development within the service area of the initial District, based on the proposed development of 86 lots on the property initially included within the District.

It does not make a great difference whether the District develops using clusters or large lots. The present zoning is MR-1 which allows large lots (over 2 acres).

The financing plan is included in Appendix A of this report.

The schedule is based on 10 mills of tax for general operation and no bonded debt. It is also estimated that all individual homes will require individual wells.

The financing plan is based upon 86 homes on 86 platted lots using large lots with individual wells and individual aerobic sewage treatment systems with effluent disposal through individual absorption fields.

Any development in excess of 86 dwelling units would be easy for this District to handle in that the District will have a stable cash flow and a sizable reserve fund. It is not the intent to limit this District to any given number of dwelling units.

IX. MAP AND DESCRIPTION

Detail descriptions have been prepared and included in Appendix E for the initial District as well as the three parcels that may be included later.

A map of the boundaries of the initial District as well is included in Appendix E.

X. STANDARDS OF CONSTRUCTION

All facilities within this District are to be built, operated and maintained to comply with all local, state and federal regulations. The District will employ consultants and specialists for assistance in meeting these requirements.

XI. CONCLUSION

This study and report on the proposed Saddleback Metropolitan District concludes that:

There is an existing and projected need for organizing this proposed District to provide services to the residents of this District and such District would be in the best interests of future residents of this District.

The organization of this District is required to protect and preserve the District's proportionate share of the water supply agreements and augmentation plan for the benefit of future residents of this part of Clear Creek County.



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There are no existing service providers in this area that can provide the services required by this District.


The proposed District will have the financial capability to pay for the services to be provided on an efficient and economical basis.

Adequate service is not, and will not be, available to the area through any county, or other existing municipal or quasi-municipal corporation, including existing special district, within a reasonable time and on a comparable basis.

The facility and service standards of the proposed District are compatible with the facility and service standards of the county within which the proposed special district is to be located. No municipality is an interested party under section 32-1-204.5, CRS.

The proposed District facilities are in substantial compliance with a master plan adopted pursuant to section 30-28-108, CRS.

The proposed District is in compliance with any duly adopted county, regional or long range water quality management plan for the area.


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SERVICE PLAN

SADDLEBACK METROPOLITAN DISTRICT

APPENDIX A - FINANCING PLAN

PROJECTED BUDGETS WITH VALUATION & POPULATION PROJECTIONS.

Face of Development
New Homes Completed
Total Services

Poor Copy

Amount per Unit

Year 1 Year 2 Year 3 Year 4 Year 5 Year 6 Year 7 Year 8 Year 9 Year 10 Year 11

6 10 10 10 10 10 10 10 10 0 0

Revenues

Service Charges	\$2,400	\$2,200	\$26,400	\$50,400	\$74,400	\$98,400	\$122,400	\$146,400	\$170,400	\$194,400	\$208,400	\$208,400
Development Fees	\$5,000	\$30,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$0
General Property Taxes	See Schedule	\$250	\$250	\$18,105	\$19,103	\$20,261	\$21,339	\$22,417	\$23,495	\$24,573	\$25,651	\$26,729
Specific (Ownership) Tax	5.00%	\$0	\$12	\$12	\$696	\$781	\$866	\$951	\$1,036	\$1,121	\$1,206	\$1,291
Interest Earned	5.00%	\$0	\$1,278	\$2,440	\$2,959	\$3,811	\$4,736	\$5,616	\$6,496	\$7,376	\$8,256	\$9,136
Services/Inspections	\$250	\$1,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Capital Improvement Fee	\$1,000	\$18,000	\$40,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Valuer Payment by Developer	N/A	\$1,669	\$1,171	\$3,034	\$2,655	\$2,230	\$1,756	\$1,279	\$645	\$0	\$0	\$0
Developer Loan	N/A	\$50,000	\$0	(\$25,000)	(\$25,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue:		\$110,620	\$113,811	\$131,490	\$157,393	\$208,002	\$225,597	\$264,113	\$293,014	\$322,231	\$257,895	\$259,863

Expenditures

Advertising	10%/year	\$200	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Accounting/Audit		\$2,400	\$2,600	\$2,900	\$1,194	\$1,514	\$1,865	\$1,252	\$4,677	\$5,145	\$5,659	\$6,225
Billing Expense	\$24	\$72	\$64	\$504	\$744	\$984	\$1,274	\$1,164	\$1,704	\$1,944	\$2,064	\$2,064
Payroll Expense		\$0	\$270	\$270	\$270	\$270	\$270	\$270	\$270	\$270	\$270	\$270
Telephone Expense	10%/year	\$750	\$825	\$908	\$978	\$1,098	\$1,208	\$1,329	\$1,462	\$1,608	\$1,764	\$1,935
Furniture Fees		\$0	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Engineering/Management	10% > Year 5	\$7,500	\$10,000	\$18,000	\$21,000	\$21,000	\$31,000	\$36,300	\$39,900	\$41,921	\$48,315	\$51,117
Insurance/Bonds	10% > Year 2	\$1,500	\$2,500	\$2,750	\$1,075	\$1,276	\$1,660	\$1,076	\$1,429	\$1,872	\$5,359	\$5,805
Legal	5% > Year 1	\$5,000	\$10,000	\$11,000	\$11,550	\$12,128	\$12,734	\$13,371	\$14,039	\$14,741	\$15,479	\$16,252
Operations and Maintenance	\$200 + 5% /home/yr	\$2,100	\$8,085	\$16,207	\$25,120	\$31,885	\$35,563	\$37,222	\$49,933	\$63,772	\$93,100	\$98,059
Utilities (Office)	5%/year	\$750	\$788	\$827	\$868	\$912	\$957	\$1,005	\$1,055	\$1,108	\$1,163	\$1,222
Road Maintenance	400 hours \$75+5%	\$10,000	\$20,500	\$31,500	\$33,075	\$34,729	\$36,465	\$38,288	\$40,203	\$42,213	\$44,323	\$46,540
Office Supplies	5%/year	\$150	\$158	\$165	\$174	\$182	\$191	\$201	\$211	\$222	\$233	\$244
Treasurer's Fees	3%	\$8	\$8	\$344	\$396	\$466	\$551	\$648	\$754	\$872	\$1,001	\$1,139
Capital Construction		\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Miscellaneous	10%/year	\$500	\$550	\$445	\$666	\$732	\$805	\$886	\$974	\$1,072	\$1,179	\$1,297
Travel	5% > Year 3	\$0	\$250	\$500	\$525	\$551	\$579	\$608	\$638	\$670	\$704	\$739
Contingencies	10% > Year 2	\$0	\$1,600	\$5,069	\$5,576	\$6,131	\$6,787	\$7,471	\$8,181	\$8,980	\$9,878	\$10,865
12.2% Valuer Payment (90/736 laps)	5%/year	\$4,178	\$4,134	\$4,551	\$4,778	\$5,017	\$5,268	\$5,531	\$5,808	\$6,098	\$6,403	\$6,723
Contribution Expense	(One Time)	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses:		\$95,057	\$90,579	\$121,103	\$139,960	\$149,894	\$158,003	\$177,675	\$199,012	\$222,207	\$241,791	\$252,178

Annual Surplus

Cumulative Reserve Fund

Net Farm Amount
Cumulative Farm Amount

Annual Surplus	\$25,562	\$21,232	\$10,308	\$12,411	\$58,109	\$77,594	\$96,118	\$93,982	\$100,021	\$16,102	\$2,715
Cumulative Reserve Fund	\$25,562	\$46,795	\$57,102	\$69,515	\$127,624	\$205,218	\$298,756	\$392,737	\$492,751	\$508,852	\$511,567
Net Farm Amount	(\$2,000)	\$10,000	\$10,000	\$10,000	\$20,000	\$10,000	\$10,000	\$10,000	\$10,000	\$0	\$0
Cumulative Farm Amount	(\$2,000)	\$8,000	\$18,000	\$28,000	\$48,000	\$58,000	\$68,000	\$78,000	\$88,000	\$88,000	\$88,000

Notes

For general services provided for 6 months per year begins

SERVICE PLAN

SADDLEBACK METROPOLITAN DISTRICT

APPENDIX B - DISCUSSION/COST ESTIMATES

General.....1
Water 1
Sewer2



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SADDLEBACK METROPOLITAN DISTRICT

COST ESTIMATES

GENERAL:

This plan specifically provides a "pay as you go" basis for financing these improvements; however, in order to estimate revenue needs as well as charges to be assessed to each developer or builder - these estimates have been prepared.

The actual development of the land within the District can vary and it is assumed that it will develop into larger tracts with possibly groups or clusters.

Larger tracts will utilize individual wells and individual aerobic sewage treatment systems with effluent disposal through absorption fields and the districts responsibilities will be to provide and supervise the augmentation plan and provide the well permits. Individual aerobic sewage treatment systems will be regulated, inspected and controlled by the District.

Should this land develop into larger tracts, fire storage will probably be provided using underground cisterns located at strategic places. These would be supplied and maintained by the District. We estimate that the same amount of money per dwelling unit would be required for this type of storage as with a cluster type development.

Each central fire protection water storage facility will cost about \$10,000 for 30,000 gallons of storage.

The District should also work with the County Emergency Services District to obtain approval of "dry type" fire retardent systems, especially for remote clusters.

The actual type of system to be used will depend on the type of development approved for this property.

The following estimate is for an individual cistern fire protection water storage.

FIRE PROTECTION WATER STORAGE (PER 30,000 GALLONS) (MINIMUM STORAGE 258,000 GALLONS)

1.	Storage Tank	1 EA. @ \$8,000.00	8,000.00
2.	Tank Installation	LUMP SUM	<u>2,000.00</u>
TOTAL			\$10,000.00

The initial filling of fire cisterns; refilling, if necessary; and make up water to account for evaporation shall be provided by hauling water purchased from a District or Town with a large water system. Using a well to refill cisterns in this area is not practical. A 5 gallon per minute well would take over 4 days to fill a 30,000 gallon cistern.

The minimum fire protection water storage shall be 258,000 gallons with the final amount of water in storage to be determined based upon the square footage of homes to be constructed.



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SANITARY SEWAGE SYSTEM

The method of sewage treatment proposed is for individual aerobic sewage treatment units to be constructed with each home. The treatment units would meet the NSF Standard 40 Certification and the effluent would meet the Colorado State Standards for discharge to a surface stream.

The water augmentation plan requires that sewage effluent be returned to the ground using subsurface disposal. Therefore, each treatment unit would be followed by an absorption field meeting the Clear Creek County ISDS Regulations.

The District shall enter into a contract, with a supplier, to supply builders with equipment for individual aerated sewage treatment systems which as a minimum bear the National Sanitation Foundation (NSF) Standard 40 Certification. The District shall separately contract for the supply and delivery of tankage, either concrete or an alternate approved material, to accommodate the aerated sewage treatment system. The cost of equipment and materials supplied by the District shall be paid for by the lot owner prior to receiving Architectural Review Committee approval of the building plans.

The cost of installation of District furnished equipment and materials and installation of an absorption field, installed in accordance with the Clear Creek County ISDS Regulations shall be paid by the lot owner.

The District shall perform testing of the effluent from all installed individual or group sewage treatment systems to insure compliance with State discharge standards even though the effluent will be disposed of through absorption fields.

The District shall enter into maintenance agreements for the periodic maintenance of all installed individual or group sewage treatment systems.

The District shall charge a fee to all lots served by individual sewage treatment systems to cover the costs of testing, maintenance, repair and replacement of individual and group sewage treatment systems.

The estimated cost of the individual aerobic sewage treatment systems with disposal of the effluent through an absorption field is approximately \$2,500 to \$3,000 higher than a standard septic system or a total of approximately \$8,000.

The District, through its operation and maintenance budget will provide for periodic inspection of all treatment units and a sampling schedule to test the quality of effluent from the individual aerobic treatment units.

SERVICE PLAN

SADDLEBACK METROPOLITAN DISTRICT

APPENDIX C - LEGAL

Attorney's report on legal water availability (water rights)

Agreement (Uphill and District)

Assignment (Water Rights)

Assignment (Water Tap Equivalents - District to Uphill)

Assignment (Water Tap Equivalents - Uphill to District)

Vidler Tunnel Water Agreement of 1979

Vidler Tunnel Water Agreement Amendment of August, 1984

Agreement With The City of Golden Regarding Water Storage of July, 1981

RUSSELL J. SINDT

ATTORNEY AND COUNSELOR AT LAW

303) 988-5551

NORWEST BANKS BUILDING
143 UNION BLVD., SUITE 270
LAKEWOOD, COLORADO 80228

February 20, 1995

Mr. Richard Cassens
REA, CASSENS & ASSOCIATES, INC.
30596 Bryant, Suite 100
Evergreen, CO 80439

Re: Saddleback Metropolitan District - Water Availability

Dear Mr. Cassens:

Per your request we have reviewed the augmentation plan secured by Saddleback Ltd. in 1981 and which is being assigned in part to the Saddleback Metropolitan District for water availability within the Saddleback Metropolitan District. In this regard the following is noted:

1. Augmentation Plan. I discussed the status of the augmentation plan with David Hallford, Esq. who was the attorney for the Brandon Venture (the earlier successor to Saddleback Ltd.). David is now house counsel for the Colorado River Water Conservation District, however, he is not aware of any problems that have surfaced since the augmentation plan decree in 1979 that would invalidate it. (Decree of 11/9/79, as amended 8/28/81 and 2/25/85, in Case W-9483-78, Water Division No. 1). The so called sunset provision of the original augmentation plan which required formation of the Water District within one year of the augmentation plan decree in 1981, was deleted by subsequent Court Order in 1985 providing that a condition precedent for the plan for augmentation was the formation of a Water and Sanitation District which is now being accomplished. Therefore, the augmentation plan remains valid subject to the formation of the Water and Sanitation District which we are doing via this Metropolitan District. Per the augmentation plan, there should be sufficient domestic water for 736 single family equivalent residential units and 4.3674 acre feet of consumptive use for the Clear Creek School District RE-1, and utilizing non-evapotranspiration sewage disposal. The successor to Saddleback Ltd. is required to file restrictive covenants in Clear Creek County restricting use of the water under the plan of augmentation to domestic use only.

2. Vidler Tunnel. Part of the augmentation plan requires the successor in interest to Saddleback Ltd., which will in part be the newly formed Metropolitan District, to augment water in the Clear Creek basin which is being withdrawn by wells for the

FAX: (303) 988-0445

736 residential units and the school district. This augmentation water is being furnished through an agreement with the Vidler Tunnel Water Company originally dated in October of 1979 and which also utilizes storage in Golden's Beaver Brook Reservoirs. This agreement was made part of the water augmentation plan decree and has been properly entered and recorded with an attendant amendment to the agreement of August 1984. It is my understanding that all required payments under the agreement to the Vidler Water Company have been made and the agreement is otherwise valid and enforceable.

3. Golden Storage Agreement. Saddleback, Ltd., the predecessor to the Saddleback Metropolitan District, entered into an agreement in July of 1981 which in exchange for certain water rights owned by Saddleback, the City of Golden agreed to supply Saddleback 25 acre feet of water storage capacity in the Beaver Brook Reservoirs located in Clear Creek County and adjacent to Saddleback Metropolitan District, and thereafter 36 acre feet of storage capacity in the Clear Creek (Guanella) Reservoir. This agreement was incorporated into the augmentation plan decree. Golden subsequently entered into an agreement with the Lookout Mountain Water District granting them storage rights in the Beaver Brook Reservoirs, however, this agreement recognized the prior right of Saddleback to the 25 acre feet of storage in the reservoirs. I discussed the status of the Beaver Brook Reservoirs and the 25 acre feet storage requirement with Gary Thompson, the Golden Water Engineer, and he confirmed that Golden remains legally and physically obligated to provide this water storage. Upon establishment of the Clear Creek (Guanella) Reservoir Golden is obligated to store at least 36 acre feet for Saddleback Ltd. Per Glenn Porzak, the Vidler and Golden water attorney, this Guanella reservoir will be on line in approximately 10 years and Golden may dispose of the Beaver Brook Watershed at this time. The Golden Water Agreement, is therefore, valid and enforceable.

4. Agreement between Uphill Limited Liability Company and District regarding Assignment of Water Rights. The Agreement (Uphill and District) which is to be included with the Service Plan submittal for the Saddleback Metropolitan District assigns water rights to the District necessary for development within the District boundaries. This is accomplished by an initial Assignment of Water Rights under the Augmentation Plan Decree of 1981, by Uphill to the District per Exhibit A to the Agreement that would be required for 90 water tap equivalents. The District then assigns 90 water tap equivalents to Uphill per Exhibit B, and water tap equivalents are then assigned back to the District per Exhibit C to the Agreement as lots are platted within the District, with one

water tap equivalent being assigned for each such lot or parcel so platted, plus 4 water tap equivalents for fire service needs. If more than 86 lots or parcels are permitted within the District, water tap equivalents will be available to the District for a payment to Uphill of \$1.00 for each tap up to 400. This Agreement will be executed now by Uphill, the Assignor, and will become effective upon formation of the Saddleback Metropolitan District and upon execution and acceptance by the District thereafter.

5. State Engineer's Office referral. As part of the formation of the Saddleback Metropolitan District we will have to demonstrate adequate water availability to provide for the needs of the District. Clear Creek County will refer our service plan to the State Engineer's Office which is charged with administration of our augmentation plan pursuant to the Court decree and State law. I discussed the status of our augmentation plan with Bill McIntyre of the State Engineer's Office and we discussed the State Engineer's Office letter of July 11, 1986 by Hal Simpson which refers to an earlier letter by the State Engineer's Office of December 10, 1979 by Jaris Danielson. The Danielson letter did refer to a geo-hydrological investigation as being needed to insure sufficient well yields given the bedrock and strata that would be encountered. It is my understanding that such geo-hydrologic investigation/water well data was provided at the time of the augmentation plan and that Curt Wells has updated these studies which will be submitted with the service plan to Clear Creek County. The State Engineer's Office appears favorable to the operation of the augmentation plan.

In conclusion, the Saddleback Metropolitan District will have adequate water availability to provide for the needs of the District. Thank you for your cooperation.

Respectfully submitted,


Russell J. Sindt

RJS:mr

AGREEMENT
(Uphill and District)

THIS AGREEMENT, made and entered into this _____ day of _____, 1995, by and between UPHILL LIMITED LIABILITY COMPANY, a Colorado limited liability company ("Uphill"), and the SADDLEBACK METROPOLITAN DISTRICT, a political subdivision of the State of Colorado (hereinafter referred to as "District").

WITNESSETH:

WHEREAS, Uphill, as Seller, entered into a certain Agreement to Purchase and Sell dated May 5, 1993, ("1993 Agreement"), wherein Uphill agreed to sell under specific terms certain property known collectively as the Saddleback Property (Exhibit "D" part A and Exhibit "D" part D hereto) to Kober Corporation, which has now assigned its rights under said Agreement to Saddleback Mountain Development Corporation; and

WHEREAS, the 1993 Agreement provides for the formation of a Metropolitan District and the conveyance of certain water rights to a Metropolitan District for the development of the Saddleback Property; and

WHEREAS, Uphill and the District desire to enter into an Agreement for the conveyance of a portion of Uphill's water rights and ultimately water tap equivalents to the District as is necessary for the development of the Saddleback Property.

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Uphill shall execute and deliver the Assignment (Water Rights) to the District as attached hereto as Exhibit "A" and incorporated herein by this reference, within 10 days of the entry of the Court Order forming the District, or the execution of this Agreement, and the recording of both documents, whichever shall last occur.

2. Upon receipt of the Assignment (Water Rights), District shall immediately execute and deliver to Uphill the Assignment (Water Tap Equivalents) as attached hereto as Exhibit "B" and incorporated herein by this reference.

3. Thereafter, upon written request by District to Uphill, Uphill shall convey to the District for \$1.00 per water tap equivalent, as defined hereinafter, one water tap for each



residential lot or parcel for property located within the initial boundaries of the District, upon final plat approval for such lots or parcels by Clear Creek County, and the recording of such final approved plats, up to a total of not more than 86 water tap equivalents, plus up to 4 water tap equivalents for well sites for fire service needs, for a total of not more than 90 water tap equivalents. The Assignment of water tap equivalents by Uphill to the District as herein provided shall be in the form of Assignment (Water Tap Equivalents) as attached hereto as Exhibit "C" and incorporated herein by this reference. Use of the water tap equivalents by the District shall thereafter be limited to the Saddleback Property within the initial boundaries of the District and subject to the provisions of this Agreement. It shall be the District's sole discretion to set the amount of the tap fees to builders or developers of residential lots or parcels within the District, subject to the provisions of this Agreement.

4. Vidler Tunnel Rights.

a. Under the aforesaid Agreement to Purchase and Sell of May 5, 1993, Saddleback Mountain Development Corporation as successor to Kober Corporation is responsible for making the payments necessary to maintain the Vidler Tunnel Rights, which are set forth in the documents described in Paragraph (b) of the Assignment (Water Rights), Exhibit "A" hereto. The District per its Agreement with Saddleback Mountain Development Corporation will be responsible for 90/736th's of the Vidler Tunnel Rights water payments.

b. The District agrees to provide Uphill with written proof of payment to Vidler Tunnel Water Company for augmentation water at least 30 days prior to each payment due date as specified in the Memorandum of Agreement between the Vidler Tunnel Water Company and Saddleback Ltd., dated the 4th day of October, 1979.

c. In the event that either Saddleback Mountain Development Corporation or the District should default in making the aforesaid Vidler Tunnel Water Company payments, then in this event, Uphill shall have the right and obligation to make such payment to Vidler directly.

d. In the event of such a default by the District or Saddleback Mountain Development Corporation and payment by Uphill, the District shall not be entitled to the conveyance by Uphill of any water tap equivalents under this Agreement until and unless such a default is cured.

e. In order to cure any such default Saddleback Mountain Development Corporation and the District is required to reimburse Uphill its costs incurred, including attorneys fees, plus interest until Uphill is paid in full, based on each party's pro-

rata share of the Vidler Tunnel Rights expense. Interest on any amounts payable to Uphill by the District shall be at the legal rate. Interest on amounts owed by Saddleback Mountain Development Corporation to Uphill shall be at the interest rate specified in the 1993 Agreement.

f. In the event the District reconveys to Uphill a portion of the water rights conveyed by Uphill to the District pursuant to paragraph 5 hereof, or Uphill conveys additional water rights to the District pursuant to paragraph 5, each party's responsibility for the payment of the Vidler Tunnel Rights water payments shall be adjusted, and shall be proportionate to the water rights owned by each party. Saddleback Mountain Development Corporation shall remain responsible for the payment of the Vidler Tunnel rights water payments otherwise payable by Uphill in accordance with the 1993 Agreement.

5. In addition to all other covenants contained in this Agreement by the parties hereto, this Agreement shall be subject to the following additional terms and conditions:

a. If less than 86 lots or parcels are approved by Clear Creek County in the final subdivision platting recorded for the property initially included in the District's boundaries described in Exhibit "D" part A attached hereto (hereinafter Initial Saddleback Property), and/or less than 4 water tap equivalents are required for fire service needs, then the balance of the 90 water tap equivalents not conveyed by Uphill pursuant to this Agreement shall be retained by Uphill.

b. If more than 86 lots or parcels are approved by Clear Creek County in the final subdivision platting recorded for the Initial Saddleback Property, or if additional property within the Saddleback Property and described in Exhibit "D", part D attached hereto (hereinafter Residual Saddleback Property), is annexed to the District at the request of Uphill or SMDC, then in this event, Uphill shall, upon written request of the District, convey to the District a pro-rata portion of Uphill's water rights, in the form of Exhibit "A" attached hereto, as are necessary for one water tap per residential lot or parcel in excess of 86 lots or parcels platted on the Initial Saddleback Property, and/or for one water tap for each residential lot or parcel approved by Clear Creek County in the final recorded subdivision platting for property within the Residual Saddleback Property, but in no event to exceed the total of 736 water tap equivalents owned by Uphill prior to the date of this Agreement. In the event an additional District is formed to service all or any part of the Residual Saddleback Property, then in this event, any rights of the District to any additional water ~~for~~ Uphill for the Residual Saddleback Property shall terminate.

c. Upon receipt of any such Assignment or Assignments pursuant to paragraph 5(b) hereof, the District shall immediately execute and deliver to Uphill Assignments (Water Tap Equivalents) in the form of Exhibit "B", for water tap equivalents equal to the water rights assigned to the District by Uphill.

d. Thereafter, upon written request by District to Uphill and payment to Uphill of the tap fees specified below, Uphill shall convey to the District, in the form attached hereto as Exhibit "C", one water tap equivalent for each residential lot or parcel in excess of 86 approved by Clear Creek County for the Initial Saddleback Property, and/or for each residential lot or parcel approved by Clear Creek County in the final subdivision platting for any additional property within the Residual Saddleback Property annexed to the District. The District shall pay Uphill \$1.00 for each water tap equivalent conveyed by Uphill to the District up to a cumulative total (of all water tap equivalents conveyed by Uphill to the District at any time under the terms of this Agreement) of 400 water tap equivalents, and shall pay Uphill \$3,500.00 for each water tap equivalent in excess of 400 conveyed by Uphill to the District.

e. If Saddleback Mountain Development Corporation causes additional Adjacent Property to be annexed to the District, as permitted by the terms of the 1993 Agreement, then in this event, no water taps may be issued by the District for any property outside of the Initial Saddleback Property or the Residual Saddleback Property, unless the parties hereto first agree in writing that sufficient water tap equivalents are available for the ultimate build out of the Initial Saddleback Property and the Residual Saddleback Property. If so agreed, Uphill shall be paid \$3,500.00 for each water tap equivalent conveyed to the District for use outside the Initial Saddleback Property and the Residual Saddleback Property, but in no event shall Uphill's obligation exceed the total of 736 water tap equivalents owned by Uphill prior to the date of this Agreement.

f. In the event that the 1993 Agreement between Uphill and Saddleback Mountain Development Corporation for development of the Saddleback Property is terminated as a result of a default by Saddleback Mountain Development Corporation or otherwise, then in this event, Uphill or its assigns will not be required to pay the District more than \$5,000.00 per water tap for any water tap for any property for which the District obtained the water tap equivalent for the property from Uphill for \$1.00, or more than \$8,500.00 per water tap for any water tap for any property for which the District obtained the water tap equivalent for the property from Uphill for \$3,500.00 under the terms of this Agreement.

g. Upon conveyance of the water tap equivalents by the District to Uphill, per Exhibit "B" hereto, Uphill agrees that



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it will not convey said water tap equivalents to any party other than the District and will not otherwise encumber or hypothecate said water tap equivalents, subject to paragraphs 5(a) and 5(f) hereof.

h. In the event that less than 86 lots or parcels are approved by Clear Creek County in the final approved and recorded subdivision platting for the Initial Saddleback Property, and either Saddleback Mountain Development Corporation advises the District in writing that it does not intend to cause any of the Residual Saddleback property or any additional Adjacent Property to be annexed to the District, or the 1993 Agreement between Uphill and Saddleback Mountain Development Corporation has been terminated, then in this event the District shall, upon written request of Uphill, convey to Uphill all of the water rights initially assigned by Uphill to the District pursuant to Exhibit "A" attached hereto in excess of those necessary for one water tap per lot or parcel approved by Clear Creek County in the final recorded subdivision platting for the Initial Saddleback Property.

6. For purposes of this Agreement the term "water tap equivalent" or "water tap" shall be defined as: an undivided 1/736th's of the 24.0 acre-feet of the Vidler Tunnel contract water set aside for augmentation of consumptive use by domestic wells and an undivided 0.1148% interest in the 6.7 acre-feet of the Vidler Tunnel contract water set aside to cover transportation and evaporation losses, both of which amounts are a part of the water to be delivered pursuant to the Memorandum of Agreement entered into between Vidler Tunnel Water Company and Saddleback, Ltd., on October 4, 1979, recorded as Reception No. 243775 in the Office of the Clerk and Recorder of Summit County, Colorado, as amended by a document recorded on August 17, 1985, as Reception No. 282664 in the Office of the clerk and Recorder of Summit County, Colorado, and are more specifically described in the decree of the District Court, in and for Water Division No. 1, entered on November 9, 1979 in Case No. W-9483-78, as amended; together with an undivided 0.1148% interest in the right to store water, including storage by exchange, in an amount up to 25 acre-feet in reservoirs of the City of Golden pursuant to an Agreement entered into on July 9, 1979 by Saddleback, Ltd., a Colorado limited partnership, and the City of Golden, recorded in Book 435 at Page 279 in the Office of the Clerk and Recorder of Clear Creek County, Colorado; together with a right to augmentation of an inhouse-use only (no irrigation or other outside use) well under the decree entered in Case No. W-9483-78, as amended; together with the right to file an application for and obtain a well permit from the Office of the State Engineer, Colorado Division of Water Resources for a single-family dwelling, inhouse-use only well, pursuant to said decree, as amended; and also together with the right to require the Saddleback Metropolitan District to administer said well and provide augmentation water therefor under said decree, as amended.

7. For purposes of this Agreement, the "Saddleback Property" shall mean that real property in Clear Creek County, Colorado described in Exhibit "D" part A and Exhibit "D" part D attached hereto. The "Initial Saddleback Property" shall mean that property included in Exhibit "D" part A attached hereto, and the "Residual Saddleback Property" shall mean that property included in Exhibit "D" part D, attached hereto. Only Saddleback Property shall be included within the initial boundaries of the District.

8. This Agreement shall become effective upon entry of the Court Order forming the Saddleback Metropolitan District and upon execution of this Agreement thereafter by the District.

9. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, personal representatives, successors and assigns.

10. This Agreement shall be construed and enforced in accordance with the laws of the State of Colorado.

11. For purposes of this Agreement the term "parcel" or "parcels" shall include well sites necessary for fire service needs.

Executed the day and year first above given.

UPHILL LIMITED LIABILITY COMPANY,
a Colorado Limited Liability Company


By: [Signature]
Manager

SADDLEBACK METROPOLITAN DISTRICT,
a Political Subdivision of
the State of Colorado

Attest:

Secretary

By: _____
Chairman


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Exhibit A

ASSIGNMENT
(Water Rights)

THIS ASSIGNMENT made the _____ day of _____, 1995, between Uphill Limited Liability Company, a Colorado Limited Liability Company (hereinafter referred to as "Assignor" or "Uphill"), and The Saddleback Metropolitan District, a political subdivision of the State of Colorado (hereinafter referred to as "Assignee" or "District").

WITNESSETH:

WHEREAS, Assignor holds right, title and interest to certain water rights per that Assignment dated _____, recorded at Book _____, Pages _____, Clear Creek County, Colorado records, said water rights having been previously assigned to Assignor's predecessor, Brandon Venture, per that Assignment dated July 23, 1985, recorded at Book 444, Pages 095 and 096, Clear Creek County, Colorado records; and

WHEREAS, Assignor and Assignee have entered into an Agreement dated _____, 1995, and recorded at Book _____, and Pages _____ to _____, Clear Creek County, Colorado records, which provides for Assignment of a portion of the water rights held by Assignor to Assignee pursuant to the terms of the aforesaid Agreement and this Assignment.

For and in consideration of the premises, Ten Dollars (\$10.00), and other consideration the receipt and sufficiency of which is hereby acknowledged, Assignor hereby conveys and assigns unto Assignee for use within the initial District boundaries an undivided interest in Assignor's right, title, interest and obligations in the following: An undivided 90/736's (Ninety/seven hundred thirty-sixth's) of the 24.0 acre-feet of the Vidler Tunnel contract water set aside for augmentation of consumptive use by domestic wells and an undivided 10.33% interest in the 6.7 acre-feet of the Vidler Tunnel contract water set aside to cover transportation and evaporation losses, both of which amounts are a part of the water to be delivered pursuant to the Memorandum of Agreement entered into between Vidler Tunnel Water Company and Saddleback, Ltd., on October 4, 1979, recorded as Reception No. 243775 in the Office of the Clerk and Recorder of Summit County, Colorado, as amended by a document recorded on August 17, 1985, as Reception No. 282664 in the Office of the clerk and Recorder of Summit County, Colorado, and are more specifically described in the



decree of the District Court, in and for Water Division No. 1, entered on November 9, 1979 in Case No. W-9483-78, as amended; together with an undivided 10.33% interest in the right to store water, including storage by exchange, in an amount up to 25 acre-feet in reservoirs of the City of Golden pursuant to an Agreement entered into on July 9, 1979 by Saddleback, Ltd., a Colorado limited partnership, and the City of Golden, recorded in Book 435 at Page 279 in the Office of the Clerk and Recorder of Clear Creek County, Colorado; together with a right to augmentation of up to 90 inhouse-use only (no irrigation or other outside use) well permits under the decree entered in Case No. W-9483-78, as amended; together with the right to file applications for and obtain said well permits from the Office of the State Engineer, Colorado Division of Water Resources for up to 90 single-family dwelling, inhouse-use only wells, pursuant to said decree, as amended. Said decrees and Agreements are more particularly described as follows:

a. Findings of Fact, Conclusions of Law and Decree Approving Plan for Augmentation Including Exchange entered in Case No. W-9483-78 on November 9, 1979 by the District Court in and for Water Division No. 1, State of Colorado as recorded in the office of the Clear Creek Clerk and Recorder in Book 414 at Page 661, and in Book 423 at Page 539, as amended by that certain Order Authorizing Reallocation of Consumptive Use Under Previously Approved Plan for Augmentation entered in Case No. W-9483-78 on August 28, 1981 by the District Court in and for Water Division No. 1, and as further amended by document recorded on March 15, 1985 at Book 436 at Page 780 of the Clear Creek County Records;

b. That certain Memorandum of Agreement entered into between Vidler Tunnel Water Co. and Saddleback, Ltd. on October 4, 1979 and recorded in the office of the Summit County Clerk and Recorder under Reception No. 243775, said Agreement having been amended by document recorded on August 17, 1985 under Reception No. 282644 of the Summit County Records;

c. That certain Agreement entered into between Saddleback, Ltd. and the City of Golden on July 9, 1981, said Agreement having been recorded in Book 435 at Page 279 of the Clear Creek County Records.

Together with all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversions, remainders, rents, issues and profits thereof; and all the estate, right, title, interest, claim and demand whatsoever of the Assignor, either in law or equity, of, in and to the above bargained premises.

TO HAVE AND TO HOLD the said premises above described and assigned, with all the appurtenances unto the Assignee, its successors and assigns forever. And the Assignor, for itself, its successors and assigns, does covenant, grant, bargain, and agree to



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and with the Assignee, its successors and assigns, that at the time of the ensealing and delivery of these presents it is well seized of the premises above conveyed, as of good, sure, perfect, absolute and indefeasible estate of inheritance, in law, in fee simple, and has good right, full power and authority to convey and assign the same in the manner and form aforesaid, and that the same are free and clear from all former and other grants, bargains, sales, assignments, liens, taxes, assessments and encumbrances of whatever kind or nature; and the above bargained premises in the quiet and peaceable possession of the Assignee, its successors and assigns, against all and every person or person lawfully claiming or to claim the whole or any part thereof by, through or under Assignor, the Assignor shall and will warrant and defend forever.

IN WITNESS WHEREOF, Assignor has set its hand and seal hereto the day and year first above given.

UPHILL LIMITED LIABILITY COMPANY,
a Colorado Limited Liability Company

By: _____
Manager

STATE OF COLORADO)
) ss
COUNTY OF)

The foregoing instrument was acknowledged before me this _____ day of _____, 1995 by _____, as Manager of Uphill Limited Liability Company, a Colorado Limited Liability Company.

Witness my hand and official seal

My commission expires: _____
Notary Public



ASSIGNMENT

(Water Tap Equivalents - District to Uphill)

THIS ASSIGNMENT made the _____ day of _____, 1995, between The Saddleback Metropolitan District, a political subdivision of the State of Colorado (hereinafter referred to as "Assignor" or "District"), and Uphill Limited Liability Company, a Colorado Limited Liability Company (hereinafter referred to as "Assignee" or "Uphill").

WITNESSETH:

WHEREAS, District holds right, title and interest to certain water rights per that Assignment (Water Rights) dated _____, wherein Uphill conveyed sufficient water rights to District for 90 water tap equivalents for use within the initial District boundaries in Clear Creek County, Colorado, pursuant to that Agreement between Uphill and District dated _____ and recorded at Book _____ and Pages _____ to _____, Clear Creek County, Colorado records; and

WHEREAS, it is the District's desire to assign the aforesaid 90 water tap equivalents to Uphill pursuant to the terms and conditions of the aforesaid Agreement and this Assignment.

For and in consideration of the premises and Ten Dollars (\$10.00), and other consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor hereby conveys and assigns unto Assignee the following:

1. Ninety (90) water tap equivalents, as hereinafter defined, for use within the initial District boundaries in Clear Creek County, Colorado.

Together with all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversions, remainders, rents, issues and profits thereof; and all the estate, right, title, interest, claim and demand whatsoever of the Assignor, either in law or equity, of, in and to the above bargained premises.

TO HAVE AND TO HOLD the said premises above described and assigned, with all the appurtenances unto the Assignee, its successors and assigns forever. And the Assignor, for itself, its successors and assigns, does covenant, grant, bargain, and agree to and with the Assignee, its successors and assigns, that at the time of the ensealing and delivery of these presents it is well seized of the premises above conveyed, as of good, sure, perfect, absolute



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and indefeasible estate of inheritance, in law, in fee simple, and has good right, full power and authority to convey and assign the same in the manner and form aforesaid, and that the same are free and clear from all former and other grants, bargains, sales, assignments, liens, taxes, assessments and encumbrances of whatever kind or nature; and the above bargained premises in the quiet and peaceable possession of the Assignee, its successors and assigns, against all and every person or person lawfully claiming or to claim the whole or any part thereof by, through or under the Assignor, the Assignor shall and will warrant and defend forever.

2. For purposes of this Assignment the term "water tap equivalent" or "water tap" shall be defined as: an undivided 1/736th's of the 24.0 acre-feet of the Vidler Tunnel contract water set aside for augmentation of consumptive use by domestic wells and an undivided 0.1148% interest in the 6.7 acre-feet of the Vidler Tunnel contract water set aside to cover transportation and evaporation losses, both of which amounts are a part of the water to be delivered pursuant to the Memorandum of Agreement entered into between Vidler Tunnel Water Company and Saddleback, Ltd., on October 4, 1979, recorded as Reception No. 243775 in the Office of the Clerk and Recorder of Summit County, Colorado, as amended by a document recorded on August 17, 1985, as Reception No. 282664 in the Office of the clerk and Recorder of Summit County, Colorado, and are more specifically described in the decree of the District Court, in and for Water Division No. 1, entered on November 9, 1979 in Case No. W-9483-78, as amended; together with an undivided 0.1148% interest in the right to store water, including storage by exchange, in an amount up to 25 acre-feet in reservoirs of the City of Golden pursuant to an Agreement entered into on July 9, 1979 by Saddleback, Ltd., a Colorado limited partnership, and the City of Golden, recorded in Book 435 at Page 279 in the Office of the Clerk and Recorder of Clear Creek County, Colorado; together with a right to augmentation of an inhouse-use only (no irrigation or other outside use) well under the decree entered in Case No. W-9483-78, as amended; together with the right to file an application for and obtain a well permit from the Office of the State Engineer, Colorado Division of Water Resources for a single-family dwelling, inhouse-use only well, pursuant to said decree, as amended; and also together with the right to require the Saddleback Metropolitan District to administer said well and provide augmentation water therefor under said decree, as amended.

IN WITNESS WHEREOF, Assignor has set its hand and seal hereto the day and year first above written.

Attest:

SADDLEBACK METROPOLITAN DISTRICT,
a Political Subdivision of
the State of Colorado

Secretary

By: _____
Chairman



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STATE OF COLORADO

COUNTY OF

)
) SS
)

The foregoing instrument was acknowledged before me this _____ day of _____, 1995 by _____ as Chairman and _____ as Secretary of the Saddleback Metropolitan District.

Witness my hand and official seal

My commission expires:

Notary Public

ASSIGNMENT
(Water Tap Equivalents - Uphill to District)

THIS ASSIGNMENT made the _____ day of _____, 19____, between Uphill Limited Liability Company, a Colorado Limited Liability Company (hereinafter referred to as "Assignor" or "Uphill"), and The Saddleback Metropolitan District, a political subdivision of the State of Colorado (hereinafter referred to as "Assignee" or "District").

WITNESSETH:

WHEREAS, District holds right, title and interest to certain water rights per that Assignment (Water Rights) dated _____, wherein Uphill conveyed sufficient water rights for 90 water tap equivalents for use within the initial District boundaries in Clear Creek County, Colorado, pursuant to that Agreement between Uphill and District dated _____ and recorded at Book _____ and Pages _____ to _____, Clear Creek County, Colorado records; and

WHEREAS, pursuant to the aforesaid Agreement the District has assigned 90 water tap equivalents to Uphill pursuant to that certain Assignment by the District to Uphill dated _____, 1994, and recorded at Book _____, Pages _____ to _____, Clerk Creek County, Colorado records, and it is the desire of Uphill to assign a portion of these water tap equivalents back to the District pursuant to the terms and conditions of the aforesaid Agreement and this Assignment.

For and in consideration of the premises, and payment by the District to Uphill of _____ (\$ _____), and the consideration required by the Agreement between Uphill and District dated _____, 1995, the receipt and sufficiency of which is hereby acknowledged, Assignor hereby conveys and assigns unto Assignee the following:

1. _____ (_____) water tap equivalents, as hereinafter defined, for use of a single such water tap equivalent on each of the _____ lots or parcels within the initial District boundaries finally platted by Clear Creek County, Colorado, by the final plat approved by Clear Creek County on _____, and recorded _____ in _____ of the Clear Creek County records as are more particularly described in "Exhibit 1" attached hereto and incorporated herein by this reference.

Together with all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversions, remainders, rents, issues and profits thereof; and all the estate, right, title, interest, claim and demand whatsoever of the Assignor, either in law or equity, of, in and to the above bargained premises.

TO HAVE AND TO HOLD the said premises above described and assigned, with all the appurtenances unto the Assignee, its successors and assigns forever. And the Assignor, for itself, its successors and assigns, does covenant, grant, bargain, and agree to and with the Assignee, its successors and assigns, that at the time of the ensealing and delivery of these presents it is well seized of the premises above conveyed, as of good, sure, perfect, absolute and indefeasible estate of inheritance, in law, in fee simple, and has good right, full power and authority to convey and assign the same in the manner and form aforesaid, and that the same are free and clear from all former and other grants, bargains, sales, assignments, liens, taxes, assessments and encumbrances of whatever kind or nature; and the above bargained premises in the quiet and peaceable possession of the Assignee, its successors and assigns, against all and every person or person lawfully claiming or to claim the whole or any part thereof by, through or under the Assignor, the Assignor shall and will warrant and defend forever.

2. For purposes of this Assignment the term "water tap equivalent" or "water tap" shall be defined as: an undivided 1/736th's of the 24.0 acre-feet of the Vidler Tunnel contract water set aside for augmentation of consumptive use by domestic wells and an undivided 0.1148% interest in the 6.7 acre-feet of the Vidler Tunnel contract water set aside to cover transportation and evaporation losses, both of which amounts are a part of the water to be delivered pursuant to the Memorandum of Agreement entered into between Vidler Tunnel Water Company and Saddleback, Ltd., on October 4, 1979, recorded as Reception No. 243775 in the Office of the Clerk and Recorder of Summit County, Colorado, as amended by a document recorded on August 17, 1985, as Reception No. 282664 in the Office of the clerk and Recorder of Summit County, Colorado, and are more specifically described in the decree of the District Court, in and for Water Division No. 1, entered on November 9, 1979 in Case No. W-9483-78, as amended; together with an undivided 0.1148% interest in the right to store water, including storage by exchange, in an amount up to 25 acre-feet in reservoirs of the City of Golden pursuant to an Agreement entered into on July 9, 1979 by Saddleback, Ltd., a Colorado limited partnership, and the City of Golden, recorded in Book 435 at Page 279 in the Office of the Clerk and Recorder of Clear Creek County, Colorado; together with a right to augmentation of an inhouse-use only (no irrigation or other outside use) well under the decree entered in Case No. W-9483-78, as amended; together with the right to file an application for and obtain a well permit from the Office of the State Engineer, Colorado Division of Water Resources for a single-family dwelling,



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inhouse-use only well, pursuant to said decree, as amended; and also together with the right to require the Saddleback Metropolitan District to administer said well and provide augmentation water therefor under said decree, as amended.

IN WITNESS WHEREOF, Assignor has set its hand and seal hereto the day and year first above written.

UPHILL LIMITED LIABILITY COMPANY,
a Colorado Limited Liability Company

By: _____
Manager

STATE OF COLORADO)
) ss
COUNTY OF)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, as Manager of Uphill Limited Liability Company, a Colorado Limited Liability Company.

Witness my hand and official seal

My commission expires:

Notary Public



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EXHIBIT 1 TO ASSIGNMENT
(Water Tap Equivalents - Uphill to District)

Lots _____, Block _____, Saddleback Mountain
Subdivision Filing No. _____, Clear Creek
County, Colorado (a total of _____ lots).



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AGREEMENT
(Saddleback and District)

THIS AGREEMENT, made and entered into this _____ day of _____, 1995, by and between SADDLEBACK MOUNTAIN DEVELOPMENT CORPORATION, a Colorado corporation ("Saddleback"), and the SADDLEBACK METROPOLITAN DISTRICT, a political subdivision of the State of Colorado ("District").

WITNESSETH:

WHEREAS, Saddleback's predecessor, Kober Corporation, entered into a certain Agreement to Purchase and Sell dated May 5, 1993, ("1993 Agreement"), wherein Saddleback is purchasing or developing certain property in Clear Creek County, Colorado, known as the Saddleback Property; and

WHEREAS, part of the Agreement requires Saddleback to form a Metropolitan District for provision of water and sanitation services; and

WHEREAS, the District in its formation and provision of such services is in need of up-front monies to defray the cost of such organizational expenses and services; and

WHEREAS, it is the desire of Saddleback to assure the success of the proposed District by advancing all costs of organizing such District, by making loans as required to meet budget shortfalls and by paying a pro-rata share of the costs of the Vidler Tunnel Water Company Agreement.

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Saddleback shall pay all costs of organizing the proposed District which are estimated to be \$50,000.00. Such amount is to be reimbursed to Saddleback by the District as soon as funds are available to the District for this purpose.

2. Saddleback has a contractual obligation per the 1993 Agreement to pay the Vidler Tunnel Water Company annual charges for augmentation water as long as the 1993 Agreement has not been terminated. Saddleback shall pay 90/736th's of the Vidler annual charges, and the District will pay 646/736th's of the Vidler annual charges, provided, however, that the proportionate share of the Vidler annual charges to be paid by each party shall be subject to adjustment as provided in paragraph 4(f) of the Agreement dated _____, 1995, between Uphill Limited Liability Company and the District.

3. As long as the 1993 Agreement has not been terminated, Saddleback also agrees to make loans to the District upon request of the District to cover any deficiency in the operation of the District. Such loans would be reimbursed to Saddleback from future revenues of the District as such funds are available for this purpose. Such deficiency would be exclusive of capital construction.

4. Saddleback or its assigns will not be required to pay the District more than \$5,000.00 per water tap equivalent for the water tap equivalents purchased by the District from Uphill for \$1.00, or more than \$8,500.00 per water tap equivalent for any water tap equivalents purchased by the District from Uphill for \$3,500.00. Further, the District will not require a water tap for any 35 acre parcels, that otherwise have a water source.

5. The repayments by the District of amounts advanced by Saddleback hereunder shall be solely from revenues of the District, and the District's repayment obligation shall not constitute a bonded indebtedness against any property within the District.

6. This Agreement shall become effective upon entry of the Court Order forming the Saddleback Metropolitan District and upon execution of this Agreement thereafter by the District.

7. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, personal representatives, successors and assigns.

8. This Agreement shall be construed and enforced in accordance with the laws of the State of Colorado.

IN WITNESS WHEREOF, the undersigned hereto affix their signatures on the day and year first above given.

SADDLEBACK MOUNTAIN DEVELOPMENT
CORPORATION, a Colorado Corporation

By: _____
President

SADDLEBACK METROPOLITAN DISTRICT,
a Political Subdivision of
the State of Colorado

Attest:

Secretary

By: _____
Chairman



Exhibit "B"

MEMORANDUM OF AGREEMENT

THIS AGREEMENT, made and entered into this 12th day of August, 1979, by and between Vidler Tunnel Water Co., a Colorado corporation, hereinafter referred to as "Seller", and Saddleback, Ltd., a Colorado Limited Partnership, hereinafter referred to as "Purchaser",

WITNESSETH THAT: Saddleback, Ltd. c/o Howard Parkas, 5660 Syracuse Circle, Englewood, Colorado, 80111.

WHEREAS, Seller owns the Vidler Tunnel, through which water from the Colorado River drainage basin may be transported and released into Leavenworth Creek, a tributary of Clear Creek in the drainage basin of the South Platte River; and,

WHEREAS, Seller is also the owner of certain rights to the use of water having their point, or points, of diversion, or one or more of their alternate points of diversion, at such locations on tributaries of the Snake River, a tributary of the Colorado River, that the water may be diverted therefrom into the west portal of the Vidler Tunnel, and carried through the said Vidler Tunnel for discharge into the aforesaid Leavenworth Creek; and,

WHEREAS, Purchaser is developing some 2,500 acres of land in Clear Creek County, Colorado, and must supply water to those persons who will reside within its development for domestic and other beneficial uses; and,

WHEREAS, Purchaser is obligated to provide well augmentation water for use by the Clear Creek County School District RE-1 (the "School District") at a proposed school site to be located near Purchaser's development (the "school"); and,

WHEREAS, at full development Purchaser may supply water to 716 residential units and the school, which water will be furnished through wells taking water tributary to Clear Creek; and,

WHEREAS, Purchaser, in order to compensate for depletions



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to Clear Creek and its tributaries resulting from water usage by said subdivision and school, must provide an amount of water annually which equals such depletions, which water must be delivered into Clear Creek in exchange for water withdrawn through its said wells; and,

WHEREAS, Purchaser has filed in the Water Court for Water Division I an Application for Approval of Plan for Augmentation Including Exchange (Case No. W-9483-78), pursuant to which Purchaser intends to utilize transmountain water delivered by Seller to exchange for water withdrawn from and stored on tributaries of Clear Creek and released for augmentation of its wells. The Water Court will determine the amount of transmountain water required to be delivered in order to compensate for depletions by said wells;

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the parties hereto agree as follows:

1. Purchaser agrees to pay to Seller Fifteen Thousand Dollars (\$15,000.00) annually, payable in full on or before May 15 of each year following issuance of the decree in Case No. W-9483-78. Such annual payment shall be adjusted in years following the first annual payment in accordance with increases in the Consumer Price Index, using as a base for such computations the index as of January 1, 1979.

2. Seller agrees to deliver into Leavenworth Creek each year not more than 35.1 acre feet of water from sources not tributary to Clear Creek or the South Platte River drainage basin, subject to the following terms and conditions:

- (a) The amount of water to be delivered each year shall be equal to the sum of the following:

- (1) The amount of water required to be delivered into the Clear Creek drainage or released from storage on Clear Creek or its tributaries in accordance with the Water Court's decree in pending Case No. W-9483-78.

- (2) The amount of water required to make up

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for evaporation and transportation losses associated with storage and release of water from reservoirs employed by Purchaser and the School District to effectuate their augmentation plan, as set forth in the Water Court's decree in pending Case No. W-9483-78.

(b) Purchaser shall notify Seller in writing on or before May 15 of each year as to the amount of water to be delivered, and the rate, not to be more than 6 acre feet per day nor less than 3 acre feet per day, at which said water shall be delivered in order that Purchaser, pursuant to the requirements imposed by the State Engineer or his representative, and the physical availability of water in Beaver Brook or other tributaries of Clear Creek in which Purchaser may store the water, will be able to store an equivalent amount of water in Beaver Brook Reservoirs, and/or other facilities to be constructed or utilized by Purchaser. Seller agrees to deliver the water in accordance with said notice in so far as physically practicable.

(c) Unless otherwise agreed upon in advance by the parties hereto, said delivery shall commence on or after June 1 of each year, and shall be completed on or before July 31 of each year, and shall, to the extent of Seller's physical capability, be at the rate specified in paragraph 2(b) herein. Seller shall notify Purchaser by telephone, confirmed in writing, at least 5 days in advance of the commencement of each delivery as to the date on which such delivery is expected to commence, the approximate rate of delivery, and the anticipated period of time during which such delivery will be made. The limitations imposed in this paragraph 2 are based on certain assumptions concerning the

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hydrology of the various streams involved. In the event that any of these factors do not occur in the manner expected, and the limitations can be modified so as to benefit either party without material detriment to the other, such modifications will be agreed upon so that each party shall receive the benefits contemplated by this Agreement to the greatest extent possible. To that end, Seller will use reasonable efforts to make deliveries in June or early July of each year, and will deliver at a lower rate if practical in its judgment, if the flow in streams available to Purchaser is such that Purchaser cannot fully utilize the minimum delivery rate specified in paragraph 2(b) above.

(d) In the event that a breakdown of facilities or equipment or other unforeseeable circumstance disrupts either Seller's ability to deliver water in accordance with this Agreement, or Purchaser's ability to store an equivalent amount of water in accordance with this Agreement, such disruption and the resulting delay, within reasonable limitations, shall not constitute a breach of this Agreement. In the event the delay on the part of either party renders it impossible for delivery to occur during any calendar year, the parties hereby agree to cooperate to the end that such delivery can be made in the following calendar year, within the legal and physical limitations of each party.

(e) Water to be delivered in accordance with this Agreement shall be used by Purchaser within and for the benefit of its said development and the school and shall not be sold or released for consideration to any other person or entity; however, Purchaser shall have the right to assign its rights hereunder to a homeowner's association, a water and sanitation district, or another

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entity organized or created to administer the water augmentation program contemplated herein. Such assignee shall, nevertheless, be bound by the above limitation.

3. Seller hereby warrants its title to the right to divert water out of tributaries of the Snake River, and hereby warrants its right to deliver not less than 50 acre feet of said water annually into Leavenworth Creek. Seller hereby agrees that it will warrant and forever defend the right of Purchaser to utilize water delivered by Seller pursuant to this Agreement as imported water contributed to Clear Creek and its tributaries from sources non-tributary to Clear Creek or the South Platte River. Seller does not warrant, however, that Purchaser shall have an adequate flow out of the Clear Creek tributaries available to it, the existence of adequate storage capacity available to Purchaser, or that the proposed exchange can be made in view of other calls on Clear Creek or any of its tributaries might make the proposed exchange legally impossible. Seller shall fulfill its obligation to deliver water as provided for herein out of any of the following water rights:

(a) Arduser Ditch, 52.5 acre feet per year, priority date September 8, 1934, rate not to exceed 1.0 cfs, adjudicated in Civil Action No. 2350, Summit County District Court, October 1, 1968.

(b) Rice Ditch Transfer, 361 acre feet per year, adjudicated in Case No. W-217, Division 5 Water Court, August 23, 1974, which includes the following water rights:

- (1) Rice Ditch, priority date May 3, 1893, 4.50 cfs.
- (2) Soda Creek Ditch, priority date July 1, 1900, 2.72 cfs.
- (3) Phillips Ditch, priority date June 1, 1904, 4.0 cfs.

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(4) Rice-Riley Enlargement, priority date

July 5, 1914, 10.00 cfs.

(5) Rice Enlargement, priority date July

5, 1914, 10.00 cfs.

4. Purchaser intends to utilize water delivered pursuant to this Agreement by exchange by diverting an equivalent amount of water from Beaver Brook and/or other tributaries of Clear Creek and storing the water so diverted in Beaver Brook Reservoirs, and/or other storage facilities on tributaries of Clear Creek to be constructed or utilized by it. The diversion for storage of such water and the measurement thereof by devices approved by the State Engineer or his representative shall be the sole responsibility of Purchaser. Seller's obligation to deliver water hereunder shall be fully discharged when such imported water is measured and discharged into said Leavenworth Creek from sources non-tributary to the South Platte River as hereinabove provided.

5. In the event of material nonperformance by either party with respect to any provision of this Agreement, the other party may, at its election, terminate this Agreement for such nonperformance. In the event of such nonperformance by Purchaser or its successors or assigns, if Seller elects to terminate this Agreement, it shall have no further obligation to deliver water hereunder. In the event of such nonperformance by Seller or its successors or assigns, if Purchaser elects to terminate this Agreement, it shall have no further obligation to purchase water hereunder. This remedy is not intended to be exclusive, and the exercise thereof shall not constitute a waiver of any right to pursue any remedy, including an action for damages for nonperformance. Nothing contained herein shall be construed to prohibit an action by either party for specific performance of this Agreement.

6. Any notice required to be given hereunder in writing or confirmation in writing shall be given in writing addressed to the following:

(a) Seller: Vidler Tunnel Water Company, Attention Herbert T. Young, President, 75 Manhattan Dr., Suite 201, Boulder, Colorado, 80303.

(b) Purchaser: Saddleback, Ltd., Attention Robert Sanders, 470 Colorado Blvd., Denver, Colorado, 80222.

In the event of a change in the address to which notice is to be given, notice of such change shall be given to the other party in the manner provided above.

7. In the event that Seller or its successors or assigns shall propose to sell or transfer all or any part of its assets, including its water rights, which assets are necessary for the performance of Seller's obligations under this Agreement, the prospective purchaser or transferee shall agree in writing to assume each obligation of Seller pursuant to the within Agreement, and shall give Purchaser written notice that it has so agreed. Failure to obtain said written agreement shall not relieve the prospective purchaser or transferee of the duty, responsibility, and liability to fulfill all obligations of Seller under this Agreement, but said failure shall cause the Seller to remain obligated to fulfill, or cause to be fulfilled, all of the obligations under this Agreement.

8. This Agreement shall inure to the benefit of and be binding upon the transferees, successors and assigns of Seller, and shall inure to the benefit of and be binding upon the transferees, successors and assigns of Purchaser. When this Agreement is recorded, the provisions contained herein shall constitute covenants running with title to all assets owned by Seller which are necessary for performance of Seller's obligation under this Agreement, including the water rights divertible through the Vidler Tunnel.

IN WITNESS WHEREOF, the parties hereto have executed the within Agreement in duplicate original counterparts as of the day and year first above written.

SELLER

VIDLER TUNNEL WATER COMPANY



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By Herbert T. Young
President

Attest:

Robert T. Young
Secretary

STATE OF COLORADO

COUNTY OF Boulder

The foregoing Agreement was acknowledged before me by
Robert T. Young as President of Seller, Vidler
Tunnel Water Co., and by Robert T. Young as Secretary,
on the 10 day of October, 1979.
WITNESS my hand and official seal.
My Commission expires: Nov. 10, 1982

Robert T. Young
Notary Public

PURCHASER

SADDLEBACK LTD., a Colorado
Limited Partnership

By Robert Sanders
General Partner

STATE OF COLORADO

COUNTY OF

The foregoing Agreement was acknowledged before me
by Robert Sanders, General Partner of Saddleback, Ltd., on the
10 day of October, 1979.
WITNESS my hand and official seal.
My Commission expires: Nov. 10, 1982

Robert Sanders
Notary Public



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AMENDMENT TO AGREEMENT

THIS AMENDMENT TO AGREEMENT is made this August day of 1984 by and between VIDLER TUNNEL WATER COMPANY, a Colorado corporation (hereafter "Seller") and SADDLEBACK, LTD., a Colorado Limited Partnership (hereafter "Purchaser").

RECITALS

WHEREAS, Seller and Purchaser are Parties to an Agreement dated October 4, 1979 (hereafter "the Agreement"), a copy of which is attached hereto as Exhibit "A"; and

WHEREAS, the Agreement provides for deliveries of water by Seller into the Clear Creek drainage basin for Purchaser's use for augmentation purposes; and

WHEREAS, Subparagraph 2(e) of the Agreement provides as follows:

Water to be delivered in accordance with this Agreement shall be used by Purchaser within and for the benefit of its said development and the school and shall not be sold or released for consideration to any other person or entity; however, Purchaser shall have the right to assign its rights hereunder to a homeowner's association, a water and sanitation district, or another entity organized or created to administer the water augmentation program contemplated herein. Such assignee shall, nevertheless, be bound by the above limitation;

and

WHEREAS, Purchaser desires to assign its rights in and delegate its duties under the Agreement to a private entity or entities which will develop the property referenced in the Agreement to permit the water use and augmentation contemplated in the Agreement; and

WHEREAS, the Parties desire to clarify said Subparagraph 2(e) concerning said assignments;

NOW THEREFORE, in consideration of the Parties' desire and intent to clarify said Subparagraph 2(e) as stated above, the Parties agree as follows:

1. Subparagraph 2(e) of the Agreement shall be amended to read as follows:

Water to be delivered in accordance with this Agreement shall be used by Purchaser within and for the benefit of its said development and the school and shall not be sold or released for

COPY

282644

AUG 17 3 08 PM '84
COLLEEN RICHMOND

STATE OF COLORADO

COUNTY OF Boulder

The foregoing Amendment to Agreement was subscribed and sworn to before me this 12th day of June 1984 by Olaf S. Nelson & F. W. Wams, as President and Secretary of Vidler Tunnel Water Company, a Colorado corporation.

Witness my hand and official seal.

My commission expires: Mar. 10, 1986

Robert F. Merriam
Notary Public

STATE OF COLORADO

COUNTY OF Chaparral

The foregoing Amendment to Agreement was subscribed and sworn to before me this 3rd day of August 1984 by Robert J. Dinkins, General Partner of Saddleback, Ltd., a Colorado Limited Partnership.

Witness my hand and official seal.

My commission expires: 6-21-86

Lucille F. Rippner
Notary Public



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CONTRACT

THIS AGREEMENT, made and entered into this 9th day of July, 1981 by and between Saddleback, Ltd., a Colorado limited partnership ("Saddleback") and the City of Golden, a municipal corporation of the State of Colorado, ("Golden").

RECITALS:

WHEREAS, Saddleback intends to develop a subdivision consisting of approximately 715 sites located in the drainage of Clear Creek in Township 4 South, Range 72 West of the 6th P.M. in Clear Creek County, Colorado to be served by individual or cluster wells, and

WHEREAS, in the development of said subdivision it will become necessary for Saddleback to acquire well augmentation water storage capacity in the amount of 36 acre feet, and

WHEREAS, Golden has heretofore agreed to provide water storage capacity for 25 acre feet, in accordance with that certain agreement between the parties dated February 23, 1979, and

WHEREAS, Golden is willing to provide additional and different water storage capacity in exchange for the transfer to Golden by Saddleback of certain water rights owned by Saddleback,

NOW, THEREFORE, in consideration of the premises and the mutual covenants and conditions contained herein, the parties agree as follows:

1. Saddleback agrees to convey to Golden by special warranty deed all water rights which Saddleback owns in the Wolff Ditch out of Clear Creek as set forth in the deed attached hereto as Exhibit "A."

2. Golden agrees to supply to Saddleback 25 acre feet of water storage capacity in the Beaver Brook Reservoirs located in the NW1/4 NE1/4 of Section 14, Township 4 South, Range 72 West of the 6th P.M., Clear Creek County (Beaver Brook Reser-



voir No. F) and at the Quarter Corner between Sections 15 and 22, Township 4 South, Range 72 West of the 6th P.M., Clear Creek County (Beaver Brook Reservoir No. 3A) until such time as Golden constructs its anticipated reservoir or reservoirs in Section 29, Township 3 South, Range 74 West of the 6th P.M., Clear Creek County, located on or adjacent to the west fork of Clear Creek, (Clear Creek Reservoir). At such time as the Clear Creek Reservoir or the initial reservoir of the reservoirs to be constructed

at the aforesaid location is completed, Golden shall supply to Saddleback permanent water storage capacity in the amount of 36 acre feet in the Clear Creek Reservoir or such initial reservoir. Thereafter Golden shall no longer be obligated to provide any water storage capacity to Saddleback in the Beaver Brook Reservoirs.

3. Golden shall release from storage any water acquired by Saddleback and stored by Golden in the reservoirs referred to in paragraph 2 in accordance with the provisions of that certain decree approving plan for augmentation including exchange entitled "In The Matter of the Application for Water Rights of Saddleback, Ltd. and Clear Creek County School District RE-1 on Clear Creek and Its Tributaries," Case No. W-9483-78, Water Division I dated November 9, 1979, as said decree is administered by the water officials of the State of Colorado. Saddleback shall release Golden from any liability or claim of loss by Saddleback in the event such releases from storage are required by the water officials of the State of Colorado and not consented to by Saddleback.

4. In the event the Clear Creek Reservoir or the said initial reservoir is not constructed to a capacity of at least 36 acre feet, within ten years of the date of this agreement, and such capacity made available to Saddleback, Saddleback shall have a permanent right of water storage capacity in the Beaver Brook Reservoirs in the amount of 25 acre feet until such time as

Golden is able to provide Saddleback with a substitute 36 acre foot water storage site, acceptable to Saddleback, (which acceptance shall not be unreasonably withheld) in the Clear Creek drainage. Golden agrees to use its best efforts to obtain such substitute water storage site in consideration of Saddleback's conveyance of even date to Golden of Wolff ditch water rights in excess of 14.65 inches.

5. Nothing in this Agreement shall require Golden to furnish Saddleback any water or water rights, it being Golden's sole obligation hereunder to furnish storage capacity in the amounts set forth herein in paragraph 2. Saddleback shall acquire the water to be stored by Golden at Saddleback's sole expense, and Saddleback shall be solely responsible for all carriage and evaporation losses resulting from the storage of water hereunder.

6. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.

IN WITNESS WHEREOF the parties hereto have entered into this Agreement as of the date and year first above written.

SADDLEBACK, LTD., a Colorado
Limited Partnership

CITY OF GOLDEN, COLORADO, a
Municipal Corporation

Robert Sanchez
General Partner

Frank J. Leek
Mayor

ATTEST:

Sharon Bennett
City Clerk



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SERVICE PLAN

SADDLEBACK METROPOLITAN DISTRICT

APPENDIX D - GROUNDWATER AVAILABILITY

W.C. Wells & Co. Report

(includes copy of W-9483-78; the 1981 and the 1985 Amendments)



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W.C. WELLS & CO. INC. / *consulting geologists*
the ranch office commons, bldg 3, suite 102 /
2010 west 120th avenue / denver, colorado 80234 / telephone (303) 466-3801

February 7, 1995

Mr. Craig Grossman
25 Saddleback Drive
Evergreen, CO 80439

Re: Ground Water and Engineering Geologic Investigation, Saddleback Mountain Preliminary Plat, Clear Creek County, Colorado.
Job No. 3633

Dear Craig:

At your request I have prepared this report on the proposed Saddleback Mountain development. I understand a preliminary plat for this property will be submitted in the near future. The privately owned property in this area spans 1,500± acres, however, I understand this development would only encompass 580 acres as outlined on the attached Figure-1. The land occupies parts of Sections 3 and 4, Township 4 South, Range 72 West and as proposed, the development would contain 86 single family homes on lots of 2 to 11 acres in size.

Within the area outlined on Figure-1, a series of roads and building sites are planned primarily for the South-Half of the South-Half of Sections 3 and 4. Approximately 250 acres of this property will not be included in residential parcels but will be left as open space. Each home will be serviced by an individual well. A mechanical aerobic wastewater system will be utilized for each home and treated effluent will be released through standard individual leach fields. Building site locations are not shown on the attached figure, however, other documents filed as a part of the preliminary plat illustrate the building envelopes for each lot.

This report covers both the ground water availability and engineering considerations in property development. Our work on this property commenced in 1978 and much of the previous geologic and geohydrologic information has been incorporated in this report. To assist in this report preparation I have also reviewed the County files for geologic information and have considered the comments of area residents.



SUMMARY OF CONCLUSIONS

- (1) In general, much of the development as planned can be safely constructed from a geotechnical view point. In steep topographic areas construction of roads or homes should be avoided owing to potentially unstable slopes. Before construction is permitted in moderately steep or steep areas additional geotechnical investigations will be required.
- (2) Surface water diversion facilities, peripheral basement drains in areas of near surface water and separation of domestic wells and leach fields must be included in your development plans.
- (3) The water demand for the proposed development should equate to 28 acre feet per year. Individual wells should provide an adequate domestic water supply.
- (4) There should be enough ground water recharge in the bedrock to support this level of ground water development. The ground water is generally acceptable for domestic consumption.
- (5) The property owners have obtained a court decreed plan for augmentation to legalize the State Engineer issuance of water supply well permits. Augmentation water is provided through a contract with the Vidler Tunnel Water Company which supplies 36 acre feet annually for this plan. Reportedly the plan and replacement water will be transferred to the district upon its formation.

LOCATION AND TOPOGRAPHIC SETTING

The Saddleback Mountain Development, in the eastern sectors of Clear Creek County, is south of the intersection of U.S. Highway 6 and Interstate 70. The property encompasses an irregular shaped parcel primarily situated on north facing slopes of the south flank of Clear Creek valley. The area is mountainous, containing about 1,600 feet of vertical relief with most of the natural slopes inclining at 5:1 to 2:1 (horizontal to vertical). Locally some slopes are steeper than 1:1 where rock outcrops form small bluffs.

Runoff from the property occurs as precipitation derived as snow and rainfall. Runoff is collected in small streamlets that coalesce into major drainage swales trending northward to Clear Creek. On the subject property the major drainage swale is Johnson Gulch, which carries nearly a continuous flow of surface water. The property annually receives approximately 18 inches of precipitation.

Most of the area is densely forested with conifers. Small patches of aspens are also present, generally along drainage swales.



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GENERAL GEOLOGY

Bedrock

The proposed development is underlain by a complex series of metamorphic rocks. Other geologic investigators have mapped three different formations in this area, namely, the Idaho Springs Schist, Klondike Hornblend Gneiss and Quarts Monzonite. For simplicity, I have shown on the geologic map, Figure-1, bedrock as pre-Cambrian rocks that may be several tens of thousands of feet thick. Rock units are moderately jointed and fractured.

The crystalline bedrock in this area is strongly foliated, which simply means that linear shaped mineral grains have been oriented through geologic processes in sheet-like patterns. Frequently major fracture systems are parallel to these linear features thus the rock appears to be tabular. Joints and fractures within the bedrock not only occur parallel to these planes, but secondary fracture systems occur in other directions.

Structurally bedrock units have been highly deformed by movements along major faults in the area. The largest fault, Floyd Hill Fault, parallels Interstate-70 and eventually crosses Saddleback Estates north of the subject property. Several other splinter faults have been mapped by various investigators. Within the subject property, however, there are no mapped faults although undoubtedly they exist.

The metamorphic crystalline bedrock has undergone structural deformation. Folding and tilting of the bedrock units has taken place as evidenced in the attitude of rock foliation. For the most part, geologic units across the property have been tilted north to northeast with inclinations of 35 to 50 degrees from horizontal.

Overburden

In our geologic mapping and aerial photo interpretation we have identified at least three major types of overburden deposits. Across the more moderately sloping terrain most of the slopes are blanketed by residual soil and slope wash materials. These soils are silty sands, a film to 5± feet in depth. Residual soils are



developed from weathering of the underlying crystalline rock. Soils are loosely compacted with only minor organic soil profiles.

In the moderately steep terrain residual and slope wash soils become thicker with more gravity movement of these materials down natural slopes. In these areas the silty, sandy overburden contains numerous cobbles and boulders. Where excavated, these soils appear to be a film to 15 feet. Owing to the abundance of fine materials, residual and slope wash soils are moderately compacted and dense. Cohesion, however, is minimal, hence cobbles and boulders can be loosened readily.

On steep slopes, particularly beneath bedrock outcrops, talus material composed of gravels, cobbles and boulders have accumulated through rock sloughing. These deposits, in an apron-like form, below bluffs are loose and nearly void of fine materials. Talus generally stands on slopes at its natural angle of repose, hence any minor adjustments in slope steepness can cause movement of these non-cohesive materials. Talus accumulations may be 10 to 15 feet thick.

The third overburden material is artificial fill created by excavation of roads. Along the one road that now exists on this property, this material is a mixture of sands, gravels, cobbles and boulders. This material has generally been dumped onto the natural slopes forming a fill slope as its natural angle of repose. The locations of the geologic units on this property are shown on Figure-1.

ENGINEERING GEOLOGIC CONSIDERATIONS IN THIS PLANNED DEVELOPMENT

Geologic Instability

Although our investigation of the property did not identify massive landslides involving large bedrock failure, several smaller slides have occurred in the overburden deposits as shown on the attached Figure-1. Small slides are generally thin and more than likely were precipitated by erosion over steepening of the slopes. For this plan no proposed residences are contemplated in any areas of existing slides.



Man-made features such as excavations of poorly planned cuts and fills could create new instability. In steep terrain, particularly where slopes are mantled by slope wash deposits or talus, excavation of cuts and fills greater than 5 feet in height can undercut the base of these materials causing movement. Fills could also cause movement by unsafely loading the surficial soils. Practically any construction in talus areas could cause movement unless the construction activity is carefully planned from a geotechnical point of view.

Cut and Fill Construction

In our judgement, to avoid creation of potentially unstable slopes, construction of cuts and fills higher than 5 feet in areas covered by slope wash or talus on slopes steeper than 2- $\frac{1}{2}$:1 should be avoided. Across steep areas where bedrock is clearly exposed, cuts can be excavated, however, this recommendation is applicable for only west, east and south facing cut slopes. North facing bedrock cut slopes could "day-light" joints and fractures along metamorphic rock foliation potentially causing failures. If cuts are planned higher than 10 feet, block wedge type failures of the bedrock unit itself could occur.

We are aware that to permit homesite construction in the more gently sloping areas of the property road construction to these areas may be required. In steep areas mantled by talus or slope wash, roads should be first pioneered, thence additional geotechnical studies should be performed to map the site-specific geologic conditions and allow the road design to be properly engineered.

On slopes no steeper than 2- $\frac{1}{2}$:1 but steeper than 5:1 excavation of cuts and fills should be carefully planned. Once roads are pioneered through these areas, roadway alignments should be examined from a geotechnical viewpoint to insure hazardous geologic conditions are not present. Generally in these areas bedrock cuts should be excavated no steeper than $\frac{1}{2}$:1 to heights of 10 feet, thence no steeper than 1- $\frac{1}{2}$:1 for cuts greater than 10 feet.

Fills should be keyed into sound bedrock at the fill toe, thence benched in stair-step like fashion as the fill is constructed to road grade. In this manner, planer surfaces on which the fill is emplaced is broken, thus avoiding potential fill slippage. Further, organic materials on the slopes should be removed to avoid settlement. Fill slopes should be bermed to prevent surface water runoff from flowing over the slopes causing erosion and



siltation of downstream areas. Subject to the recommendations of your soil engineer, fill slopes should be planned no steeper than 1- $\frac{1}{2}$:1. In areas where natural slopes are less than 5:1, fills probably do not have to be keyed into sound rock providing topsoils are stripped prior to fill emplacement.

Prior to fill construction, down slope areas should be protected by the installation of silt fences should surface water runoff occur. As soon as constructed, fill slopes should be planted to minimize erosion and siltation of downstream areas.

Home Construction

For reasons similar to those described for cuts and fills, construction of homes in steep areas with slopes greater than 2- $\frac{1}{2}$:1 should be avoided. These areas should be left primarily as open space. Home construction in areas sloping between 5:1 and 2- $\frac{1}{2}$:1 should be performed only after site-specific engineering geologic and foundation analyses have been performed to insure the stability of the homesites.

In general, residual and slopewash soils plus nearly all of the bedrock units across the tract should provide an adequate foundation for normal light frame homes. Excavations for foundations and basement walls in residual or slope wash soils containing large boulders may necessitate use of explosives to facilitate removal.

Surface Water Drainage

I believe, owing to the steepness of the topography, many of the drainage swales may pass large runoff volumes, hence homes should not be planned across or immediately adjacent to drainage swales. Further, all roads crossing drainage channels should be protected from erosion through the installation of adequately sized culverts and rip-rap bedrock road embankments. Additionally homesites should not be selected in areas where water loving vegetation is growing. It is likely shallow ground water may at times be present in these areas. If it is necessary to construct in these areas, basement walls should be provided with peripheral drains to collect and transport shallow ground water from the site. If drains are installed, wet basement problems should be avoided.



GROUND WATER SUPPLY

Water Supply Demand

As indicated, approximately 86 homes would eventually be constructed within the 580 acre parcel. Water demand estimates assume a home occupancy rate of 3.2 people utilizing water at 90 gallons per day per capita. Return flows from septic systems are judged to be about 90% of the total water demand. As I understand restrictive covenants will prohibit outside water use, the demand for this project should be 28 acre feet per year with a net consumptive use of 2.8 acre feet per year.

Ground Water Availability

The principal aquifer beneath the area are the joints and fractures of the crystalline pre-Cambrian rock. This rock unit spans the entire area and provides a source of ground water to numerous homes in this region. In Saddleback Estates the State Engineer's files illustrate an average production of 6.5 gallons per minute per well. With a water use of 3 acre feet per year, the average daily supply is 0.2 gallons per minute or 288 gallons per day per home. Assuming summer water demands would be three times this amount, a well needs to produce 900 gallons per day to meet the peak requirement. Well information in the area suggests that nearly all of the wells can easily meet this requirement.

Ground water in crystalline rocks and its availability for well production is controlled by the bedrock joints and fractures and the openness of those fractures and the nearness of the rock unit to a source of surface water recharge. The fracturing of the bedrock has been discussed previously and due to the nearness of major faults such as the Floyd Hill Fault, rock units should be adequately fractured to produce ground water supplies. Secondly, the forested terrain assists in retaining precipitation and snow melt for surface water recharge to the joint and fracture systems.

The accuracy of predicting ground water availability in crystalline rocks is nearly impossible since rarely is there any data on joint and fracture densities nor the openness of those fractures to the passage of ground water. The amount of ground water in the bedrock can be debated extensively, however in reality, even with



costly geohydrologic exploration the amount of stored ground water may never be known. There are perhaps 50,000 homes along the Front Range serviced by bedrock wells. Most wells do not tap rock units that are fractured like those expected in this area, yet State Engineer personnel know of very few wells going "dry".

I have not heard of wells in adjacent subdivisions declining in capacity such that homes cannot obtain the needed water supply. This has not occurred even though neighboring developments contain significantly greater densities than proposed for Saddleback. I believe individual domestic wells on the proposed lots should be capable of producing the required water supply, however, this will require verification once roadway access has been gained on the property.

Studies¹ in mountainous areas suggests that about 3% of the annual precipitation enters joints and fractures of bedrock units. If the annual precipitation rate in this area is 18 inches per year, we estimate there would be 26 acre feet of water entering the bedrock unit each year on this property. This is approximately nine times the annual net consumption of water planned for this development.

Normally ground water pumped from crystalline rocks is acceptable for domestic water supplies. Septic systems, if poorly planned and maintained do, in some locations along the Colorado Front Range, affect the joint and fracture ground water quality. Studies have shown that if well and septic systems can be spaced at least 200 feet apart rarely has ground water quality been impacted. Ground water quality impacts potentially can be further lessened if wells are cased and grouted to 40 feet with steel pipe to insure surface water does not short circuit into the well. As will be discussed further in this report, the planned use of mechanical aerobic wastewater systems will further enhance the quality of effluent discharge.

Legal Availability of Ground Water

Ground water within joints and fractures of the crystalline rock of this area is considered by the Colorado Division of Water Resources to be hydraulically connected to surface streams. The water therefore, is classified as tributary. Since the stream system is over appropriated, use of the ground water requires an

¹1975, Geologic control of supply and quality of water in the mountainous parts of Jefferson County, Colorado. Colorado Geological Survey



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augmentation plan to replace depletions as a result of ground water use. As described previously, ground water depletions on this property are expected to equate to about 2.8 acre feet per year.

In 1979 the land owners obtained a decree for an augmentation plan in Water Court Case W-9483-78. This plan provides augmentation water from the Vidler Tunnel which releases it to Clear Creek at Loveland Pass. The water then is exchanged along the stream to ponds on Beaver Brook located just south of the planned development. Alternatively the plan allows exchange of the augmentation water to a proposed City of Golden reservoir at Empire, Colorado. The augmentation water is then released to the stream at the direction of the Division Engineer to match well depletions.

This augmentation plan was developed for 736 homes on the 1,900 acre parcel and requires the formation of a water district for its operation. The plan does not need to be altered to a downsized development of 86 homes. As proposed for Saddleback, a pro-rata share of the Vidler Tunnel replacement water will be deeded to the district so that the district can provide replacement water, accounting services and therefore would place the State Engineer in a position to issue well permits for individual domestic wells on this property. I understand the annual service fee for Vidler water is on the order of \$34,000. The proposed district's pro-rata share would be \$4,000 thus alleviating the proposed homeowners and district with the entire annual service fee.

Effects of Ground Water Withdrawal and Use of Septic Systems

As I pointed out above, the approximate joint and fracture ground water recharge rate should be about 26 acre feet per year on this property. As I further point out, the net ground water consumption should be about 2.8 acre feet per year for the entire development. Since unconsumed household water returns to the bedrock fractures, ground water in this area should not be overdrafted and water table declines should not be anticipated.

Leach fields are engineered structures which must be designed to release water to the overburden soils and bedrock. The design cannot allow the water to "pipe" through soil and become a part of a surface water flow.



Return flows from domestic use of water has been raised as an issue by adjacent property owners. In the engineering sections of the preliminary plat submittal, further discussion is provided on the type of wastewater systems planned for this development. We are aware that mechanical aerobic treatment systems will be provided for each home and these systems will be maintained by district personnel. We are further aware that the discharge from these mechanical systems, prior to release to leach fields, will meet State stream water standards. As will be required by State Health Department officials, the district will be responsible for periodic effluent sampling from these mechanical systems prior to its release into leach fields. With those precautions plus adequate separation of well and leach fields, we do not anticipate degradation of ground water quality beneath this area.

RECOMMENDATIONS

- (1) No construction of roads or homes should be permitted in areas where natural slopes are steeper than 2- $\frac{1}{2}$:1 (horizontal to vertical). Moreover, no construction should be planned on talus deposits. If it is necessary to build roads across steep terrain, additional geotechnical studies should be performed along the road alignment.
- (2) In areas sloping less than 2- $\frac{1}{2}$:1 but greater than 5:1 all proposed roads and homesites should be investigated geotechnically to provide recommendations for safe construction.
- (3) Proposed domestic wells and home leach fields should be separated by at least 200 feet to avoid the potential for recycling effluent.
- (4) Surface and subsurface water drainage facilities should be planned, as discussed.
- (5) As roads are graded so that access to lot building sites are available, a representative number of wells should be drilled to verify anticipated well yield.
- (6) All wells should be metered and district personnel will have to tabulate the water used in the development in order to meet the augmentation plan annual accounting.

Professional judgements have been expressed in this report. They are based in part on the data gathered for this investigation, our understanding of the project requirements and our experience with both hillside engineering geologic conditions and ground water geology. As development occurs additional investigations by an engineering geologist and a soils engineer will be necessary. Well drilling will be necessary to verify our preliminary conclusions on ground water availability and quality.




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I trust this information satisfies your immediate needs. If you have any questions or if I can be of additional service in your development and its construction, please feel free to call.

Very truly yours,

WM. CURTIS WELLS & CO.


Wm. Curtis Wells, CPG
Consulting Ground Water and Engineering Geologist

WCW/vjw

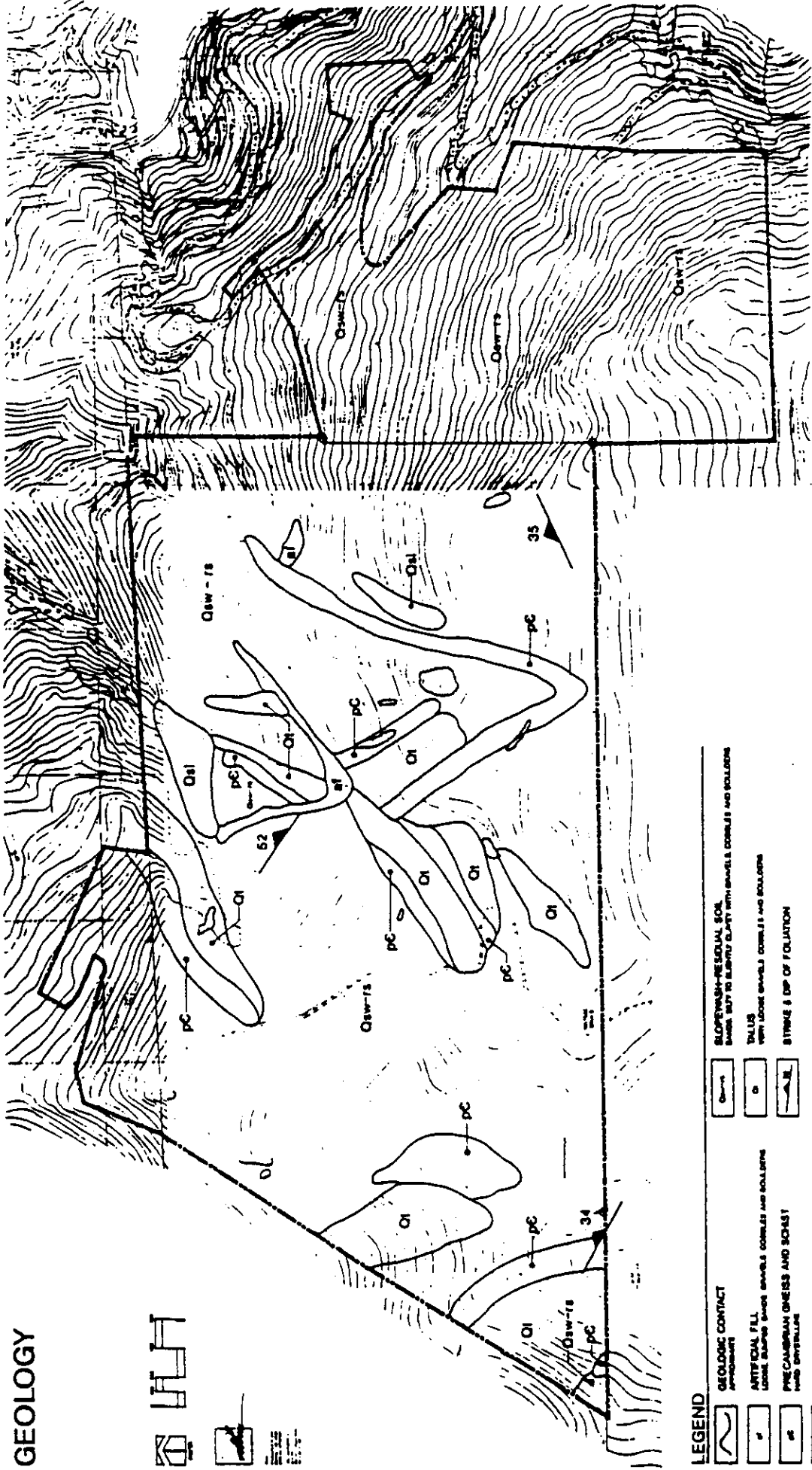
cc: Mr. Russell Sindt
Mr. Rusty Footlick

SADDLEBACK MOUNTAIN

CLEAR CREEK COUNTY, COLORADO

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GEOLOGY



LEGEND

	GEOLOGIC CONTACT		SLOPE
	ARTIFICIAL FILL		TALUS
	LOCAL BLUFFS		STRIKE & DIP OF FOLIATION
	PRECAMBRIAN GNEISS AND SCHIST		
	SLIDE DEPOSITS		



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Appendix A

Original Wells & Co. Report



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GEOHYDROLOGIC INVESTIGATION
PROPOSED ADDITION OF THE SADDLEBACK RIDGE ESTATES
IDAHO SPRINGS, COLORADO

Prepared For:
Mr. Robert Sanders
Saddleback Limited
& Mr. Cecil D. Broyles
1562 South Parker Road
Denver, Colorado 80231

Job No. 334

April 1, 1977

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FIGURE-1	Geohydrologic Map
TABLE I	Ground Water Availability Estimates



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INTRODUCTION

This report presents the results of our geohydrologic investigation of the proposed addition to the Saddleback Ridge Estates. The property spans approximately 1,900 acres in Clear Creek County, Colorado. The proposed development, about 2 miles southeast of Idaho Springs, will be a planned community of large acreage residential parcels each serviced by an individual well and septic system. Our investigation objectives were to (a) conduct a ground water geologic investigation of the property to identify potential water bearing formations and (b) determine the availability of an adequate supply of ground water in geologic formations beneath the property for domestic use.

Our work on this project included research of our files and those of the State Engineer for data on wells in the area plus a review of published geologic and ground water reports. A reconnaissance of the area to locate wells and water bearing formations was supplemented by aerial photograph interpretation to identify principle geologic features. Figure-1, Geohydrologic Map, illustrates the geologic conditions and the location of many of the registered wells in the area.

SUMMARY OF CONCLUSIONS

- (1) The principle water bearing formation is the joints and fractures of the metamorphic bedrock in the area. The odds are good that domestic wells can be developed on each parcel providing a legal right to the water can be secured. Further, use of ground water on this parcel should not effect neighboring wells.
- (2) Ground water from fractured bedrock is generally potable but care should be taken to mitigate possible contamination from septic systems.

domestic well and septic system.

Mr. Wheeler, consulting water rights engineer for the development indicates the yearly domestic water demand should approximate 90 gallons per day per capita. This figure is apparently based on use in nearby communities where water is used for household purposes with some livestock watering. If we assume three people will occupy each home, the average yearly residential use of water should approximate 99,000 gallons or about 0.18 gallons per minute on a continuous pumping basis. The entire development, therefore, will require roughly 152 acre feet of water per year. With on-lot septic systems, generally 90% of this water is returned to the water bearing formation and therefore, the net use of water should be 15 acre feet annually.

GENERAL GEOLOGY

Saddleback Ridge Estates are underlain by metamorphic rocks that comprise a major part of the Colorado Front Range area. As shown on Figure-1, three different types of metamorphic rocks have been identified, namely; the Idaho Springs Schist, the Swandyke Hornblende Gneiss and the Monzonite Gneiss. These are crystalline rocks that are generally hard, moderately jointed and fractured. The Idaho Springs formation, the oldest rock unit in Colorado, is composed of quartz schists and gneisses of unknown thickness. The formation is strongly foliated and where exposed appears tabular, closely resembling sedimentary rocks. The gneissic formations are also tabular, however, appear as light and dark banded units composed of quartz, biotite and feldspar. Light and dark bands are generally



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a few inches to several feet in thickness and the rock units represent several thousand feet of geologic formation.

Bedrock units are locally mantled by thin granular soils and slopewash debris. This material, generally a film to several feet thick, is sandy with minor gravels, cobbles and varying percentages of clays and organic materials. Along major drainage swales gravelly sand colluvial and alluvial soils have accumulated to depths of 10± feet. Further, along Clear Creek, sand, gravel, cobbles and boulders, estimated to be about 20 feet thick, form a ribbon-like deposit along the valley floor.

Structurally metamorphic rocks are highly fractured and folded. As shown by the foliation strike and dip symbols (Figure-1) it would appear that the metamorphic units have been folded into a northwest plunging anticline. The anticlinal structure has been cut by the Floyd Hill Fault that parallels Interstate 70. This major fault is clearly evident on aerial photographs and represents a wide zone of sheared bedrock. Several other cross or parallel faults have been mapped or are inferred from aerial photo interpretation. The location of these features, plus the approximate outcrop area of major rock units is shown on Figure-1.

GEOHYDROLOGY

Ground Water Availability

Ground water across the bulk of the property is relegated to joints and fractures of the metamorphic rocks. Although overburden soils and alluvial deposits in the major drainage swales on the sub-



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ject property may be seasonally saturated with ground water, the soils are thin and because of limited basin recharge area shallow alluvial ground water does not appear to be an adequate supply of domestic water. Within and immediately surrounding the Saddleback Ridge area the State Engineer's files indicate at least 80 wells have been drilled to tap domestic water in the metamorphic rocks. The location of about 75% of the registered wells in this area is shown on the attached Figure-1.

As indicated, ground water in metamorphic rocks occupies open space between joints and fractures. Most rock fractures contain ground water at depths ranging from 10 to 150 feet below ground surface. Generally the upper surface of the water bearing fractures closely conforms to surface topography. Beneath high ridge and mountain slopes where recharge is limited the fractured water surface is deeper than lower elevations. The ability of metamorphic or crystalline rock wells to derive water is dependent upon the openness of the joints and fractures, the density of joints and fractures encountered by the well bore and the nearness of the well to a source of surface water recharge.

Ground water developed from hard rock formations has been used extensively throughout the Colorado Front Range area and normally 200 to 300 foot deep household wells produce about 2 gallons per minute. In our review of the information obtained from the State Engineer's office, we evidenced that a large number of wells in the study area yield water at rates greater than 2 gallons per minute (Figure-1). Undoubtedly this higher well yield is associated with deformation of the bedrock units caused by movement along the major fault system in the area. Although State Engineer records do

not indicate any dry wells, as they are seldom reported, it has been our experience that in the Colorado Front Range area about 10% of the wells drilled do not encounter ground water.

Determining the volume and availability of metamorphic rock ground water for domestic development, plus the longevity of water supply, is extremely difficult. The principle difficulty is the variability of joints and fractures. Owing to this variability, little quantitative information has been developed for granitic or metamorphic rocks. The authors of a 1975 Colorado Geological Survey publication^{1/} suggest that very little water is actually stored in crystalline rock units. Most of the water derived by the many thousands of hardrock wells is obtained from percolating recharge water. Stored water is mainly used to augment recharge water during fluctuating climatic conditions. Utilizing the rough quantitative Colorado Geological Survey data and assuming (a) precipitation approximates 18 inches per year, (b) 3% of precipitation becomes bedrock recharge water and (c) wells will be drilled to depths of 400 to 500 feet, there should be approximately 95 acre feet of water in storage beneath the 1,900 acre additional development of Saddleback Ridge Estates. Further, approximately 85 acre feet of water enters the formation as recharge each year. If our estimates are at least "ball-parked", we believe there should be a more than adequate water supply for the proposed 500 homes. In the final analysis, however, this estimate can only be verified through monitoring aquifer conditions over a period of years. The basis for our analysis is shown on Table I, attached.

^{1/} 1975 Bulletin 36; Colorado Geological Survey, "Geologic Control of Supply and Quality of Water in the Mountainous Parts of Jefferson County, Colorado".

In our judgement, development of ground water on the subject property should have little, if any, effect on other domestic wells in the vicinity. This judgement is based on the fact that (a) the bulk of the new development wells will be at least 1 mile from existing wells and (b) new well production is estimated not to exceed the average annual recharge rate to the formation, therefore, the aquifer should not be overdrafted.

Legal Availability

Ground water in joints and fractures of metamorphic rocks is considered to be tributary to surface streams and therefore, subject to administration by the State Engineer. Although at one time the State Engineer routinely issued domestic well permits, recent laws have forced him to consider the accumulative effect of subdivision water use on the vested rights of surface water appropriators in the area. As a result, the State Engineer has refused to grant permits in newly platted subdivisions unless a plan-for-augmentation is approved to protect surface water appropriators. Development of this plan for Saddleback Ridge Estates addition is currently being performed by the consulting engineering firm of W.W. Wheeler and Associates. Once this plan has been approved by the water court, the State Engineer then would be permitted to approve well permit applications for individual wells on the subdivision.

Water Quality

Native metamorphic rock ground water is generally excellent for domestic consumption with low concentrations of dissolved solids. Degrading quality of bedrock ground water frequently occurs in mountain



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developments where septic systems and wells are closely spaced. Some bedrock fractures are nearly a direct conduit for septic system discharge and as about 90% of the water used for household purposes returns to the ground water reservoir, poorly planned septic and well systems cause the concentration of nitrates, chlorides, potassium and phosphates in the ground water to rise. In many areas some mineral concentrations have exceeded health department limits. Bacteria is usually not a problem if holding tanks and leach fields are properly designed.

Mineral degradation of the ground water from residential developments can be mitigated if wells and septic systems are sufficiently separated. Although most county and State health department codes provide for 100 feet of separation between wells and setpic systems, recent work by the Colorado Geological Survey shows that where possible the separation should be several hundred feet. This inhibits direct recycling of water from the septic system to the well and promotes effluent dilution by incoming recharge water.

WATER SUPPLY DEVELOPMENT

It should be possible to develop domestic ground water supplies from wells nearly anywhere on the subject parcel. As most of the homes are expected to be located on ridge tops, homeowners should anticipate drilling 400 to 500 feet to tap water bearing fractures. Further, home buyers should be aware that dry wells occur in most cases with a probability of one in ten. As 5 acre parcels are planned and with good ground water geologic consultation, the odds of obtaining successful wells should be improved.

Generally domestic wells are 4½ inches in diameter and drilled



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with air percussion rotary techniques. Plastic casing is most commonly used with saw cut slots. Recent quotations for drilling this type of well indicates a 400 to 500 foot deep well should cost about \$3,200 to \$5,000 plus about \$1,000 for pumping equipment. To insure surface water contamination does not occur directly around the well casing, we believe that surface casing should be grouted to a depth of at least 30 feet below ground surface.

RECOMMENDATIONS

- (1) Once the augmentation plan has been prepared by both your engineering consultant and water rights attorney, it should be submitted to the court for approval. Temporary approval of the plan by the State Engineer should also be sought to facilitate development of the property.
- (2) Well and septic systems should be separated by at least 300 feet to mitigate mineral degradation of ground water. Further, wells should be sited no closer than 500 feet to avoid mutual well interference.
- (3) Homeowners should seek the services of a qualified ground water geologist to properly site wells in the most favorable locations.
- (4) All wells should be metered and a local homeowners association should be formed to measure static water levels in domestic wells at least semi-annually and tabulate the volume of water used in the development. This information should be analyzed bi-annually by a ground water geologist to outline changes in ground water conditions and predict aquifer longevity.

Professional judgements have been expressed in this report. They are based in part on the data gathered for this investigation, our understanding of the project requirements and information supplied by others. Test drilling and ground water monitoring will be necessary to verify our preliminary conclusions.



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We trust this information satisfies your immediate needs.
If you desire additional information, or if you care to discuss the
content of this report, please feel free to call.

BY

WM. CURTIS WELLS, CPG
Consulting Ground Water Geologist

TABLE I

- (1) Average depth to water = 150 ft. (est.)
- (2) Average well depth - 400 ft. (assumed)
- (3) Fracture saturated thickness - 250 ft.
- (4) Precipitation = 18 inches per year (per Evergreen)
- (5) Water use = 90 gallons per day per acre
- (6) Recharge from precipitation = 3%*
- (7) Recharge from return flow = 90%
- (8) Average porosity of rock fractures = .02%*

Area X saturated thickness X porosity = storage
 1900 acres X 250 ft. X .0002 = 95 acre feet
 Recoverable = 50% X 95 acre feet = 48 acre feet

Precipitation recharge = area X precipitation X 3% ÷ 12 inch
= 1900 acres X 18 X .03 ÷ 12 = 86 acre feet per year

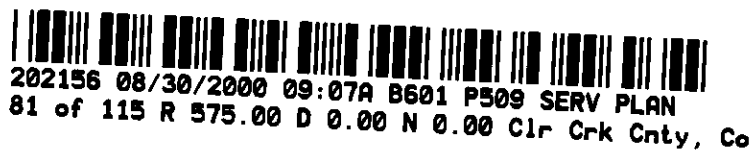
Return flow recharge = 500 homes X 3 people per home X 90 gallon per day per capita X 365 day X 90% = 135 acre feet per year

Total recharge = 221 acre feet per year

Use = 500 homes X 3 people per home X 90 gallons per day per capita X 365 days
per year = 152 acre feet per year

As recharge exceeds use, water resource should not be overdrafted.

* 1975 Bulletin 36, Colorado Geological Survey, "Geologic Control of Supply and Quality of Water in the Mountainous Parts of Jefferson County, Colorado".



Appendix B

Plan for Augmentation
Case No. W-9483-78



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IN THE DISTRICT COURT
IN AND FOR WATER DIVISION NO. 1
AND STATE OF COLORADO
Case No. W-9483-78

IN THE MATTER OF THE APPLICATION
FOR WATER RIGHTS OF SADDLEBACK,
LTD., AND CLEAR CREEK COUNTY
SCHOOL DISTRICT NO. 1 ON CLEAR
CREEK AND ITS TRIBUTARIES
IN CLEAR CREEK COUNTY.

FINDINGS OF FACT, CONCLUSIONS
OF LAW AND DECREE APPROVING
PLAN FOR AUGMENTATION
INCLUDING EXCHANGE

THIS MATTER, having been considered by the Water Court, the Applicant appearing by its counsel Steven M. Hannon, Esq., and objectors. The City of Northglenn appearing by its counsel Musick, Williamson, Schwartz, Leavenworth and Cope, P.C., Joseph A. Cope, Esq.; The City of Thornton appearing by its counsel Broadhurst, Petrock and Kreutz, Kenneth L. Broadhurst, Esq.; The City of Westminster, appearing by its counsel Holland and Hart, John U. Carlson, Esq.; and Charles H. Elliott, Esq.; and the Soda Creek Property Owners Association, Inc., appearing by its counsel, Broadhurst, Petrock and Kreutz, P.C., J. J. Petrock, Esq., all said objectors having communicated to the Court their consent to the application being granted upon certain conditions as hereinafter set forth, and the Court having considered the proposed consent as signed by the parties hereto, having considered the evidence, and having examined the records and files herein, and being now fully and sufficiently advised in the premises, FINDS THAT:

1. The application herein was filed in the Water Court in and for Water Division No. 1 on December 29, 1978.
2. Timely and adequate notice of this proceeding has been given in the manner required by law, and the Water Judge sitting in this Court has jurisdiction over the subject matter of these proceedings and over all parties affected hereby, whether they have appeared or not, and the time for filing statements in opposition has expired.



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3. Applicants Saddleback, Ltd. ("Saddleback"), and Clear Creek County School District RE-1 ("District") are, respectively, a Limited Partnership and a school district organized and operating pursuant to the laws of the State of Colorado. Saddleback is engaged in the development of a residential community consisting of 736 single-family dwellings to be located on 736 lots in Saddleback's proposed subdivision situated upon a 2,227 acre site, more or less, located in parts of Sections 3, 4, 5, 7, 8, 9 and 10, Township 4 South, Range 72 West and Section 33, Township 3 South, Range 72 West of the 6th P.M. in Clear Creek County. Saddleback is obligated to provide augmentation water for domestic use by the school district at the district's proposed school site located on 32.8 acres, more or less, located in the SW1/4 NW1/4 and NW1/4 SW1/4 of Section 12, Township 4 South, Range 72 West of the 6th P.M. in Clear Creek County. All water diverted pursuant to this augmentation plan will be for domestic use only, with irrigation being prohibited. Sewage disposal will be accomplished by means of non-evapotranspiration sewage disposal units such as a septic tank or similar waste disposal system. The boundaries of the area to be served by Saddleback are described in Exhibit A and the land owned by the school district upon which the district proposes to construct a school is included in Exhibit B, both of which Exhibits are attached hereto and incorporated herein by reference.

4. Saddleback's development will consist of eleven 35-acre sites, ten 10-acre sites and 715 sites over the remaining 1,742 acres, more or less, assembled in clusters among the 10 and 35-acre sites. A single domestic well for a single family dwelling will be constructed on each of the 10-acre and 35-acre sites. The remaining sites, assembled in clusters, will be served by a well or well field communally serving all of the homes in each cluster. Accordingly, 736 wells is the maximum number to be constructed in Saddleback's subdivision with a lesser



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number likely depending upon the yield of the wells in each cluster, which wells will be interconnected to serve all of the residences within a particular cluster. The residences in the development are planned for year-round occupancy, and the water use is to be restricted by covenants to household use only, irrigation being prohibited. Each residence on the 10 and 15-acre sites will have its own non-evapotranspiration sewage disposal unit which, in most instances, will be a septic tank or similar waste system. For the remaining sites, situated in clusters, there will be a communal non-evapotranspiration sewage disposal unit or units for each cluster which, in most instances, will be a septic tank or similar waste system. Use of water at the school site will be restricted to domestic and related needs by the school, irrigation being prohibited. Sewage disposal at the school site will be accomplished by means of a non-evapotranspiration sewage disposal unit such as a septic tank or similar waste system.

5. The purpose of this augmentation plan is to provide a year-round domestic water supply for 716 single-family dwellings in Saddleback's subdivision and for domestic use at the District's proposed school. Water requirements for the Saddleback subdivision are determined on the basis of year-round occupancy by 3.2 persons per dwelling, 90 gallons per capita per day water usage and 101 consumption of water diverted through the domestic wells through the use of a non-evapotranspiration sewage disposal system such as a septic tank. This results in a gross water requirement of 240 acre feet per year or 24.0 acre feet per year of water consumptively used. 39,000 gallons per day will be required for domestic use at the school. Based upon school usage 365 days per year, this results in an annual gross water requirement for the school of 43.7 acre feet per year or 4.4 acre feet per year of consumptive use based upon use of a non-evapo-



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transpiration sewage disposal system such as a septic tank. Accordingly, the total consumptive use of water for the Saddleback subdivision and the use of the school will amount to 28.4 acre feet annually.

6. Saddleback is the contract purchaser from the Vidler Tunnel Water Company of 35.1 acre feet of water annually, the source of which is non-tributary to Clear Creek or the South Platte River drainage. In accordance with Saddleback's agreement with the Vidler Tunnel Water Company, the water will be diverted through the Vidler Tunnel, which has its west portal located in SW1/4 SE1/4 of Section 9, Township 5 South, Range 75 West of the 6th P.M., Summit County, and which diverts water from Peru Creek, a tributary of the Snake River in Water Division 5. The water will be released into the drainage of Leavenworth Creek, a tributary of Clear Creek, at the east portal of the Vidler Tunnel, located in the SE1/4 NE1/4 of Section 10, Township 5 South, Range 75 West of the 6th P.M. in Clear Creek County.

Such water delivery through the Vidler Tunnel is to be accomplished pursuant to the following water rights:

a. Arduser Ditch, 52.5 acre feet per year, priority date September 8, 1934, rate not to exceed 3.0 cfs, adjudicated in Civil Action No. 2350, Summit County District Court, October 1, 1968.

b. Rice Ditch Transfer, 361 acre feet per year, adjudicated in Case No. W-717, Division 5 Water Court, August 23, 1974, which includes the following water rights:

(1) Rice Ditch, priority date May 3, 1893, 4.50 cfs.

(2) Soda Creek Ditch, priority date July 1, 1900, 2.72 cfs.

(3) Phillips Ditch, priority date June 1, 1904, 4.00 cfs.

(4) Rice-Riley Enlargement, priority date
July 5, 1914, 10.00 cfs.

(5) Rice Enlargement, priority date July 5,
1914, 10.00 cfs.

In accordance with Saddleback's contract with the Vidler Tunnel Water Company, water may only be diverted through the Vidler Tunnel during the months of June and July of each year, or such other time mutually agreed upon by the parties and which is permitted by the diversion restrictions contained in the aforesaid decrees. Accordingly, Applicants will impound, by exchange, during the months of June and July or such other time agreed to by Saddleback and the Vidler Tunnel Water Company and which is permitted by the provisions of the aforesaid decrees, an equivalent amount of water at the following reservoir sites located on tributaries of Clear Creek:

(a) Two reservoirs on Beaver Brook, in which reservoirs Applicants have the right to impound 25 acre feet of water annually and located as follows:

(1) At the quarter corner between Sections 15 and 22, Township 4 South, Range 72 West of the 6th P.M., Clear Creek County (Beaver Brook No. 3A), and

(2) In the NW1/4 NE1/4 of Section 14, Township 4 South, Range 72 West of the 6th P.M. in Clear Creek County (Beaver Brook No. 1).

(b) A reservoir or reservoirs to be constructed in Section 29, Township 3 South, Range 74 West of the 6th P.M., Clear Creek County, located on the West Fork of Clear Creek and having an ultimate capacity of 1,200 acre feet, in which reservoir or reservoirs Saddleback will have the right to impound 35.1 acre feet of water annually ("Clear Creek Reservoir").

7. In addition to the 28.4 acre feet of annual consump-



live augmentation water, Applicants will impound annually at the above-described reservoirs sufficient additional water in the amount of 6.7 acre feet to make up for evaporation and transportation losses associated with annual impoundment, carryover and transmission of water at and from the aforesaid reservoirs.

Pursuant to Saddleback's contract with the Vidler Tunnel Water Company, the Vidler Tunnel Water Company will divert 15.1 acre feet per year at a rate of not more than 6 acre feet per day nor less than 3 acre feet per day commencing June 1 of each year and extending until July 31 of each year. If Saddleback and the Vidler Tunnel Water Company agree, and it is permissible in accordance with the aforesaid decrees, the delivery will be extended over a longer period of time at a lower daily delivery rate. Deliveries through the Vidler Tunnel into Leavenworth Creek will be metered with a device approved by the State Engineer or his representative.

8. In order to assure that no injury to vested water rights will result from the construction of the wells which are the subject of this plan of augmentation, Applicants have filed herein the proposed plan for augmentation including exchange. Pursuant to this plan, Applicants propose to compensate for the depletions to Clear Creek in the following manner:

(a) When water is being delivered through the Vidler Tunnel into Leavenworth Creek each year, an equivalent amount of water from Beaver Brook or the West Fork of Clear Creek will be stored by Applicants in the Beaver Brook reservoirs or the Clear Creek Reservoir. Such equivalent amount of water will be stored in exchange, the rate of storage being as nearly as possible the same as the rate at which water is being delivered through the Vidler Tunnel.

(b) During times of valid calls by downstream water rights senior to Applicants' wells, releases will be





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made from the Beaver Brook reservoirs or the Clear Creek reservoir to replace depletions resulting from ground water withdrawals through the wells. The amounts of such releases shall be determined by the division engineer or his representative in accordance with the consumptive usage of water set forth in these Findings. The total amount of water required to be released by the Applicants during any year shall not exceed the total consumptive use actually resulting from the diversion of water through wells actually constructed and in use during that year, as determined in accordance with paragraph 5 of these Findings, together with the pro rata amount of water necessary to make up for the evaporation and transportation losses associated with storage of water at the Beaver Brook reservoirs or the Clear Creek reservoir. The amount of such losses shall be computed by means of a linear proration based upon a maximum of 6.7 acre feet for 35.1 acre feet of water impounded.

(c) In order to facilitate the administration of the plan of augmentation provided for herein, measuring devices approved by the Division Engineer or his representative shall be installed at the inlets of the Beaver Brook reservoirs and the Clear Creek Reservoir.

Additional measuring devices approved by the State Engineer or his representative shall be installed on all wells constructed in accordance with this plan.

9. Applicants' proposed wells are not located within a designated ground water basin.

10. By imposition of the conditions set forth in these Findings, ground water withdrawals to provide a domestic water supply to the residences within the Saddleback subdivision and for usage by the District will not cause material injury to any vested water rights on the South Platte River or its tributaries



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and that by the institution of the plan of augmentation including exchange set forth herein Applicants may make the ground water withdrawals contemplated therein without the necessity of curtailing such withdrawals in times of shortage.

11. As a matter of hydrological and geological fact, pursuant to the operation of the plan for augmentation including exchange set forth herein, there is unappropriated water available for the ground water withdrawals contemplated herein and no other vested water rights will thereby be impaired.

CONCLUSIONS OF LAW

The Court concludes as a matter of law that:

1. The plan for augmentation proposed herein by the Applicants is one contemplated by law and if administered in accordance with this decree will permit the depletions associated with the provision of domestic water service, without irrigation, to 736 single-family residential units located within the boundaries of the Saddleback subdivision and the allocation of 4.4 acre feet per year of consumptive use for domestic purposes, without irrigation, for the District's proposed school located adjacent to the Saddleback subdivision without causing material injury to any vested or decreed absolute or conditional water rights on the South Platte River or its tributaries.

2. The State Engineer may lawfully be required under the terms of this decree to administer the plan for augmentation in the manner set forth herein and in times of shortage not to curtail diversions through any of the wells to be used to provide domestic water service to the aforesaid single-family residences within the Saddleback subdivision or at the District's proposed school. The depletions from such wells will be compensated for by the operation of this plan for augmentation including exchange.



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DECREE

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED:

1. The plan for augmentation including exchange proposed by Applicants herein is hereby approved.
2. The State Engineer in the discharge of his responsibilities with respect to the processing of applications for permits to construct and utilize wells for the provision of domestic water service to 736 single-family equivalent residential units within Applicant Saddleback, Ltd.'s ("Saddleback"), boundaries and the permits for a total consumptive use of 4.4 acre feet for domestic purposes of water for the school proposed by the Clear Creek County School District RE-1 ("District") shall recognize the existence and operation of the plan for augmentation approved herein.
3. The State Engineer, the Division Engineer, and their representatives shall administer the plan for augmentation approved herein in accordance with the findings of fact contained herein.
4. Until the proposed reservoir or reservoirs on the West Fork of Clear Creek is constructed, Applicants shall be entitled each year to store up to 25 acre feet of water in the Beaver Brook reservoirs in exchange for water delivered through the Vidler Tunnel into Leavenworth Creek pursuant to Saddleback's contract with the Vidler Tunnel Water Company. Such water stored in exchange shall, to the greatest extent practicable, be stored at the same rate at which water is being delivered through the Vidler Tunnel into Leavenworth Creek. The total amount of water stored from Beaver Brook in exchange for any year shall not exceed the amount of water delivered through the Vidler Tunnel into Leavenworth Creek pursuant to Applicants' contract with the Vidler Tunnel Water Company. At such time as the proposed reservoir on the West Fork of Clear Creek is constructed, Applicants



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shall be entitled each year to store up to 35.1 acre feet of water from the West Fork of Clear Creek and/or Beaver Brook reservoirs for impoundment in the proposed Clear Creek reservoir or in the Beaver Brook reservoirs in exchange for water delivered through the Vidler Tunnel into Leavenworth Creek pursuant to Saddleback's contract with the Vidler Tunnel Water Company. Such water stored in exchange shall, to the greatest extent practicable, be stored at the same rate at which water is being delivered through the Vidler Tunnel into Leavenworth Creek. The total amount of water stored from the West Fork of Clear Creek and/or Beaver Brook in exchange in any year shall not exceed the amount of water delivered through the Vidler Tunnel into Leavenworth Creek pursuant to Saddleback's contract with the Vidler Tunnel Water Company. If the proposed reservoir on the West Fork of Clear Creek is not constructed by the time Applicants have a need for a quantity of augmentation water in excess of 25 acre feet annually, Applicants will be limited to a total of 25 acre feet of augmentation water pursuant to this plan which will necessitate a pro rata reduction of the total number of residential units constructed within Saddleback subdivision and a pro rata reduction in the consumptive water available to the school district, in accordance with the findings herein.

5. In order to compensate for depletions to Beaver Brook or the West Fork of Clear Creek resulting from the construction of the wells authorized in this plan of augmentation, Applicants shall release from Beaver Brook reservoir or the proposed Clear Creek reservoir water stored there in exchange for water delivered through the Vidler Tunnel. Such releases shall be required only when there is a valid call on Beaver Brook or the West Fork of Clear Creek by downstream water rights senior to Applicants' well.

6. The amount of water to be so released shall be determined by the Division Engineer or his representative in acco-



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ance with the findings herein, provided, that if measurements by the Division Engineer or his representative or any party shall indicate that the actual average consumptive use by each single-family equivalent residential unit or the wells to be constructed by the District differs materially from 0.0326 and 4,400 acre feet annually, respectively, this decree may be subsequently modified accordingly upon proper application to this Court. The total amount of water required to be released by the Applicants during any year shall not exceed the total consumptive use actually resulting from the use of wells in existence during that year, as determined in accordance with the findings herein. The total amount of water required to be released from storage by Applicants in any year shall not in any event exceed 35.1 acre feet, except as provided in such modified decree.

7. Saddleback shall prepare and file for record in Clear Creek County restrictive covenants, restricting the use of the water under this plan of augmentation to domestic use only, with outdoor irrigation prohibited. Such restrictive covenants shall be filed of record prior to the sale of any of Saddleback's lots to be serviced by wells which are the subject of this plan of augmentation.

8. The formation of the Saddleback Mountain Water and Sanitation District ("Water and Sanitation District") shall be initiated at the instance of Saddleback within one (1) year of the date of this Decree. All wells which are the subject of this Decree shall be included within the Water and Sanitation District as subdivision filings and filings for the School District involving these wells are presented, from time to time, to the Clear Creek County Board of Commissioners. The Water and Sanitation District shall have the responsibility of reporting to the Division Engineer in a mutually agreeable form by April 1 of each year as to the number of water wells which have been drilled and not abandoned and the number of building permits issued and in



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effect for construction of single family residences or single family residential equivalent units or school buildings within the Water and Sanitation District. The Water and Sanitation District shall further be responsible for providing means acceptable to the Division Engineer for measuring and for reporting upon the surface area, volume in storage and amounts of water released from Deaver Brook Reservoir Nos. 1 and 3A and the reservoir to be constructed on the West Fork of Clear Creek, as requested by the Division Engineer, and for making releases from such reservoirs as requested by the Division Engineer. Additional measuring devices shall also be installed on Applicants' wells and provision shall be made to measure deliveries through the Vidler Tunnel into Leavenworth Creek pursuant to Saddleback's contract with the Vidler Tunnel Water Company. The Water and Sanitation District shall include in its annual report a report of its operations under this plan for augmentation during the preceding calendar year and a description of its anticipated operations thereunder during the current calendar year, including a tabulation of wells and building permits, the calculated resulting depletions, replacement water provided, water stored, water released from storage and reservoir evaporation losses. A primary purpose of these annual reports and of more frequent reports reasonably and necessarily required by the Division Engineer, shall be to provide the Division Engineer with information in a form readily usable for water administration. The Water and Sanitation District shall be responsible for enforcing the provisions of this Decree and for assuring that replacement shall be adequate to compensate for well depletions in the Saddleback Mountain Subdivision and at the school site, as determined hereunder; provided, however, that such responsibility of the Water and Sanitation District shall not preclude the State nor any party herein from enforcing the terms of this Decree. The Water and Sanitation District shall designate one or more individuals as its representatives to communicate with

the Division Engineer and on or before May 1st of each year shall advise the Division Engineer of the names, addresses and telephone numbers of its representatives.

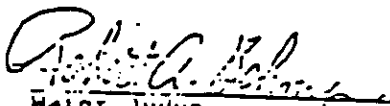
9. The Court retains jurisdiction for a period of five years from the date of this Decree, subject to extension as provided in C.R.S., 1973, 37-92-304(6), as amended in 1977, for consideration, upon motion of any party and appropriate notice to all other parties, of whether the provisions of this Decree are sufficient to prevent injury to the presently vested water rights or decreed conditional water rights of the Objectors herein, or others, or to the interests of the State of Colorado in the administration of water rights.

10. Neither the State Engineer, the Division Engineer nor their representatives shall curtail the diversion of ground water through any of the wells to be constructed in accordance with this plan for augmentation so long as the plan for augmentation approved herein is being administered in accordance with this decree.

11. Upon proper application and payment of fees to the Division of Water Resources, the State Engineer or his representative shall issue permits for construction of the wells included in this plan for augmentation.

DATED this 21 day of November, 1979.

BY THE COURT:


Water Judge



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WATER RESOURCES
STATE ENGINEER
COLOR.

POOR COPY

DISTRICT COURT, WATER DIVISION NO. 1, STATE OF COLORADO

Case No. W-9483-78

ORDER AUTHORIZING REALLOCATION OF CONSUMPTIVE USE UNDER
PREVIOUSLY APPROVED PLAN FOR AUGMENTATION

IN THE MATTER OF THE APPLICATION FOR WATER RIGHTS OF CLEAR
CREEK COUNTY SCHOOL DISTRICT RE-1 ON CLEAR CREEK A TRIBUTARY
OF THE SOUTH PLATTE RIVER IN CLEAR CREEK COUNTY

The Court, having reviewed the Motion of Clear Creek
School District RE-1 for an order of this Court finding the
decree heretofore entered in Case No. W-9483-78, effective
as to certain additional land and approving reallocation of
consumptive use under the augmentation plan therein
approved, and being advised that the Objector concurs in the
granting of said motion upon the terms and conditions
hereinafter appearing, and being otherwise fully advised in
the premises, does find and order as follows:

FINDINGS

1. Under the initial decree approving plan for
augmentation entered in Case No. W-9483-78 by this Court on
November 9, 1979, the Clear Creek School District RE-1 was
authorized 4.4 acre-feet of consumptive use for a well or
wells to be drilled to provide a domestic water supply to a
Clear Creek county school. Said plan further authorized
24.0 acre-feet of consumptive use, allocated to a maximum of
736 wells to serve single family dwellings within the
Saddleback subdivision.

2. Clear Creek School District RE-1, by motion which
was published in the February, 1981 Resume in and for Water
Division No. 1, originally requested that certain additional
lands more particularly described in the motion, be included
within the described boundary for the area to be served
under the augmentation plan. It was further requested that
.0326 acre-feet be deducted from the 4.4 acre-feet awarded
to the School District for reallocation to an additional
domestic well (in addition to the 736 heretofore
authorized).

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3. Clear Creek School District has agreed with Objector Saddleback Limited, that no wells shall be drilled upon the additional land proposed by the School District's motion to be included in the augmentation plan, nor shall water from any well(s) authorized under the plan for augmentation approved in Case No. W-9483-78, including the additional well here authorized, be used upon the "additional land" and therefore the request for inclusion of additional land into the plan for augmentation is withdrawn by the School District.

4. Reallocation of consumptive use as aforesaid and the drilling of one additional domestic well under the previously approved Saddleback Plan for Augmentation, will not result in any expanded or enlarged use of water from that use previously approved in Case No. W-9483-78, and the total consumptive use authorized in said case will remain the same - 28.4 acre-feet.

5. Return flow from the additional domestic well will be to the same drainage basin and there will be no significant alteration of return flow regimen from that described in the initial plan for augmentation.

6. Any residence utilizing the additional domestic well will have its own non-evapotranspirational sewage disposal unit i.e. septic tank or similar waste disposal system.

7. The additional domestic well will be drilled within the boundaries of the Saddleback Mountain Water & Sanitation District, as will any well(s) drilled by the Clear Creek School District RE-1. The additional well shall be subject to all terms and conditions appearing in the plan for augmentation previously approved by this Court, and shall be drilled upon the following described lands:

A Tract of land in the W1/2 of S12, T4S, R72W, 6th P.M. and more particularly described as follows:

Beginning at a point on the Westerly line of the SW1/4 of said S12 from whence the W1/4 corner of said section bears N 00°46'00" W, a distance of 289.30' (point of beginning is also a point of compound curvature on the Easterly right-of-way line of Beaver Brook Drive); thence curving to the right along the arc of a circle, having an interior angle of

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24°38'00" and a radius of 382.06', an arc distance of 164.26'; thence continuing along the Easterly right-of-way line of said Beaver Brook Drive, bearing N 23°52'00" E, a distance of 150.50'; thence S 84°35'43" E, 455.00'; thence S 06°35'08" E, 625.37'; thence N 84°35'43" W, 509.17' to a point on the Easterly right-of-way line of said Beaver Brook Drive; thence along said right-of-way line bearing N 25°06'00" W, a distance of 176.22'; thence, curving to the right along the arc of a circle, having an interior angle of 24°20' and a radius of 387.51', an arc distance of 164.57' to the point of beginning, to the point of beginning, containing 7.665 acres.

8. The additional well is required to facilitate a land exchange between the School District and Ethel Louise Elmgreen et. al., the School District being obligated to provide a domestic well permit to Elmgreen for use on the property described in Paragraph 7 of these findings, as a condition to consummation of the exchange.

9. Saddleback Limited, the sole objector in this matter, has consented to entry of an order reallocating the consumptive use under the previously approved augmentation plan, upon the terms and conditions herein appearing.

ORDER

1. The consumptive use of 4.4 acre-feet previously allocated to the Clear Creek School District RE-1 in Case No. W-9483-78 shall be reallocated by deducting therefrom .0326 acre-feet thereby reducing the approved consumptive use for the School District to 4.3674 acre-feet. .0326 acre-feet, being the consumptive use attributable to each domestic well under the previously approved augmentation plan, shall be reallocated to one additional domestic well (bringing the maximum number of domestic wells authorized under the previously approved augmentation plan to 737 wells.

2. The additional domestic well shall be drilled upon the property described in Paragraph 7 of the Findings and shall be subject to all terms and conditions appearing in the decree entered in Case No. W-9483-78.

3. Upon proper application and payment of fees to the Division of Water Resources, the State Engineer or his representative shall issue a permit for construction of one additional domestic well under plan for augmentation approved in Case No. W-9483-78. (No irrigation allowed) R.R.C.

Entered this 29th day of August, 19 81.

Robert C. Behrman
Water Judge

The undersigned, on behalf of Saddleback Limited, Objector herein, hereby consents to granting of the foregoing Motion.

Steven M. Mannon
Attorneys for the Objector
Saddleback Limited
1600 Broadway - Suite 2050
Denver, CO. 80202
(303) 861-1200

APPROVED AS TO FORM:

J. G. Petrock - #2881
BEARDHURST & PETROCK
Attorneys for Applicant,
Clear Creek School District RE-1



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DISTRICT COURT, WATER DIVISION NO. 1, STATE OF COLORADO

Case No. W-9483-78

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ORDER

IN THE MATTER OF THE APPLICATION FOR WATER RIGHTS OF
SADDLEBACK, LTD.; AND CLEAR CREEK COUNTY SCHOOL DISTRICT
RE-1 IN CLEAR CREEK AND ITS TRIBUTARIES

IN CLEAR CREEK COUNTY

THE COURT having reviewed the Motion to Amend Augmen-
tation Plan and the correspondence from James R. Clark,
Division Engineer, Water Division No. 1, regarding modifi-
cation of the same motion and having found both to be
meritorious:

IT IS ORDERED that the Decree previously approved in
Case No. W-9483-78 and subsequently amended by an Order of
the Court dated August 28, 1981, be amended in part as
follows:

1. That portion of Paragraph No. 8 which reads as
follows:

"The formation of the Saddleback Mountain
Water and Sanitation District ("Water and Sanita-
tion District") shall be initiated at the instance
of Saddleback within one (1) year of the date of
this Decree."

shall be amended to read as follows:

"The formation of the Saddleback Mountain
Water and Sanitation District ("Water and Sanita-
tion District") shall be a condition precedent to
operation under the plan for augmentation. Until
such time as the Water and Sanitation District has
been formed and proof of such formation has been
filed with the Court and the Division Engineer,
this Decree shall not be effective."

2. Paragraph No. 9 shall be amended to read as
follows:

"The Court retains jurisdiction until Novem-
ber 9, 1989, subject to extension as provided in
C.R.S. § 37-92-304(6), for consideration upon



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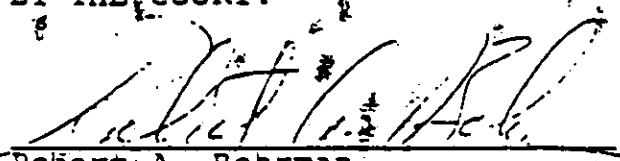
motion of any party and appropriate notice to all other parties, of whether the provisions of this Decree are sufficient to prevent injury to the presently vested water rights, or decreed conditional water rights of the Objectors herein or others, or to the interests of the State of Colorado in the administration of water rights.

DATED this 20th day of December, 1985.

BY THE COURT:

FURTHER ORDERED, moving party shall serve a copy of this order upon all other parties per Rule 5, C.R.C.P.

PROOF OF SERVICE SHALL BE FILED WITHIN 20 DAYS.


Robert A. Behrman
Water Judge
Water Division No. 1

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Certified to be a full, true and correct copy of the original in my custody.

Dated March 11, 1985
Deanna L. Fields
D. CLERK, WATER DIVISION 1
STATE OF COLORADO

SERVICE PLAN

SADDLEBACK METROPOLITAN DISTRICT

APPENDIX E - DESCRIPTIONS AND MAP

INITIAL DISTRICT

Part A - Saddleback Property

FUTURE INCLUSIONS

Part B - Grett Property

Part C -School Property

Part D -Residual Saddleback Property
(Not Part Of Initial District)

MAP

Map of district and vicinity

EXHIBIT D
(PART A)

SADDLEBACK METROPOLITAN DISTRICT

DESCRIPTION - INITIAL DISTRICT

PART A - SADDLEBACK PROPERTY

PARCEL NO. 1

A TRACT OF LAND LOCATED WITHIN SECTIONS 3, 4 AND 10, TOWNSHIP 4 SOUTH, RANGE 72 WEST OF THE SIXTH PRINCIPAL MERIDIAN, CLEAR CREEK COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS, WITH BEARINGS AND DISTANCES SHOWN IN PARENTHESIS () BEING RECORDED INFORMATION:

COMMENCING AT A FOUND IN PLACE 1/12" ALUMINUM CAP ON A NO. 5 REBAR, L.S. 2568, BEING ACCEPTED AS THE COMMON CORNER TO SAID SECTIONS 3, 4, 9 AND 10, TOWNSHIP 4 SOUTH, RANGE 72 WEST OF THE SIXTH PRINCIPAL MERIDIAN, BY THE LAND SURVEY PLAT FILED UNDER CASE NO. 2-91-EX OF SAID COUNTY RECORDS, FROM WHENCE A FOUND IN PLACE 16"X9"X6" STONE BEARS S 47° 49' 34" E, 477.61 FEET; THENCE N 89° 10' 17" W (N 89° 38' 01" W), 4062.70 FEET ALONG THE COMMON LINE OF SAID SECTIONS 4 AND 9, AS SHOWN ON SAID LAND SURVEY PLAT, WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO; THENCE N 33° 00' 02" E, 3604.71 FEET TO THE SOUTHEAST CORNER OF LOT 1, BLOCK 3, SADDLEBACK RIDGE ESTATES FILING NO. 4 AMENDED, AS FILED IN SAID COUNTY RECORDS; THENCE ALONG A COMMON LINE WITH SAID SUBDIVISION PLAT THE FOLLOWING TWO (2) COURSES:

1. N 23° 37' 19" E, 563.29 FEET;
2. THENCE N 77° 07' 02" E, 226.36 FEET TO A POINT ALONG THE RIGHT OF WAY OF SQUAW MOUNTAIN DRIVE AS SHOWN ON SAID SUBDIVISION PLAT;

THENCE ALONG SAID RIGHT OF WAY THE FOLLOWING FIVE (5) COURSES:

1. THENCE S 73° 11' 04" E, 726.78 FEET;
2. THENCE ALONG THE ARC OF A CURVE TO THE LEFT 161.86 FEET, HAVING A RADIUS OF 106.92 FEET, A CENTRAL ANGLE OF 86° 44' 08", AND WHICH CHORD BEARS N 63° 26' 52" E, 146.84 FEET;
3. THENCE N 20° 04' 48" E, 30.00 FEET;
4. THENCE N 69° 55' 12" W, 239.47 FEET;
5. THENCE ALONG THE ARC OF A CURVE TO THE RIGHT 203.05 FEET, HAVING A RADIUS OF 376.24 FEET, A CENTRAL ANGLE OF 30° 55' 15", AND WHICH CHORD BEARS N 54° 27' 36" W, 200.59 FEET TO THE SOUTHERNMOST CORNER OF LOT 2, BLOCK 5, SADDLEBACK RIDGE ESTATES FILING NO. 4, AS FILED IN SAID COUNTY RECORDS;

THENCE ALONG A COMMON LINE WITH SAID SUBDIVISION THE FOLLOWING THREE (3) COURSES:

1. N 32° 08' 18" E (N 32° 14' 41" E), 176.71 (177.10) FEET;
2. THENCE S 65° 51' 41" E (S 65° 52' 31" E), 1081.86 (1081.63) FEET;
3. THENCE S 06° 26' 25" W (S 06° 29' 33" W), 300.41 (300.00) FEET TO A FOUND IN PLACE 3 1/4" DIAMETER ALUMINUM CAP L.S. 20680, REPLACING A 1 1/4" PLASTIC CAP ON A NO. 4 REBAR L.S. 2690, AND

BEING THE WEST ONE QUARTER CORNER TO SAID SECTION 3, AS SHOWN ON SAID SUBDIVISION PLAT;

THENCE CONTINUING ALONG SAID COMMON LINE AND A COMMON LINE WITH SADDLEBACK RIDGE ESTATES FILING NO. 3 AS FILED IN SAID COUNTY RECORDS, BEING ALSO THE EAST-WEST CENTERLINE OF SAID SECTION 3 AS SHOWN ON SAID SUBDIVISION PLATS, N 87° 57' 47" E (N 87° 52' 04" E), 2735.19 (2735.30) FEET; THENCE ALONG THE SOUTHERLY RIGHT OF WAY OF SADDLEBACK DRIVE AS SHOWN ON SAID SUBDIVISION PLAT, THE FOLLOWING TWO (2) COURSES:

1. ALONG THE ARC OF A CURVE TO THE LEFT 129.78 (130.10) FEET, HAVING A RADIUS OF 105.00 FEET, A CENTRAL ANGLE OF 70° 49' 07" (70° 59' 32"), AND WHICH CHORD BEARS S 61° 14' 02" E (S61° 12' 42" E), 121.68 (121.94) FEET;
2. THENCE N 83° 21' 25" E (N 83° 17' 32" E), 34.80 (34.14) FEET TO A POINT ALONG THE EAST LINE OF SAID SECTION 3 AS SHOWN ON THE SUBDIVISION PLAT OF SADDLEBACK RIDGE ESTATES FILING NO. 2, AS FILED IN SAID COUNTY RECORDS;

THENCE ALONG THE EAST LINE OF SAID SECTION, AS SHOWN ON SAID SUBDIVISION PLAT, S 00° 43' 13" W (S 00° 41' 10" W), 1304.23 (1304.61) FEET; THENCE ALONG A COMMON LINE WITH SAID SUBDIVISION PLAT THE FOLLOWING TWO (2) COURSES:

1. N 75° 04' 42" E (N 75° 00' 00" E), 821.76 (822.00) FEET;
2. THENCE N 60° 50' 45" E (N 60° 55' 59" E), 561.46 (561.53) FEET TO A POINT ALONG A COMMON LINE WITH SADDLEBACK RIDGE ESTATES FILING NO. 1 AS FILED IN SAID COUNTY RECORDS;

THENCE ALONG A COMMON LINE WITH SAID SUBDIVISION, THE FOLLOWING FOURTEEN (14) COURSES:

1. ALONG THE ARC OF A CURVE TO THE RIGHT 126.78 FEET, HAVING A RADIUS OF 985.00 FEET, A CENTRAL ANGLE OF 70° 22' 29", AND WHICH CHORD BEARS S 33° 12' 03" E, 126.69 FEET;
2. THENCE S 29° 30' 48" E (S 29° 25' 34" E), 55.38 FEET;
3. THENCE ALONG THE ARC OF A CURVE TO THE LEFT 276.45 FEET, HAVING A RADIUS OF 543.00 FEET, A CENTRAL ANGLE OF 29° 10' 13", AND WHICH CHORD BEARS S 44° 05' 55" E, 273.47 FEET;
4. THENCE S 58° 41' 01" E (S 58° 35' 47" E), 140.33 FEET;
5. THENCE ALONG THE ARC OF A CURVE TO THE RIGHT 21.35 FEET, HAVING A RADIUS OF 230.00 FEET, A CENTRAL ANGLE OF 05° 19' 07", AND WHICH CHORD BEARS S 56° 01' 28" E, 21.34 FEET;
6. THENCE S 53° 21' 54" E (S 53° 16' 40" E), 103.26 FEET;
7. THENCE ALONG THE ARC OF A CURVE TO THE LEFT 70.38 FEET, HAVING A RADIUS OF 170.00 FEET, A CENTRAL ANGLE OF 23° 43' 11", AND WHICH CHORD BEARS S 65° 13' 30" E, 69.88 FEET;
8. THENCE S 77° 05' 05" E (S 76° 59' 51" E), 124.04 FEET;
9. THENCE ALONG THE ARC OF A CURVE TO THE RIGHT 83.79 FEET, HAVING A RADIUS OF 230.00 FEET, A CENTRAL ANGLE OF 20° 52' 23", AND WHICH CHORD BEARS S 66° 38' 54" E, 83.33 FEET;
10. THENCE S 56° 12' 42" E (S 56° 07' 28" E), 128.59 FEET;
11. THENCE ALONG THE ARC OF A CURVE TO THE LEFT 44.11 FEET, HAVING A RADIUS OF 270.00 FEET, A CENTRAL ANGLE OF 09° 21' 34", AND WHICH CHORD BEARS S 60° 53' 29" E, 44.06 FEET;



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12. THENCE S 65° 34' 16" E (S 65° 29' 02" E), 40.06 (40.18) FEET;
13. THENCE N 24° 24' 44" E (N 24° 30' 58" E), 174.54 (174.50) FEET;
14. THENCE N 88° 12' 12" E (N 88° 16' 54" E), 298.64 (300.00) FEET TO A POINT ALONG THE EASTERLY LINE OF SAID SECTION 3;

THENCE ALONG SAID EASTERLY LINE S 01° 43' 06" E, 556.66 FEET TO A POINT ALONG THE NORTH LINE OF SADDLEBACK HEIGHTS, AS FILED IN SAID COUNTY RECORDS;
THENCE ALONG A COMMON LINE WITH SAID SUBDIVISION S 59° 16' 02" W (S 59° 09' 13" W), 125.74 (126.44) FEET TO A POINT ALONG THE RIGHT OF WAY OF BEAVER BROOK DRIVE AS SHOWN ON SAID SUBDIVISION PLAT; THENCE ALONG SAID RIGHT OF WAY THE FOLLOWING FIFTEEN (15) COURSES:

1. ALONG THE ARC OF A CURVE TO THE RIGHT 112.23 FEET, HAVING A RADIUS OF 118.61 FEET, A CENTRAL ANGLE OF 54° 12' 43", AND WHICH CHORD BEARS S 03° 45' 21" E, 108.09 FEET;
2. THENCE ALONG THE ARC OF A CURVE TO THE RIGHT 45.78 FEET, HAVING A RADIUS OF 24.01 FEET, A CENTRAL ANGLE OF 109° 15' 03", AND WHICH CHORD BEARS S 77° 58' 32" W, 39.15 FEET;
3. THENCE N 47° 23' 59" W (N 47° 23' 01" W), 429.77 FEET;
4. THENCE ALONG THE ARC OF A CURVE TO THE LEFT 137.27 (136.99) FEET, HAVING A RADIUS OF 201.60 FEET, A CENTRAL ANGLE OF 39° 00' 49", AND WHICH CHORD BEARS N 66° 54' 21" W, 134.64 FEET;
5. THENCE ALONG THE ARC OF A CURVE TO THE RIGHT 104.22 FEET, HAVING A RADIUS OF 210.40 FEET, A CENTRAL ANGLE OF 28° 22' 52" (28° 22' 54"), AND WHICH CHORD BEARS N 72° 13' 00" W, 103.16 FEET.
6. THENCE N 58° 01' 34" W (N 58° 00' 56" W), 7.56 FEET;
7. THENCE ALONG THE ARC OF A CURVE TO THE LEFT 159.32 FEET, HAVING A RADIUS OF 434.23 FEET, A CENTRAL ANGLE OF 21° 01' 19" (21° 01' 21"), AND WHICH CHORD BEARS N 68° 32' 14" W, 158.43 FEET;
8. THENCE N 79° 02' 55" W (N 79° 02' 17" W), 272.68 FEET;
9. THENCE ALONG THE ARC OF A CURVE TO THE LEFT 156.45 FEET, HAVING A RADIUS OF 655.20 FEET, A CENTRAL ANGLE OF 13° 40' 52" (13° 40' 53"), AND WHICH CHORD BEARS N 85° 53' 21" W, 156.08 FEET;
10. THENCE S 87° 16' 12" W (S 87° 16' 50" W), 99.86 FEET;
11. THENCE ALONG THE ARC OF A CURVE TO THE LEFT 192.95 FEET, HAVING A RADIUS OF 80.28 FEET, A CENTRAL ANGLE OF 137° 42' 30" (137° 42' 28"), AND WHICH CHORD BEARS S 18° 24' 57" W, 149.75 FEET;
12. THENCE S 50° 26' 16" E (S 50° 25' 38" E), 219.14 FEET;
13. THENCE ALONG THE ARC OF A CURVE TO THE RIGHT 198.25 FEET, HAVING A RADIUS OF 3498.00 FEET, A CENTRAL ANGLE OF 03° 14' 50", AND WHICH CHORD BEARS S 48° 48' 51" E, 198.22 FEET;
14. THENCE S 47° 11' 26" E (S 47° 10' 48" E), 119.28 FEET;
15. THENCE ALONG THE ARC OF A CURVE TO THE LEFT 162.09 FEET, HAVING A RADIUS OF 876.14 FEET, A CENTRAL ANGLE OF 10° 36' 00", AND WHICH CHORD BEARS S 52° 29' 26" E, 161.86 FEET TO A POINT ALONG THE WESTERLY LINE OF SAID SADDLEBACK HEIGHTS;

THENCE ALONG A COMMON LINE WITH SAID SUBDIVISION THE FOLLOWING FOUR (4) COURSES:

1. S 04° 59' 22" W (S 05° 00' 00"W), 333.52 FEET;
2. THENCE S 70° 04' 38" E (S 70° 04' 00" E), 358.65 FEET;
3. THENCE S 04° 59' 22" W (S 05° 00' 00" W), 831.98 FEET;
4. THENCE S 00° 04' 27" E (S 00° 03' 49" E), 890.00 FEET;



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THENCE S 87° 34' 57" W, 1955.19 FEET TO THE SOUTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN BOOK 495, PAGE 19 OF SAID COUNTY RECORDS; THENCE ALONG A COMMON LINE WITH SAID TRACT N 02° 42' 41" W (N 02° 59' 16" W), 1295.92 FEET TO A POINT ALONG THE COMMON LINE OF SAID SECTIONS 3 AND 10; THENCE ALONG SAID COMMON SECTION LINE S 89° 07' 59" W, 2678.82 FEET TO THE POINT OF BEGINNING AND CONTAINING 583.44 ACRES MORE OR LESS.

PARCEL NO. 2

LOT 1, BLOCK 1 SADDLEBACK RIDGE ESTATES FILING NO. 3, A SUBDIVISION OF CLEAR CREEK COUNTY, COLORADO AND CONTAINING 11.9 ACRES MORE OR LESS.

PART A, SADDLEBACK PROPERTY, CONTAINS 594.34 ACRES, MORE OR LESS.

SADDLEBACK METROPOLITAN DISTRICT

DESCRIPTIONS

PART B - GRETT PARCELS (NOT PART OF INITIAL DISTRICT)

Two parcels located in Township 4 South, Range 72 West of the 6th P.M. Clear Creek County, Colorado, more particularly described as follows;

The East Half (E1/2) of Government Lot 6 in Section 5, Township 4 South, Range 72 West of the 6th P.M.

The Northwest Quarter (NW1/4) and the North Half of the Southwest Quarter (N1/2SW1/4) of Section 8, Township 4 South, Range 72 West of the 6th P.M.

The East Half of the Southeast Quarter (E1/2SE1/4) and the Northeast Quarter of the Northeast Quarter (NE1/4NE1/4) of Section 7, Township 4 South, Range 72 West of the 6th P.M.

Part B contains 400 acres more or less.



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SADDLEBACK METROPOLITAN DISTRICT

DESCRIPTIONS

PART C - SCHOOL PARCEL (NOT PART OF INITIAL DISTRICT)

A parcel of land shown on Exhibit B of Case No. W-9483-78 known as the School Parcel being more particularly described as follows;

A parcel of land in Section 12, Township 4 South, Range 72 West of the 6th P.M., Clear Creek County, Colorado, described as commencing at the Northwest corner of said Section 12;

Thence S 00°00'46" E along the West line of said Section 12, a distance of 1,858.18 feet to a point on the Easterly right-of-way line of Beaver Brook Drive. Said point being the true point of beginning;

Thence S 73°48'30" E, 1536.43 feet;

Thence S 10°48'45" W, 504.45 feet;

Thence S 56°09'38" W, 909.14 feet;

Thence N 84°09'30" W, 508.07 feet to a point on the Easterly line of Beaver Brook Drive.

Thence Northerly along said Easterly line, N24°32'46"W, 177.66 feet;

Thence N 12°09'50" W, 184.14 feet to the P.C. (Point of curvature) of a curve to the right having a radius of 103.07 feet and a central angle of 35°50'24"'

Thence on the arc of said curve 64.47 feet to the P.T. (Point of tangency);

Thence N 23°40'34" E, 224.25 feet;

Thence N 18°37'49" E, 71.27 feet;

Thence N 12°58'51" E, 35.84 feet;

Thence N 01°40'37" E, 99.89 feet to the P.C. of a curve to the left having a radius of 387.75 feet, a central angle of 47°08'30" and a long chord bearing N24°47'39"W, 310.11 feet;

Thence on the arc of said curve 319.03 feet;

Thence leaving said right-of-way line, N 00°50'29" W, 276.50 feet to the true point of beginning.

Said parcel containing 32.809 acres more or less.



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EXHIBIT D
(PART D)

SADDLEBACK METROPOLITAN DISTRICT

DESCRIPTIONS

PART D - RESIDUAL SADDLEBACK PROPERTY (NOT PART OF INITIAL DISTRICT)

PARCEL NO. 1

That portion of Government Lot 1 not lying within Platted Saddleback Ridge Estates, Filing No. 4 and Saddleback Ridge Estates Filing No. 4, Amended, in Section 4, Township 4 South, Range 72 West of the 6th P.M., in Clear Creek County Colorado.

PARCEL NO. 2

The Southeast Quarter (SE1/4) of Section 33, Township 3 south, Range 72 West of the 6th P.M., in Clear Creek County, Colorado, EXCEPT Right-of-Way for Interstate Highway No. I-70 described in Rule and Order recorded July 23, 1959 in Book 264 at Page 216.

PARCEL NO. 3

Those portions of Government Lots 2, 3 and 6, not lying within Platted Saddleback Ridge Estates Filing No. 4, Amended; and that portion of the Southwest Quarter (SW1/4) lying westerly of a line from the Northeast Corner of said Southwest Quarter (SW1/4) Southwesterly to a point on the South line of said Southwest Quarter (SW1/4), said point being 1400 feet west of the Southeast Corner of said Southwest Quarter (SW1/4), all in Section 4, Township 4 South, Range 72 West of the 6th P.M., in Clear Creek County, Colorado.

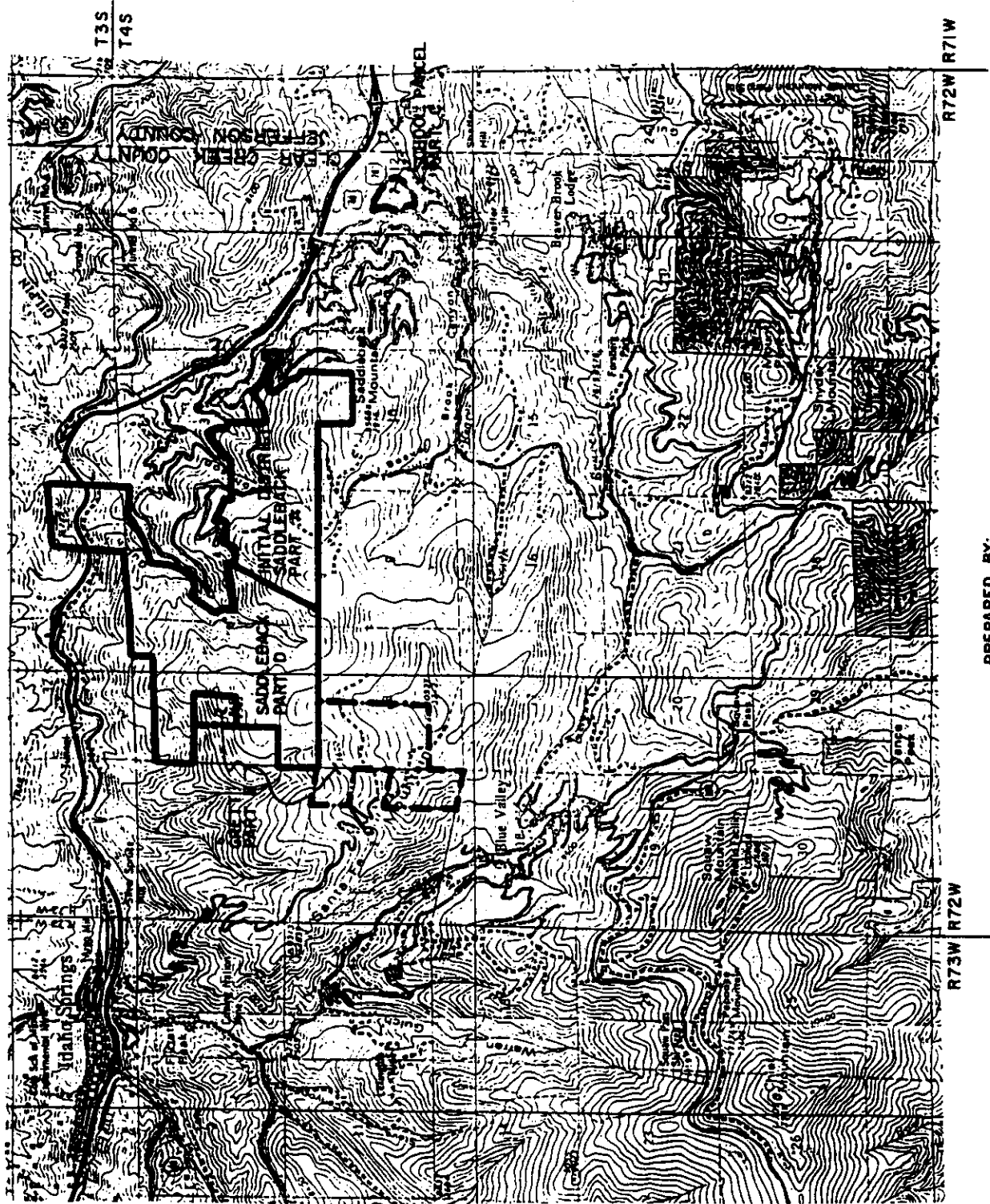
PARCEL NO. 4

The East Half (E1/2) of Government Lot 1; Government Lots 3, 4 and 5, the Southeast Quarter (SE1/4), the South Half of the Southwest Quarter S1/2 SW1/4; and the Northeast Quarter of the Southwest Quarter (NE1/4 SW1/4); all in Section 5, Township 4 South, Range 72 West of the 6th P.M. in Clear Creek County, Colorado.

Part D, Saddleback Property, contains 990.66 acres more or less.

SADDLEBACK METROPOLITAN DISTRICT CLEAR CREEK COUNTY, COLORADO

FEBRUARY 13, 1995



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PREPARED BY:
REA, CASSENS AND ASSOC., INC.

A RESOLUTION APPROVING WITH CONDITIONS THE CREATION
OF THE SADDLEBACK METROPOLITAN DISTRICT

WHEREAS, an application to form the Saddleback Metropolitan District was filed with the county pursuant to C.R.S. §32-1-203; and,

WHEREAS, planning commission held a public hearing pursuant to C.R.S. §32-1-204(3) and made a recommendation to the Board of County Commissioners to approve the application; and,

WHEREAS, the Board of County Commissioners held many public hearings pursuant to C.R.S. §32-1-204.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF CLEAR CREEK COUNTY (BOCC) that they adopt the following findings of fact in support of the creation of the Saddleback Metropolitan District pursuant to C.R.S. §32-1-203(2):

1. To meet the literal wording of C.R.S. §32-1-204(a) would require the construction of housing that no one could occupy to demonstrate that need exists before an application for a service district can be approved. We presume that in passing this act the legislature intends a just and reasonable result not one that is absurd or illogical. *Higgins v. People*, 863 P.2d 371 (Colo. 1994).
2. There are sufficient existing and projected need for water service to be provided by this district. Division I of the Colorado Water Court in decree W-9483-78, as amended, require the creation of a special district to provide augmentation water before any wells may be drilled to provide for domestic use. Although there are no existing homes in the proposed district that require service at this time, there is a concurrent subdivision application pending before this board. The projected need, based upon the concurrent subdivision application, for water service is sufficient to meet this requirement of the statute.
3. There are sufficient existing and projected need for sewer service to be provided by this district. A further condition of the water court's decree was the use of non-evapotranspiration sewage units such as a septic tank or similar waste disposal system. The commitment of the District to adopt the Individual Sewage Disposal System standards of Clear Creek County (which are more stringent than those of the State of Colorado), to require aerobic and anaerobic treatment systems, to provide controls over the uniformity of equipment and installation of that equipment, and to further require the monitoring and testing of effluent are all superior management techniques that go beyond the law and current county regulations to provide protection of the waters of the area. This requirement is pursuant to the agreement between the applicant and the Upper Clear Creek Watershed Association (UCCWA) and necessitated by an agreement between UCCWA and the Standley Lake Users Group (SLUG).
4. There are sufficient existing and projected need for safety protection and street improvements to be provided by this district. This service does not exist in the area for any need, current or projected, because of a consistent position by the Board of County Commissioners stating that no new roads will be accepted for county maintenance except under very special circumstances. Based on information in the record, the current Board of County Commissioners has expressed no desire to extend county Road & Bridge services into the district. The formation of the district will ensure road safety and maintenance well above any possible if the proposed development was instead broken into 35 acre parcels with private trails to the home sites.
5. There are sufficient existing and projected need for parks to be provided by this district. The open space is land too rough for development could be considered as park land. A related example might be Rocky Mountain National Park, The Tetons, Jeffco Open Space, etc. This is an amenity consistent with a rural, mountain lifestyle.

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6. The existing water and sewer service in the area to be served by the proposed district is inadequate for present and projected needs. Division 1 of the Colorado Water Court in decree W-9483-78, as amended, requires the formation of a water and sanitation district to monitor water usage and is necessary to meet the conditions of the agreement between the applicant and UCCWA.
7. The existing roads in the area to be served by the proposed district are inadequate for present and projected needs. This service does not exist in the area for any need, current or projected, because of a consistent position by the BOCC stating that no new roads will be accepted for county maintenance except under very special circumstances. Based on information in the record, the current BOCC has expressed no desire to extend county Road & Bridge services into area covered by the proposed district.
8. No special attention or considerations for management of open lands are available through the county (other than rezoning) and no opportunity exists for such special treatment to provide land management of the open space areas. Therefore, the existing service is inadequate for the present and projected needs of the area to be served by the proposed special district.
9. The economic analysis presented in the service plan indicates that the income from service charges, development fees and available taxes (at 10 mills) provides more than adequate revenue to offset those costs associated with the maintenance and operation of the services to be provided by the District. The proposed special district is capable of providing economical and sufficient service to the area within its proposed boundaries.
10. Adequate water and sewer service is not, or will not be, available to the area through the county, other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis. Neither delivery of water nor finding an adequate water source is a power given to county governments in Colorado. No existing municipalities, water districts, or other sources exist anywhere close to the area to provide such a service. Current State and County regulations provide the mechanism for ensuring that sewerage treatment systems are adequate to protect the waters of the State. However, neither the State nor Clear Creek County government provides the actual service of sewer treatment. No existing municipalities, sewer treatment districts, or other sources exist anywhere close to the area to provide such a service.
11. Other than the initiative provided by the private property owners, safety protection and street improvements do not exist in the area for any need, current or projected, because of a consistent position by the BOCC stating that no new roads will be accepted for county maintenance except under very special circumstances. Based on information in the record, the current BOCC has expressed no desire to extend county Road & Bridge services into the district. Other satisfactory sources do not exist, particularly in light of stated policies by the BOCC.
12. Other satisfactory sources do not exist for the management of the open lands proposed for this district.
13. Evidence was presented that the facilities and service standards for water and sewer service are compatible with the standards of Clear Creek County and of the City of Idaho Springs, the only interested parties recognized by statute.
14. All roads in the proposed district are to be constructed to the standards adopted by Clear Creek County.
15. Evidence was presented that the facilities and service standards for providing open space and forest management are compatible with the standards of Clear Creek County.

16. The current, official master plan for Clear Creek County is the county zoning maps that exist for every region of the county. While Clear Creek County does not have a single document titled "County Master Plan," numerous planning documents, the county's Comprehensive Plan, records of decisions concerning highest and best use of site specific and regional areas of the county, neighborhood and community stakeholder plans, officially adopted zoning maps-- in reality, all are master plans because of the guidance, their purpose and intent, and the influence they have upon all land use decisions made in Clear Creek County.

17. All private lands adjacent to the area to be served by the District are zoned MR-1 for residential use, allowing one to two acre development sites. All lands to be served by the District are zoned MR-1 for residential use. All services proposed to be provided by the District are necessary for the proper development and use of those lands for a residential purposes and meet the requirements of C.R.S. §32-1-202(2.5)(c).

18. The proposed district is adopting rules more stringent than those required by the State of Colorado and by Clear Creek County, and by becoming a member of the Upper Clear Creek Water Basin Authority, and by being deemed to be in compliance with the area's 20R plan, sufficient evidence was presented that the District would comply with all long-range water quality management plans.

19. In light of the foregoing findings of fact, the creation of the proposed special district will be in the best interests of the area proposed to be served.

BE IT FURTHER RESOLVED, that the service plan is approved if the following changes are made:

II. Statement of Need

Page 2, Paragraph 4

Strike the word "proposed" in the first sentence and add as a last sentence: "The District will operate in compliance with all Clear Creek County regulations and agreements with regard to point and non-point source discharges into the Clear Creek watershed.

Page 2, Paragraph 8

Strike "proposes to" in the second sentence and replace with "will".

Page 2, Paragraph 10

Strike "may" in the second sentence and replace with "shall".

Page 3, Paragraph 2

In line #5 of paragraph #2, strike "and the District", and in line #7 of paragraph #2, strike "It is planned that" and begin the sentence "The District will...".

IV. Service Area

Page 4, Paragraph 2

At the end of the second paragraph, add "of the District".



V. Description of Proposed Services

Page 6, Item #1 (cont. from page 5), Paragraph 5

At the end of paragraph five, add "as requested by the Emergency Services District."

Page 6, Item #2, Paragraph 2

First sentence reads "All individual homes shall have compound aerobic and anaerobic treatment systems with effluent disposal through individual absorption fields in order to reduce the release of nitrates."

Page 6, Item #2, Paragraph 2

In the second sentence, strike "Should" and add "If", strike "it is anticipated that".

Page 6, Item #2, Last Paragraph

Paragraph will read "The District shall perform testing of the effluent from all installed individual or group sewage treatment systems four times per year to insure.....through absorption fields. The District will operate in compliance with all Clear Creek County regulations and agreements with regard to point and non-point source discharges into the Clear Creek watershed."

Page 7, Paragraph 1

Add "and emergency" after the word "periodic".

Page 7, #4

Add a second sentence to read "The District will also be responsible for road maintenance, replacement, snow plowing and drainage for the non-county maintained portions of Saddle Ridge Drive and Saddleback Drive leading into the District."

Page 7, #5

At the end of the sentence, add "in accordance with the recommendations by the office of the Colorado State Forester."

VI. Valuation and Population Projections

Page 8, Paragraph 2

At the end of the first sentence add "site characteristics permitting". In the second sentence, change "would" to "could".

VII. Proposed Improvements

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Page 9. B. Sewage Collection & Treatment System

Sentence to read "Private individual home compound aerobic and anaerobic treatment systems with subsurface effluent disposal through absorption systems to reduce the release of nitrates.

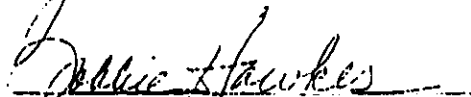
THIS RESOLUTION IS ADOPTED this 14th day of November 1995, *nunc pro tunc*, November 9, 1995, at a regular meeting of the Clear Creek Board of County Commissioners at the County Courthouse in Georgetown, Colorado.


Robert J. Poirer, Chairman



Nelson Fugate, Commissioner


Edward G. Rapp, Commissioner

ATTEST:


Debbie Hawkes
Deputy Clerk and Recorder

Approved as to Form:


County Attorney



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