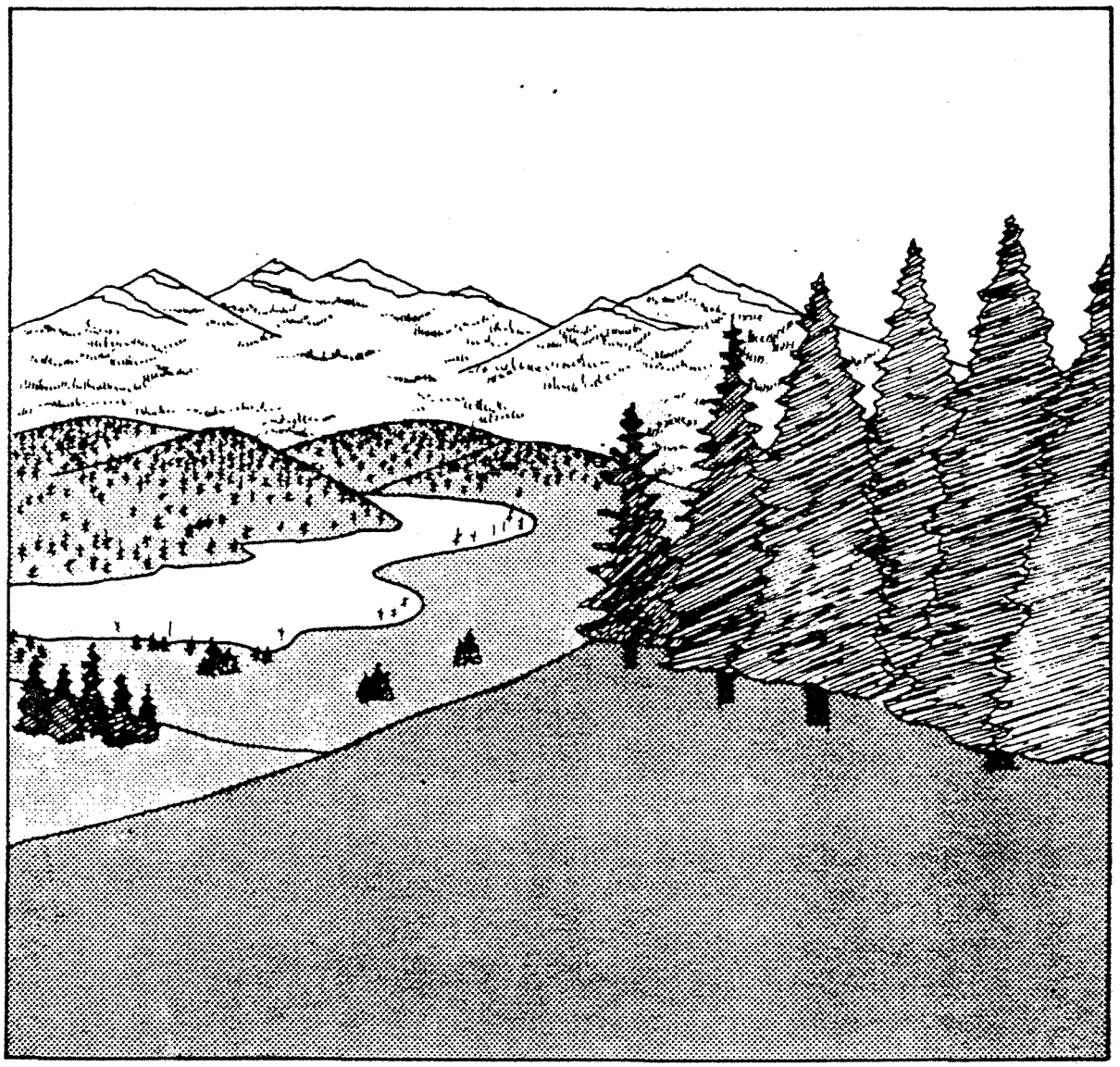
# East River Regional Sanitation District
# Gunnison County, Colorado

# SERVICE PLAN



June 1983

environmental engineers, scientists, planners, & management consultants CDM

# EAST RIVER REGIONAL SANITATION DISTRICT

## SERVICE PLAN

## TABLE OF CONTENTS


| | Page |
|---|---|
| SECTION 1 | |
| INTRODUCTION | 1-1 |
| Service Plan | 1-2 |
| Development Plan for ERRSD | 1-3 |
| Description of ERRSD Boundary | 1-4 |
| Water Supply | 1-4 |
| SECTION 2 | |
| EXISTING DEVELOPMENT | 2-1 |
| SECTION 3 | |
| INSTITUTIONAL ARRANGEMENTS | 3-1 |
| SECTION 4 | |
| POLICY CONSIDERATIONS | 4-1 |
| SECTION 5 | |
| WASTEWATER FACILITIES AND COST ESTIMATES | 5-1 |
| Introduction | 5-2 |
| Wastewater Facilities | 5-2 |
| SECTION 6 | |
| FINANCING ALTERNTAIVES | 6-1 |
| General Financial Considerations | 6-1 |
| Assessed Value | 6-4 |
| Bond Issue Elements | 6-7 |
| Operation and Maintenance Costs | 6-9 |
| Cost Recovery Considerations | 6-9 |
| Mill Levy | 6-9 |
| Connection Fees | 6-12 |
| User Fees | 6-12 |
| Range of Levies and Fees | 6-13 |

## TABLES


| | | |
|---|---|---|
| 2-1 | Projected Population | 2-2 |
| 4-1 | ERRSD Build-Out Schedule | 4-5 |
| 5-1 | Final Population Projections, East River Valley | 5-8 |
| 5-2 | Wastewater Flow Development | 5-9 |
| 6-1 | Assessed Valuations within East River Valey | 6-6 |
| 6-2 | ERRSD Bond Issue Elements | 6-7 |
| 6-3 | ERRSD Proposed Debt Service Schedule | 6-8 |
| 6-4 | ERRSD Estimated O&M Costs | 6-10 |
| 6-5 | ERRSD Estimated Mill Levy Income | 6-11 |
| 6-6 | ERRSD Estimated Connection Fee Revenue | 6-14 |
| 6-7 | ERRSD Estimated User Charge Revenue | 6-15 |
| 6-8 | ERRSD Summary of Estimated Expense | 6-16 |
| 6-9 | ERRSD Summary of Estimated Revenue | 6-17 |
| 6-10 | ERRSD Estimated Total Income and Expense | 6-18 |


## FIGURES


| | | Follows Page |
|---|---|---|
| 1-1 | East River Planning Area | 1-1 |
| 1-2 | Vicinity Map | 1-1 |
| 1-3 | ERRSD Location Map | 1-4 |
| 5-1 | Drainage Basin Map | 5-1 |
| 5-2 | Wastewater Facilities Plan | 5-2 |
| 5-3 | Treatment Plant Layout | 5-4 |


## APPENDIX


RECOMMENDED FACILITIES PLAN

LEGAL DESCRIPTIONS

## SECTION 1

## EAST RIVER REGIONAL SANITATION DISTRICT

## SERVICE PLAN

### INTRODUCTION

The Service Plan contained in this document for the East River Regional Sanitation District has been developed and prepared in accordance with Section 32-4-101 of the Colorado Revised Statutes as ammended, which permits the creation of water and sanitation districts. The Service Plan is also prepared in accordance with the East River Valley Wastewater Facilities Plan (Figure 1-1) as approved by the Gunnison County Board of Commissioners in October, 1982. The organization and operation of this district will serve a public use in providing wastewater service and facilities for [Skyland, Avion and Silver Sage] developments] and thereby promoting public health, safety and the general welfare. This Service Plan has been prepared to comply with applicable Gunnison County regulations relating to wastewater utility services and will constitute a portion of the petition for formation of the East River Regional Sanitation District (ERRSD) to the Gunnison County District Court. The property within the proposed East River Regional Sanitation District is presently owned by Skyland Properties, Dr. Richard Landy (Avion), and Crested Butte Recreational Development Corporation (Silver Sage). Figure 1-2 is a vicinity map which shows the [location] of the proposed district.

to fulfill the intent of

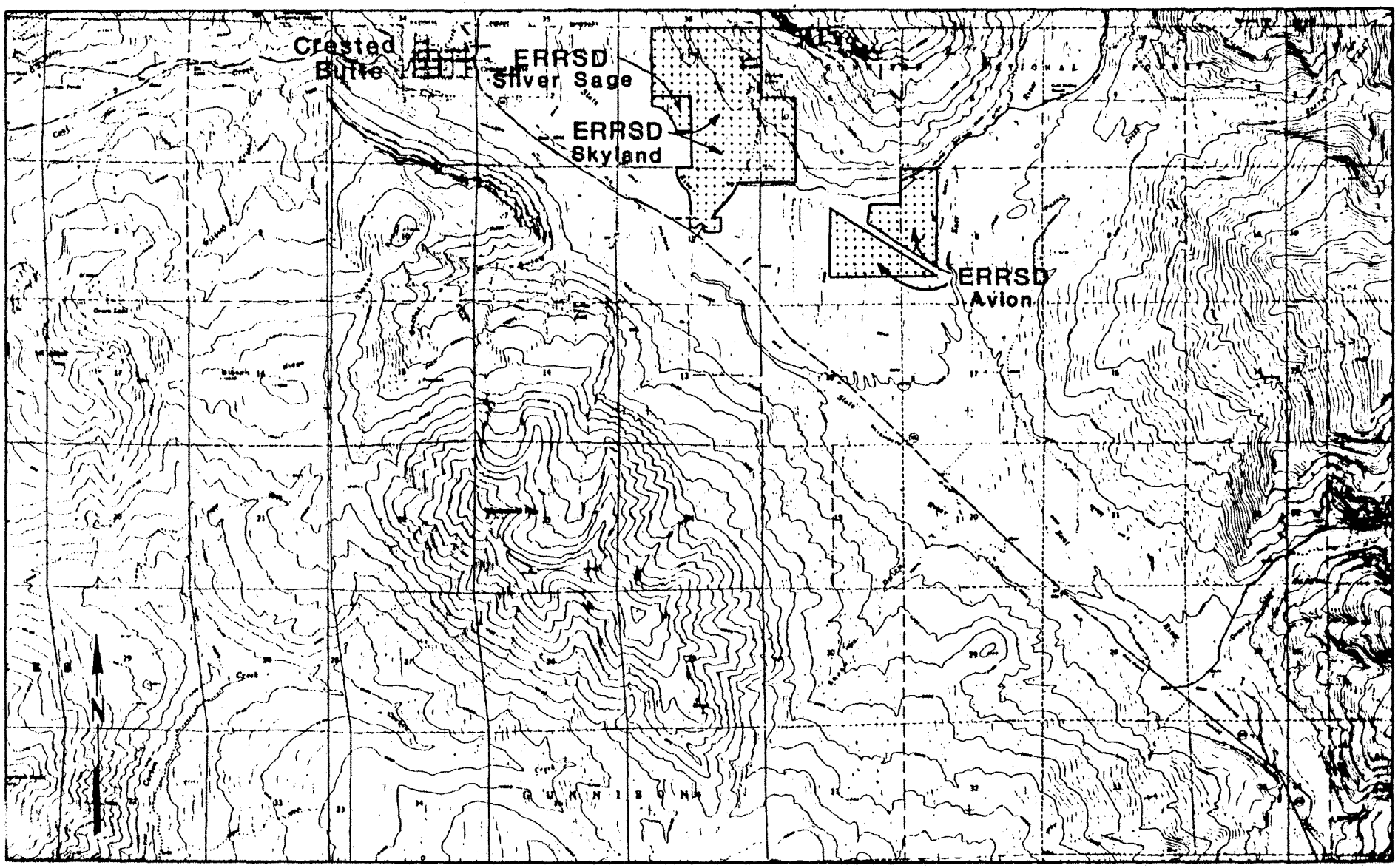
the SLATE RIVER DEVELOPMENTS

INITIALLY

INITIAL BOUNDRIES

The specific intent of the wastewater Service Plan is to equitably establish the form of paying for the cost of constructing [[wastewater facilities by the areas served by those facilities, thus reducing any burden that the residents of one area might otherwise have to pay for facilities serving other areas. In addition the plan requires each user of

operating ~~[illegible]~~ OPERATING AND MAINTAINING




Scale 1"=1mile

Figure 1-2 Vicinity Map.

CDM
environmental engineers, scientists, planners, & management consultants

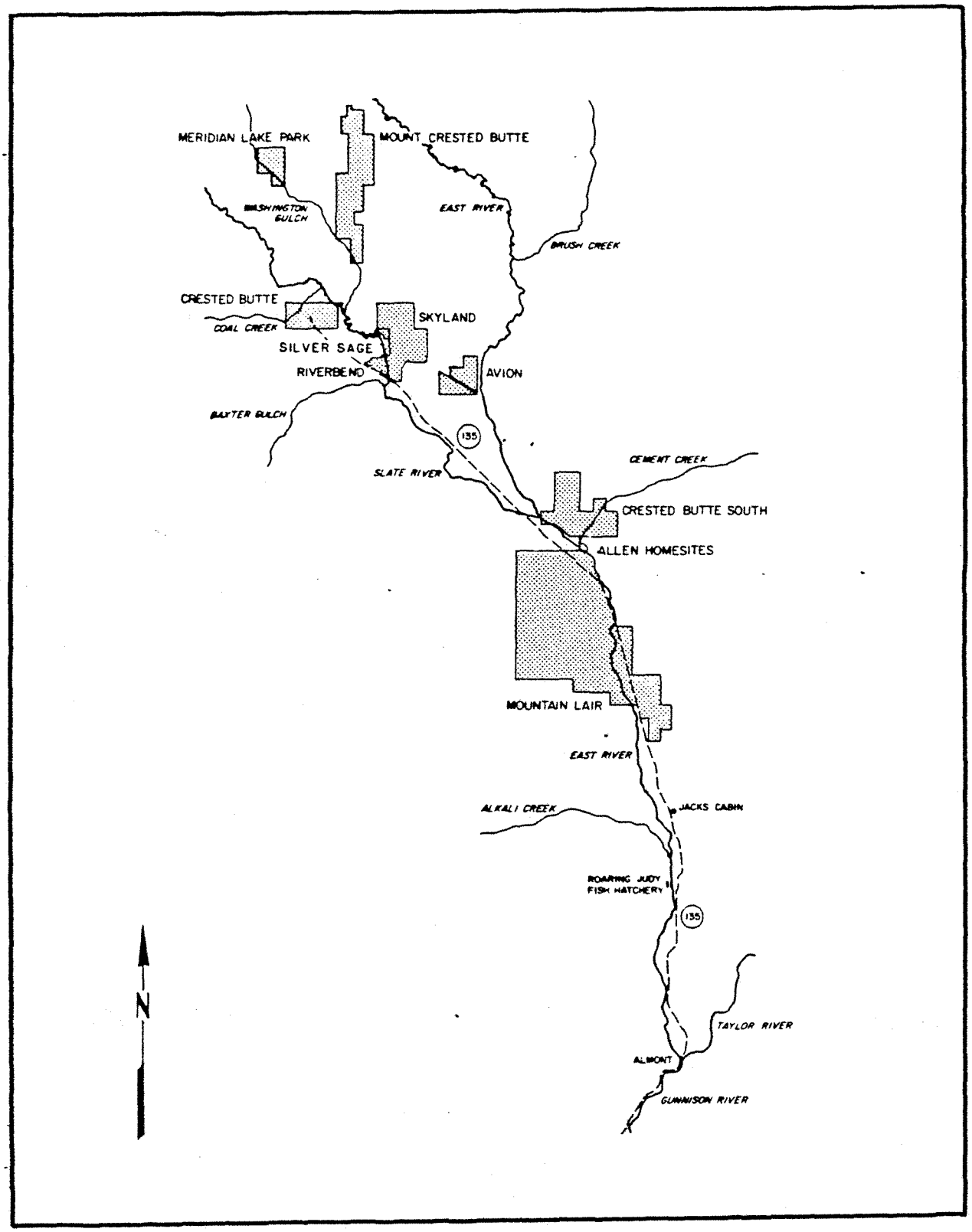



Figure 1-1 East River Planning Area.

CDM
environmental engineers, scientists, planners, & management consultants

the facilities to pay a fair share of the costs for operating and maintaining the facilities owned and operated by the ERRSD. The use of a sanitation district provides for making the financing objectives possible by properly balancing capacity charges, connection fees, district property tax assessments and monthly user (or service) charges.

Service Plan

The East River Regional Sanitation District (ERRSD) will construct and own all major facilities within the District. The facilities which include interceptor sewers, outfall sewers, pump stations, force mains and the wastewater treatment plant will be sized for maximum cost-effectiveness in conjunction with construction phased to keep pace with the need for service.

The operation and maintenance of wastewater sanitary collector sewers in the Skyland Properties development area will be the responsibility of the already existing Skyland Metropolitan District. The East River Regional Sanitation District will provide wastewater services, other than those specifically designated above, to the Skyland area.

Duplication of wastewater services and duplication of charges, fees or assessments by either the East River Regional Sanitation District or the Skyland Metropolitan District will not occur. The properties within the Skyland Metropolitan District will pay for sufficient capacity in the wastewater facilities, owned and operated by the East River Regional Sanitation District, which serve the Skyland Metropolitan District.

The East River Regional Sanitation District will operate, bill customers, maintain and manage its facilities and system with a uniform monthly user charge to all similar classes of users within the Skyland Metropolitan District, the Avion Club development and the Silver Sage development. The East River Regional Sanitation District will set and impose connection fees, capacity charges, and monthly user charges based on the costs of serving each area within the ERRSD.

In accordance with

It is the intention of the Service Plan to allow additional areas outside the original ERRSD boundaries to become a part of the ERRSD and receive wastewater services, [provided] the necessary legal and Colorado Statute requirements [are fulfilled and provided that the inclusion of other areas is accomplished] on the basis of maintaining the basic fee structure to equitably pay for capacity and services furnished by the ERRSD.

AND

Development Plan For The ERRSD

The property to be included INITIALLY in the ERRSD is located in the central portion of Gunnison County, Colorado (Figure 1-2) in the East River Valley. The area lies just south of the Town of Crested Butte, between the Slate River and the East River. The property is surrounded by an unincorporated area of Gunnison County. Access is provided by Colorado State Highway 135 and Gunnison County Road 738.

The Gunnison Board of County Commissioners has approved the properties INITIALLY within the proposed ERRSD for zoning as follows:

| | |
|---|---|
| Skyland, November 17, 1981 | 1,000 dwelling units<br>ultimate population 2,260 |
| Avion, | 264 dwelling units<br>ultimate population 1,540 |
| Silver Sage, | 25 dwelling units<br>ultimate population 76 |

These units will be built upon an area of approximately 864 acres. The development plans include multi-use housing, club-condominium, and recreational development. The development plan for Skyland includes an 18-hole golf course. The Avion Club development area lies northeast and southwest of the Crested Butte Airport, with the open space area southwest of the airport to remain as open space and/or include amenities.

The proposed East River Regional Sanitation District will provide major facilities for wastewater service to the entire planned development areas for Skyland, Avion and Silver Sage. ~~They~~ ARE AND ANNEXED BY THE ~~DISTRICT~~ ERRSD.

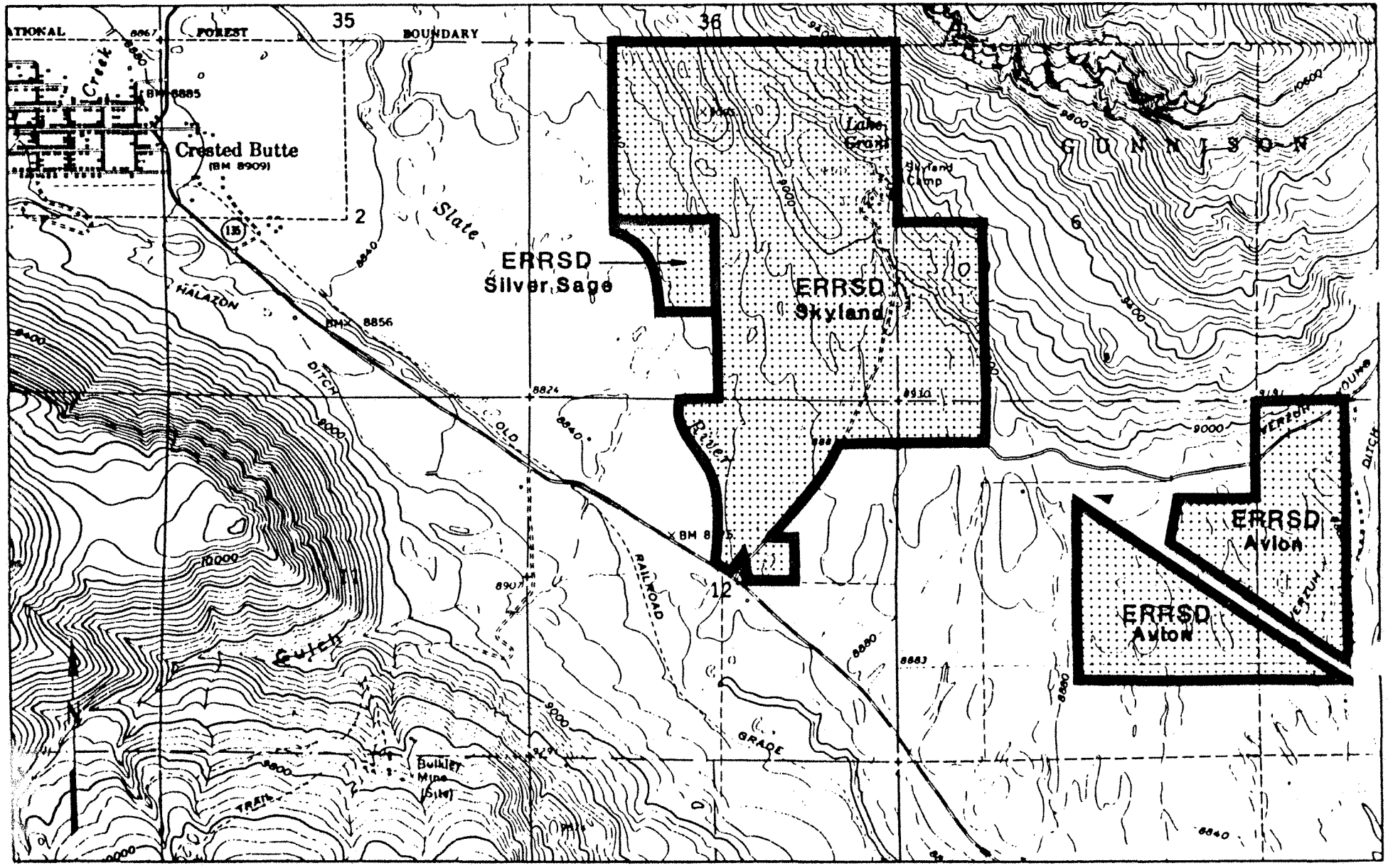
## Description of ERRSD Boundary

The East River Regional Sanitation District will be located in the central portion of Gunnison County approximately five miles south of the Town of Crested Butte. Land within the district is shown in Figure 1-3. A legal description of lands ~~within the ERRSD~~ is presented in Appendix A. Each area of development within the District boundaries will be responsible for the payment of the cost of services for that area.

INITIALLY THESE AS WELL AS AREAS INDEXED IN THE FUTURE

## Water Supply

Each of the INITIAL development areas within the proposed district have water supply sources to provide a reliable supply of water for the respective development. These sources include adjudicated surface and groundwater rights.




Scale 1:24,000

Figure 1-3 ERRSD Location Map.

CDM
environmental engineers, scientists, planners, & management consultants

SECTION 2

## EXISTING DEVELOPMENT

Development within the East River Valley is generally characterized as a valley floor agricultural/recreational region containing relatively small, scattered towns, and villages, overlain by a rapid transition to residential and future recreational growth. Much of the intrinsic appeal of the area is derived from its variety of environmental features that include a somewhat isolated valley generally at an elevation of 8,500 feet above sea level, mountain peaks on both the east and west that attain elevations of 12,000 feet and greater, abundant snow in winter - and its derivative ample water supplies - mild summers, and a sense of controlled development.

Population data within the East River Valley is notable for its distinction between permanent and visitor classifications. Current estimates indicate a sizeble growth in both categories during the period between 1982 and 2002. Table 2-1 contains population projections for Gunnison County as a whole as well as data for specific areas within the East River Valley.

TABLE 2-1

PROJECTED POPULATION

| Area and Classification | | Year 1982 | 1992 | 2002 |
|---|---|---|---|---|
| Town of Crested Butte | - Permanent | 1,200 | 2,190 | 3,000 |
| | - Visitors | 220 | 430 | 570 |
| East River Developments | - Permanent | 300 | 1,150 | 1,780 |
| | - Visitors | 0 | 250 | 500 |
| Meridian Lake Park | - Permanent | 30 | 110 | 210 |
| | - Visitors | 60 | 270 | 620 |
| Town of Mount Crested Butte | - Permanent | 260 | 390 | 600 |
| | - Visitors | 6,500 | 12,500 | 18,500 |
| Slate River Developments | - Permanent | 40 | 400 | 550 |
| | - Visitors | 50 | 2,090 | 4,090 |
| Gunnison County | - Permanent | 13,050 | 17,650 | 24,470 |

Access to the area is generally through the Town of Gunnison via Colorado State Highway 135, with scheduled airline service into Gunnison from Denver, and non-scheduled service to a 4,800-foot airstrip within the area being studied in this report.

There are number of existing developments throughout the valley, the bulk of them constructed within the past few years, or in the process of construction at this time. Examples include the Mountain Lair and Crested Butte South areas downstream from the area to be served by the East River Regional Sanitation District, as well as the Town of Crested Butte, Riverbend, Mount Crested Butte, and Meridian Lake Park to the north.

There is, within or immediately adjacent to the proposed district, a variety of modern one- and two-story residences, duplexes, and support facilities. In addition, within the planned District boundaries are a golf course for which grading has been completed wtin planting and landscaping for the first nine holes scheduled for the summer of 1983, and the local airport which is part of the Avion development and is expected to be hard surfaced during 1983. Some roadways within the general District area have been graded and are intended to be hard surfaced during 1983.

There are also various ancillary services within signt of the Avion, Silver Sage, and Skyland developments that include a concrete mixing plant, an industrial warehouse structure, and new hangers at the airport.

SECTION 3

## INSTITUTIONAL ARRANGEMENTS

There are a variety of methods, both public and private, under which the institutional structure for a wastewater agency may be defined. Primary objectives include the ability to construct, operate, and maintain the physical wastewater system; the need to meet the requirements of the Water Quality Control Division of the Colorado Department of Health; the requirement to be responsive to Gunnison County regulations covering permitting for septic systems; the competence to determine and control costs, to provide adequate financing, and to institute feasible methods of cost recovery; to control the management, personnel, financial and engineering aspects of the system; and to furnish an adequate oversight or review authority that can be responsive to governmental and individual concerns.

Although there is a growing movement within municipal government toward "privatization" of services and functions that were once considered the domain of cities and towns, the institutional ability to provide new or expanded public utility services for wastewater and water needs remains a public function. Under Colorado law there are a wide variety of mechanisms available for these purposes. Title 32 of the Colorado Revised Statutes of

1973 became effective during 1981. These general laws provide for the creation, operation, and control of a wide variety of special districts that furnish sanitation services, water, transportation, fire protection, mosquito control, street improvements, safety, television, parks and recreation, hospital services, either as a single purpose function or on a combined basis as a Special or as a Metropolitan District.

Members of the "Committee for the Formation of the East River Regional Sanitation District" have done considerable research into the most effective method of providing sanitation services within the areas shown in Figure 1-3. It has been determined that a "Special District," as defined under Title 32, is the institutional structure best able to respond to the needs and constraints within the area to be served.

Special District laws are structured under the following major headings:

General Provisions
Control Act
Organization
Inclusion (of territory)
Exclusion
Consolidation
Dissolution
Elections
Board of Directors
Powers
Financial
Taxes
Refunding

As a first step, a Service Plan (such as this document) must be approved by a Board of County Commissioners or a similiar public governing body at the municipal level. Following that, a formation petition requires the sanction of the district court providing jurisdiction for the area to be served by the special district.

Districts are governed by an elected board consisting of either five or seven members who serve for four-year terms. Boards of this type have the power to enter into contracts and agreements, borrow money, incur indebtedness, to acquire or dispose of real property, to refund bonded debt, to appoint or hire or retain engineers and attorneys, to set fees and rates and charges for services, to furnish appropriate services outside of district boundaries, and to generally manage, control, and supervise the affairs of the district.

Relative to the financial aspects, a district board has the power to levy ad valorem taxes, to create reserve funds, to issue both general obligation and revenue bonds, and has wide discretion in the setting of cost recovery methods.

SECTION 4

POLICY CONSIDERATIONS

Responsibility for setting policy for the East River Regional Sanitation District is vested in its Board of Directors. The issues of concern to the Board of Directors are as follows:

1. Matters relating to public health in terms of disposal of the wastewater effluent; control of wastewater effluent quality particularly as it affects the receiving waters; and conformance with the requirements of the wastewater treatment plant NPDES permit when it is issued.

2. Operational factors having to do with the ability to treat the seasonal loadings imposed by the visitor population; the hiring of a competent, full-time manager/operator, and a part-time secretary/bookkeeper; designing and constructing the system to intercept, pump, and treat wastewater volumes [predicated on the ultimate build-out of Avion, Silver Sage, and Skyland as now planned with little or no provision for future annexations] the fact that the original planning for the East River Regional Sanitation District included the Riverbend development which has now been supplanted by the Silver Sage development]; and the need to have the ~~entire~~ system on-line and ~~fully~~ operational before the end of summer, 1984.

~~ADDRESSED~~ AS REQUIRED

3. Timing of both design and construction to coincide with the normal summer construction period when it is most feasible and least expensive; and scheduled preparation of cost estimates and publication of bidding documents - again to coincide with the available construction period.

4. The financing issues in which any demonstrated form of security underlying the bond issue will have a beneficial effect on both marketability and interest rates, i.e. letters of credit, institutional backing, pledged assets, donated facilities, or cash reserves; the initial phase in the development of the District relies on deferral of bond issue principal for a period of three years with interest payments for that period obtained as a part of the bond amount; an interest rate for special district general obligation bonds that can presently be expected to range between 11.0 and 12.0 percent if revenue and security sources are limited to capacity fees, user charges, and ad valorem taxation (11.5 percent interest rate has been used in the subsequent sample financial analysis); bond insurance that can be expected to range between 0.5% and 1.5% of the principal amount of the bond issue; a bond reserve fund established with a 1.0 relationship to equal the

annual payment of principal and interest and capable of demonstrating a positive cash flow through the first three-year period; invested funds expected to earn interest at 8.1% or 8.2% if invested in U.S. Treasury notes; and land for the treatment plant site available at approximately $5,000 per acre with a comparable figure for necessary easements not located in public rights-of-way.

Policy issues impacting the financial factors center on two primary considerations. First, is the need to provide sufficient funding for the intial purposes of a newly-formed district, particularly when a sizeable construction program is required. Second, is the concern that cost recovery methods be equitable for all users of the system, that such methods are not so complex that they cannot be explained or cannot be administered, and that they provide sufficient revenues for the district on a timely basis.

For the purposes of the East River Regional Sanitation District, the build-out of the three development areas is a critical item since it impacts directly on both the time the revenues are received and the amount of revenue paid to the District. Revenues based on recovery of capital costs are expected to be linked to lot sales, while recovery of operational and maintenance costs is based on the expected times that dwelling units

TAP FEES?

MONTHLY SERVICE CHARGES?

and commercial facilities are connected to the wastewater collection system. Table 4-1 indicates the anticpated lot sales and construction starts within the East River Regional Sanitation District boundaries as they are now conceived.

TABLE 4-1

EAST RIVER REGIONAL SANITATION DISTRICT
BUILD-OUT SCHEDULE

| LOT SALES | | | | | BUILDING STARTS | | | | |
|---|---|---|---|---|---|---|---|---|---|
| YEAR | SINGLE FAMILY | DUPLEX | MULTI-FAMILY | TOTAL | YEAR | SINGLE FAMILY | DUPLEX | MULTI-FAMILY | TOTAL |
| 1981 | | | | | 1981 | | | | |
| 82 | | | | | 82 | | | | |
| 83 | 4 | 3 | | 7 | 83 | 2 | 2 | | 4 |
| 84 | 12 | 4 | 1 | 17 | 84 | 6 | 5 | 41 | 52 |
| 1985 | 12 | 4 | 1 | 17 | 1985 | 12 | 7 | 91 | 110 |
| 1986 | 12 | 3 | 1 | 16 | 1986 | 12 | 8 | 90 | 110 |
| 87 | 11 | 4 | 1 | 16 | 87 | 12 | 7 | 90 | 109 |
| 88 | 11 | 3 | 1 | 15 | 88 | 11 | 8 | 76 | 95 |
| 89 | 8 | 3 | 1 | 12 | 89 | 11 | 6 | 76 | 93 |
| 1990 | 8 | 3 | 1 | 12 | 1990 | 8 | 6 | 76 | 90 |
| 1991 | 8 | 3 | 1 | 12 | 1991 | 8 | 6 | 50 | 64 |
| 92 | 8 | 3 | 1 | 12 | 92 | 8 | 6 | 50 | 64 |
| 93 | 9 | 1 | | 10 | 83 | 8 | 6 | 50 | 64 |
| 94 | | | | | 94 | 9 | 2 | 50 | 61 |
| 1995 | | | | | 1995 | | | | |
| 1996 | | | | | 1996 | | | | |
| 97 | | | | | 97 | | | | |
| 98 | | | | | 98 | | | | |
| 99 | | | | | 99 | | | | |
| 2000 | | | | | 2000 | | | | |
| 2001 | | | | | 2001 | | | | |
| 2002 | | | | | 2002 | | | | |
| Totals | 103 | 34 | 9 | 146 | Totals | 107 | 69 | 740 | 916 |

## SECTION 5

## WASTEWATER FACILITIES AND COST ESTIMATES

### INTRODUCTION

This section describes the wastewater facilities which will be owned and operated by the East River Regional Sanitation District. A conceptual preliminary plan is presented for the wastewater system to serve the Skyland, Avion and Silver Sage developments within the District. The purpose of presenting the plan is to demonstrate the relationship between the initial construction and the facilities to serve the fully developed areas within the District. Approval of the Service Plan presented in this document is being requested.

The Wastewater Facilities Plan for the East River Valley developed general planning areas and siting alternatives from which overall wastewater management schemes were derived to meet the needs of the study area over a twenty (20) year period. The existing municipalities, districts and areas of development were recognized and discussed extensively in that plan. Growth areas associated with well defined planning areas were addressed as to the feasibility of the best alternatives for wastewater collection and treatment system.

The planning areas identified in the Facilities Plan for the East River Valley were:

1. Upper Valley Region comprised of:
   a. Crested Butte Water and Sanitation District including the Town of Mt. Crested Butte.

   b. Meridian Lake Park

   c. The Town of Crested Butte

d. The State River Developments which included Riverbend Subdivision, Skyland Metro Districts and Avion at Crested Butte.

e. The East River Developments which included Crested Butte South, Allen Homesites, and Mountain Lair Development.

2. Almont Area comprised of

a. Almont, including the Almont Resort Three Rivers Resort, Almont Subdivision and Homestead Subdivision.

The East River Regional Sanitation District being requested for approval within this Service Plan [includes] the planning area in Item 1c above, identified as the Slate River Developments. As stated in the Facilities Plan, the Riverbend Subdivision was included as part of the Slate River Developments, but in the preparations for the formation of the ERRSD, principals of Riverbend Subdivision specifically requested not to be included within the District at this particular time. At the same time the developer of the Silver Sage area requested inclusion of Silver Sage within the District. Therefore, the Service Plan for the ERRSD includes [ ] the Skyland development, the Avion development and the Silver Sage development.

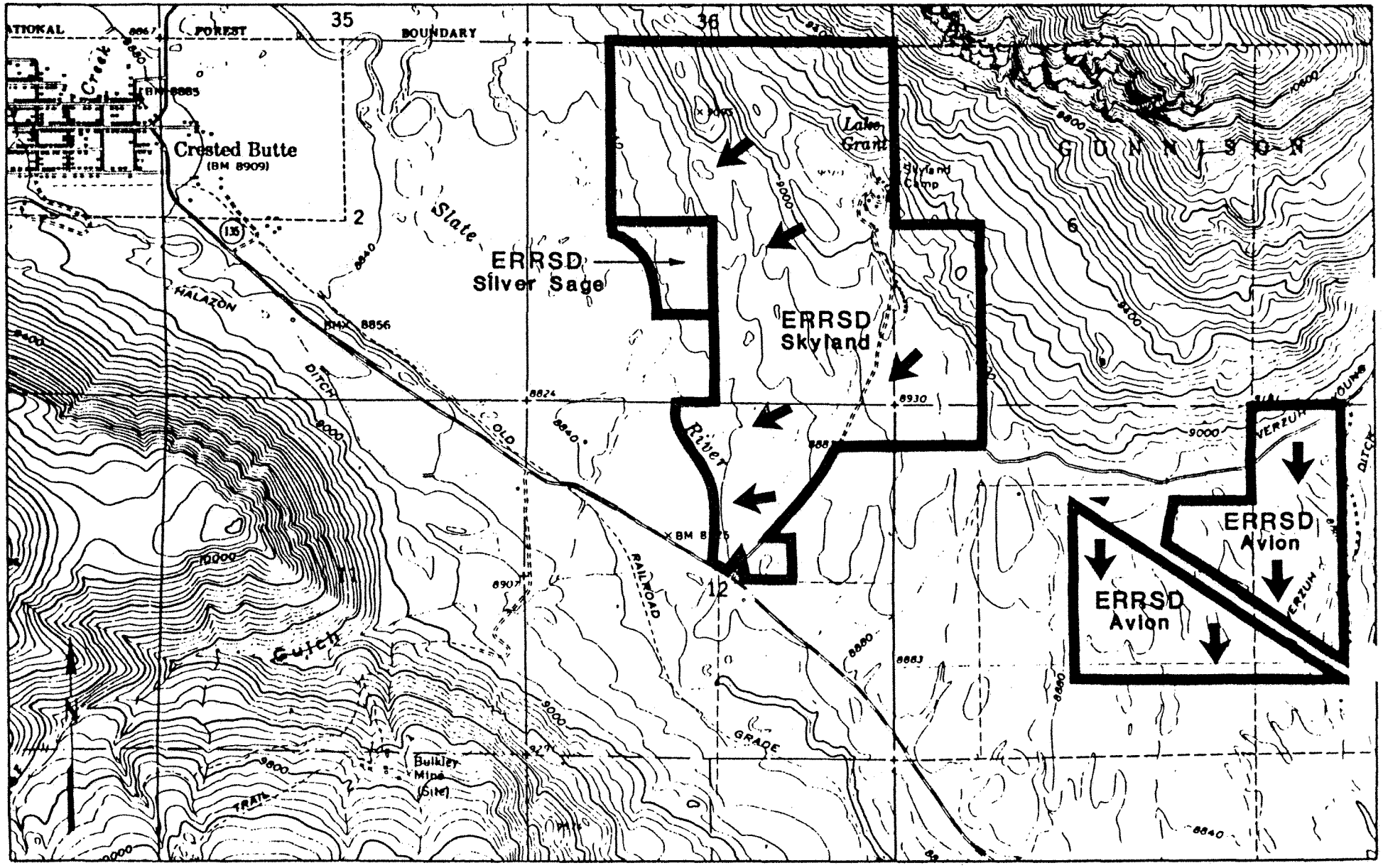
?

1d

INITIALLY

## Wastewater Facilities

The area within the District boundaries will be served through a system of interceptor sewers, pump station and a wastewater treatment plant. The direction of flow is generally from east to west for Skyland and Silver Sage and from north to south for Avion. Major interceptors are proposed to parallel the major drainage ways within each area, including a pump station to serve the Skyland and Silver Sage areas. Figure 5-1 shows the two drainage basins to be served. Figure 5-2 presents a general wastewater facilities plan for a wastewater collection, pumping, and treatment system capable of providing for projected volumes of wastewater generated by the ultimate development.




Scale 1:24,000

Direction of Surface Water Flow

Figure 5-1 Drainage Basin Map.

CDM
environmental engineers, scientists, planners, & management consultants

d. The State River Developments which included Riverbend Subdivision, Skyland Metro Districts and Avion at Crested Butte.

e. The East River Developments which included Crested Butte South, Allen Homesites, and Mountain Lair Development.

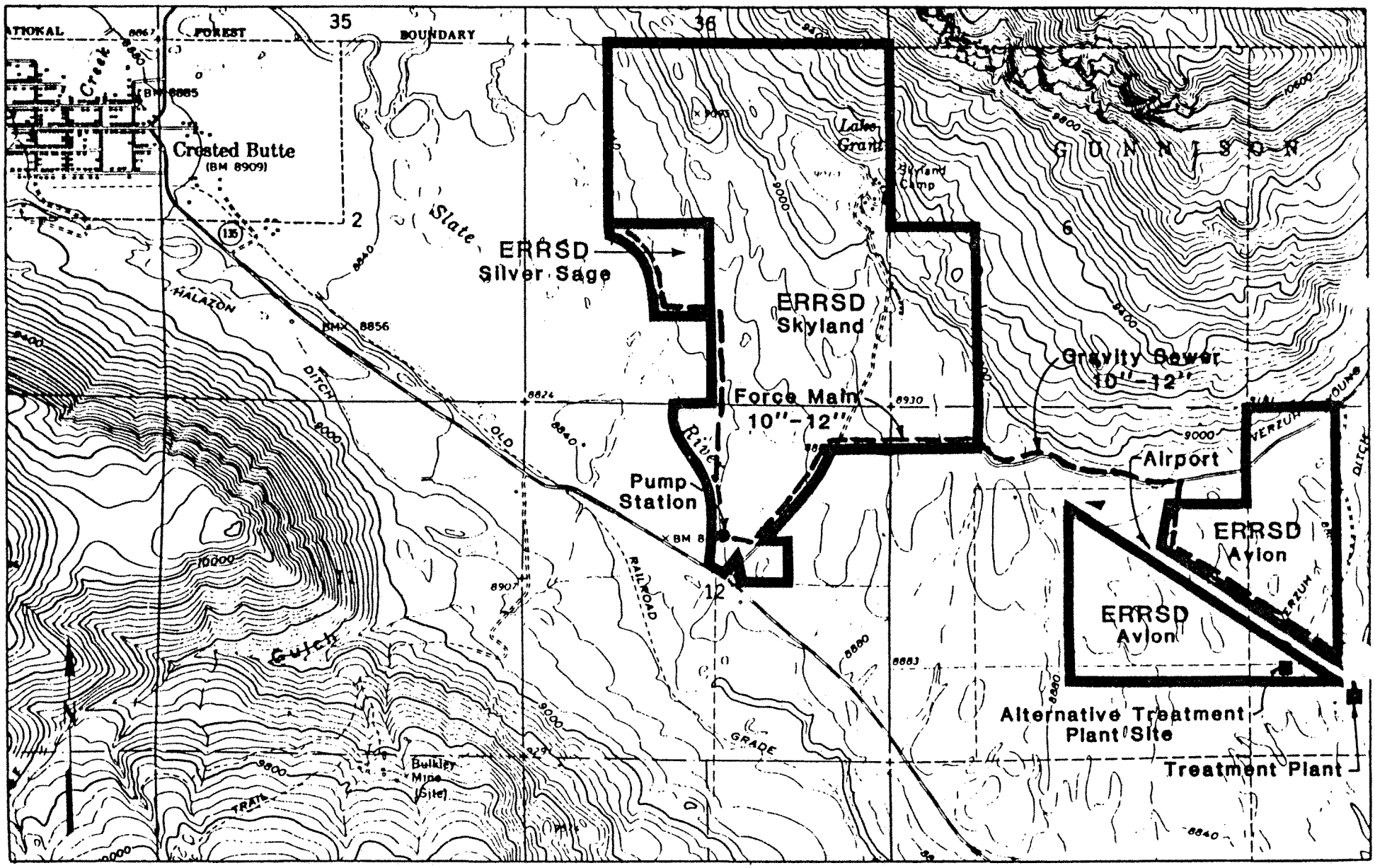
2. Almont Area comprised of

a. Almont, including the Almont Resort Three Rivers Resort, Almont Subdivision and Homestead Subdivision.

The East River Regional Sanitation District being requested for approval within this Service Plan [includes] the planning area in Item 1c above, identified as the Slate River Developments. As stated in the Facilities Plan, the Riverbend Subdivision was included as part of the Slate River Developments, but in the preparations for the formation of the ERRSD, principals of Riverbend Subdivision specifically requested not to be included within the District at this particular time. At the same time the developer of the Silver Sage area requested inclusion of Silver Sage within the District. Therefore, the Service Plan for the ERRSD includes [ ] the Skyland development, the Avion development and the Silver Sage development.

## Wastewater Facilities

The area within the District boundaries will be served through a system of interceptor sewers, pump station and a wastewater treatment plant. The direction of flow is generally from east to west for Skyland and Silver Sage and from north to south for Avion. Major interceptors are proposed to parallel the major drainage ways within each area, including a pump station to serve the Skyland and Silver Sage areas. Figure 5-1 shows the two drainage basins to be served. Figure 5-2 presents a general wastewater facilities plan for a wastewater collection, pumping, and treatment system capable of providing for projected volumes of wastewater generated by the ultimate development.




Scale 1:24,000

Figure 5-2 Wastewater Facilities Plan.

CDM
environmental engineers, scientists, planners, & management consultants

The general plan is based on population and flow projections presented in "Wastewater Facilities Plan for the East River Valley, Gunnison County, Colorado" prepared by CDM in June, 1982. The Facilities Plan identified and evaluated several alternatives for providing treatment and disposal for collected wastewater flows. The option which was selected and approved, Alternative 4A of the Facilities Plan, includes a wastewater treatment plant located southeasterly from the southeast corner of the proposed district (Figure 5-2)(with a possible alternative site within the district boundary). Unit processes for treatment include an aerated lagoon system with aerated lagoons, flow control and monitoring and disinfection by chlorination. The level of treatment will be capable of meeting applicable effluent and stream standards. Discharge from the treatment plant will be by an outfall sewer to the East River, which is tributary to the Gunnison River.The alignment and preliminary sizes of the force main and interceptors, for initial construction by the ERRSD are shown in Figure 5-2.

Design criteria for the interceptors, pump station and treatment plant will be based upon Colorado Department of Health Standards to provide necessary capacity for peak flow conditions. Interceptors will be designed to be flowing half full during peak flow conditions. Peaking factors, velocities and minimum grades for sewers will be based upon generally accepted design criteria.

Wastewater flows for the area to be served by the ERRSD are taken from the population and flow projections in the Facilities Plan. They are presented here as Tables 5-1 and 5-2. Flow data in the Facilities Plan was based upon review of water consumption and wastewater flow data from the Crested Butte Water and Sanitation District. Season water and wastewater totals estimated using this data reflect realistic figures for per-capita water demand (111 gpcd) and wastewater flow (87 gpcd). The Colorado Department of Health Guildeline of 100 gpcd was used in the Facilities Plan for wastewater flow projections in the area to be served by the ERRSD (See Table 5-2). The estimated 1992 wastewater flow for ERRSD is 0.25 million gallons per day (mgd). Sufficient treatment capacity and trunk sewer line capacity will be provided in facilities owned and operated by ERRSD to meet this need.

The treatment plant located near the East River to be built, owned and operated by the East River Regional Sanitation District will have sufficient design capacity in the initial construction phase to serve the area within the District until future improvements are needed as projected beyond 1992. The treatment plant will be expanded to its ultimate capacity at such time as additional capacity is determined to be required.

One of the goals of the Facilities Plan was to consolidate and centralize treatment to the extent feasible from both economic and technical standpoints. The best approach for the ERRSD area was determined to be centralization of all treatment at one satellite plant. This plant will be permanent over the planning period, and will treat only flows from the ~~service area~~ Sick River Developments as described in the Facilities Plan and in the Appendix to this Service Plan.

The proposed initial improvements for ERRSD include a new aerated lagoon treatment facility designed at 0.25 mgd capacity for 1992 needs. The treatment plant site is on relatively high ground, directly to the southeast of Avion, with plant discharge to the East River. A plant layout is shown in Figure 5-3. All plant functions, including flow between lagoons, will be controlled from inside a common building, to avoid operational difficulties in the winter. Flow from Avion will be by gravity. A new pump station at the southwest corner of Skyland will transfer flows from Skyland and Silver Sage to the plant through a new force main and gravity interceptor. The line between Skyland and Silver Sage and the pump station will be completed initially for use by Skyland and Silver Sage.

Future improvements will need to be made to handle flows in the 1992-2002 period and may have to provide some ammonia removal during the summer and fall beginning as early as 1995. In 10 years, two additional lagoons and appropriate aeration equipment are to be added. The chlorine contact basin will need expansion and an evaluation will need to be made regarding the potential need for dechlorination (it is not needed initially). At some point when future development dictates, the Skyland pump station will need expansion. By 1995, the ammonia generated in the SRD area will exceed the

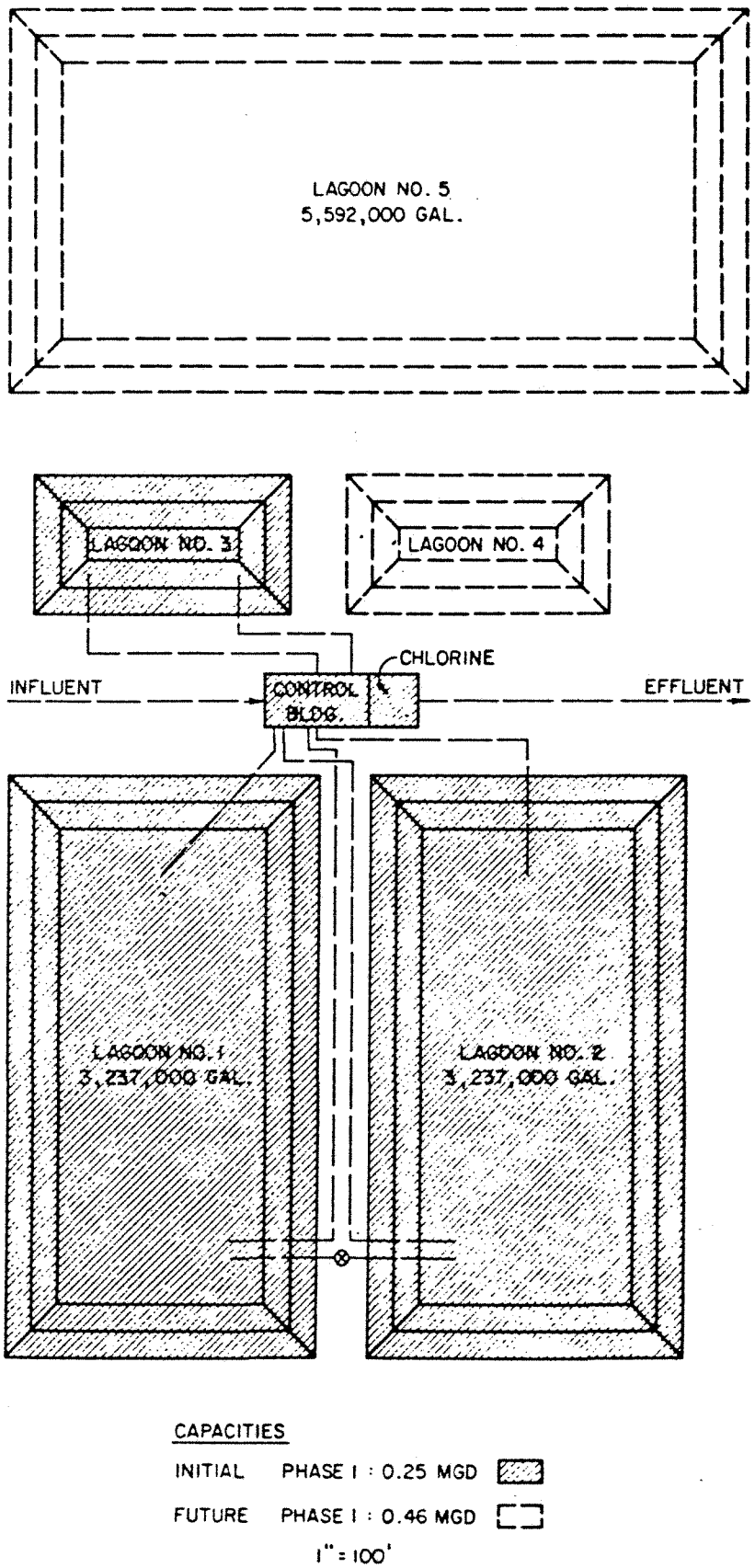



**Figure 5-3 Treatment Plant Layout.**

CDM
environmental engineers, scientists, planners, & management consultants

wasteload allocations during the low flow season (summer and fall). It is possible that the degree of nitrification which will occur in the lagoon system will be adequate such that excessive ammonia will not be discharged for several years beyond. However, if ammonia removal is needed before 2002, it is recommended that effluent be applied to either the adjacent rangeland, and/or the Skyland golf course, and/or the Avion open space, only to the extent necessary to keep ammonia discharge to the East River within required tolerances. By the year 2002, the absolute maximum amount of effluent which would need to be applied to the land would be 135,000 gallons per day, and usually this amount would be far less. A land application system will need to be designed at the correct rate for complete uptake of nitrogen, which will require proper design in accordance with Colorado Department of Health guidelines and established criteria. Effluent can be pumped from the final settling/polishing pond to the irrigation area.

Future potential development in the area, will utilize the District's plant by conveying flow (gravity or pumping) into the main plant interceptor or into the District collection system. Conveyance facilities are to be designed for any anticipated additional flows.

Initial ERRSD Improvements. These improvements include: 1) an aerated lagoon system (including lagoons, control building, chlorination and flow monitoring); 2) pipeline from Skyland to plant site; 3) pump station at Skyland; and 4) pipeline from Silver Sage to Skyland pump station.

1. **Aerated Lagoon** - a three cell aerobic facultative lagoon system designed for 1992 flows (see Figure 5-3).

   No. of Cells: 3
   Design Flow: 0.25 mgd
   Depth: 10 feet
   Hydraulic Detention Time:
   Lagoon No. 1: 13 days
   Lagoon No. 2: 13 days
   Lagoon No. 3: 2 days
   Loading: 0.44 lb/1000 cf
   Rate Constant (Ke): 0.12 $days^{-1}$
   Removal Efficiency (minimum: 85%+)
   Chlorine Contact: 30 minutes

Control building with internal flow regulation between lagoons, chlorination, flow metering, laboratory facilities.

New access road

+3

Lagoons No. 1 and 2 to be lined

Power to be brought in from Hwy 135

Outfall line to East River

2. **Pipeline** (Skyland/Avion) - an 11,800 foot force main/gravity line is recommended to convey wastewater from the Skyland pump station to the ERRSD wastewater treatment plant.

   Material: Ductile Iron (PVC may be used on gravity portion)
   Length: force main: 5,600 ft.; gravity line: 6,200 ft.
   Slope: 0.005 ft/ft (gravity line)
   Size: 10-12 inch
   Capacity: 2.5 mgd

3. **Skyland Pump Station** - This pump station will be completed to convey flows through the force main to gravity interceptor

   Type: wet well/dry well
   Pump Arrangement: duplex
   Ultimate Capacity: 850 gpm
   Total Dynamic Head: 215 feet
   Standby power generation equipment

4. **Pipeline** (Silver Sage)

   Type: gravity main
   Material: PVC
   Size: 8-inch
   Length: 2,500 feet

Cost Estimates

Cost estimates for the construction of the initial wastewater facilities owned and operated by the ERRSD are summarized in the following table.

## Initial Costs

| | | |
|---|---|---|
| 1. | Aerated Lagoon System | $730,600 |
| 2. | Pipeline (total of 11,800 feet - force main and gravity interceptor) | 397,000 |
| 3. | Skyland Pump Station | 122,500 |
| 4. | Pipeline (2,500 feet) | 70,500 |
| | Subtotal | $1,320,600 |
| | Plus 10% Escalation to 1984 Costs | 132,100 |
| | Subtotal | $1,452,700 |
| | Engineering & Contingency (17%) | 247,000 |
| | | 1,699,700 |
| | Plus Second Resident Inspector (if needed) | 22,000 |
| | TOTAL | $1,721,700 |

## Future Improvements

1. **Wastewater Treatment Expansion** (10 years)
   Capacity 0.46 mgd (total)
   Two aerated lagoons and equipment
   Expansion of chlorine contact basin
   Addition of dechlorination if needed

2. **Skyland Pump Station** (10 years)

   Expand wet well as needed
   Replace pumps as required

3. **Ammonia Removal** (13-20 years)

   Pump station on settling pond
   Piping to irrigation site
   Selection of land use application rates

TABLE 5-1

FINAL POPULATION PROJECTIONS FOR THE EAST RIVER VALLEY[1]

| Area | 1982 Permanent | 1982 Visitor | 1992 Permanent | 1992 Visitor | 2002 Permanent | 2002 Visitor |
|---|---|---|---|---|---|---|
| Gunnison County | 13,050 | --- | 17,650 | --- | 24,470 | --- |
| Almont | 160 | 220 | 280 | 220 | 450 | 220 |
| Town of Crested Butte | 1,200 | 220 | 2,190 | 430 | 3,000 | 570 |
| East River Developments[2] | 300 | 0 | 1,150 | 250 | 1,780 | 500 |
| Meridian Lake Park | 30 | 60 | 110 | 270 | 210 | 620 |
| Town of Mount Crested Butte | 260 | 6,500 | 390 | 12,500 | 600 | 18,500 |
| Slate River Developments[3] | 40 | 50 | 400 | 2,090 | 550 | 4,090 |

NOTE:

[1]From Table 3-3 of the "Wastewater Facilities Plan for the East River Valley, Gunnison County, Colorado", June, 1982 by CDM.

[2]East River Developments include Crested Butte South, Allen Homesites, Mountain Lair, and other potential developments in the general area.

[3]Slate River Developments include Skyland, Riverbend, Avion, and other potential developments in the general area.

TABLE 5-2

WASTEWATER FLOW DEVELOPMENT - SLATE RIVER DEVELOPMENTS[1,2,3,4]

| Daily Flow | 1982 | 1992 | 2002 |
|---|---|---|---|
| Minimum 24-hour (perm) | 0.001 | 0.013 | 0.018 |
| Average Daily Flow (perm) | 0.004 | 0.040 | 0.055 |
| Peak Flow (perm) | 0.019 | 0.192 | 0.264 |
| Minimum 24-hr (total) | 0.003 | 0.091 | 0.186 |
| Average Daily Flow (total) | 0.009 | 0.249 | 0.464 |
| Peak Flow (total) | 0.043 | 1.046 | 1.763 |
| **Infiltration/Inflow Allowance** (1500 gpad) | | | |
| Maximum I/I | 0.014 | 0.374 | 0.696 |
| Developed Area (acres) | 9 | 249 | 464 |
| **Daily Flows Plus I/I** | | | |
| Average Daily Flow (perm) plus Maximum I/I | 0.018 | 0.414 | 0.751 |
| Peak Flow (perm) plus Maximum I/I | 0.033 | 0.566 | 0.960 |

[1]From Table 3-11 of the "Wastewater facilities Plan for the East River Valley, Gunnison County, Colorado", June 1982 by Camp Dresser & McKee Inc.

[2]Slate River Developments include Skyland, Avion and Riverbend

[3]All flows given in million gallons per day

[4]See explanations and abbreviations on following page

Explanations and Abbreviations

**Minimum 24-hour flow (perm)** - the average daily minimum flow generated by projected permanent population for the given year (no seasonal input).

**Average Daily Flow (perm)** - the average daily base flow generated by the permanent population.

**Peak Flow (perm)** - the highest instantaneous flow generated by projected permanent population.

**Minimum 24-hour flow (total)** - the average daily minimum flow generated by the projected permanent plus visitor populations.

**Average Daily Flow (total)** - the average daily base flow generated by the projected permanent plus visitor populations.

**Peak Daily Flow (total)** - the highest instantaneous flow generated by the projected permanent plus visitor populations.

**Maximum I/I** - the maximum I/I experienced during the year. Usually experienced during April and May, and therefore associated only with permanent population flow.

**Abbreviations** - gpad - gallons per acre per day
I/I - infiltration/inflow

SECTION 6

# FINANCING ALTERNATIVES

## General Finanical Considerations

Under the Special District concept there are a variety of methods by which facilities may be acquired, constructed, operated, managed, and financed. In the East River Regional Sanitation District situation, where no public, area-wide system of interception, conveyance, treatment, and disposal now exists, one of the primary considerations is the practicality of staged construction wherein the capacity of the system to provide wastewater services would parallel the anticipated growth in wastewater volume. For a variety of reasons, primarily economic, it has been determined that the most effective approach to INITIAL system development is to construct all of the integral components under one construction contract. As presently planned, this work will take place during the summer construction period in 1984.

On that basis, the engineering design of the system must be completed during the latter months of 1983 so that construction bids, evaluation of proposals, and letting of a contract may be accomplished during early 1984. This requires that the East River Regional Sanitation District be formed and become operational at an early date - the second half of 1983 as now scheduled.

Because the District does not yet formally exist, the financing alternatives rest on short-term methods of providing reimbursement for engineering design services; a long-term bond issue to be sold after the District comes into existence, designed to provide funds for construction payments, as well as creating of suitable reserves, the payment of bond issuance costs, and the acquistion of the wastewater treatment plant site; the creation of a system of users fees and charges that recognizes an early dependence on connection fee charges tied primarily to the recovery of capital costs, with a later dependence on monthly service charges that are expected to grow as the number of residential units increases; and provision for the revenue obtained from the mill levy as assessed valuation rises.

Construction costs are the most sizeable single element in the financial structure of the District and are logically met through District-authorized bonds. Among the several types of bond issues analyzed, revenue bonds were judged to be unsuitable, because of the inability to demonstrate an earnings history. Because revenue bonds are generally found to carry higher rates of interest than other types of securities that may be sold by the District, industrial revenue bonds were deemed inappropriate to a largely residential-recreational development. In addition, funding through any of several Federal programs was unavailable, and bond anticipation notes are primarily considered to be short-term instruments. Consequently, the most suitable mechanism is general obligation bonds since this type of issue combines the public voting process, generally lower interest rates

than revenue bonds, the capability of being structured with adequate repayment and deferral provisions, and the flexibility to refund those bonds, if future conditions should warrant.

Among the controlling factors associated with general obligation bond issues is the ability to obtain voter approval, to defer the repayment of principal for as long as three years if a demonstrated need exists, the existence of adequate security for the repayment of principal and interest, the incorporation of subsidiary funding from user charges and ad valorem taxation in the financing schedules, and the marketability of the issue itself.

Within the East River Valley the most recently sold bonds of a comparative nature were issued by the Skyland Metropolitan District. This issue was for $1,600,000, with a ten-year term, and carried an interest rate of 10-3/4 percent. Although it was a revenue bond issue for a multi-purpose district, it was strongly supported by letters of credit and is, therefore, not necessarily a true indicator of the marketability of the proposed general obligation issue for the East River Regional Sanitation District.

It is anticipated that the East River bond issue will probably obtain an interest rate in the 11.0 percent to 12.0 percent range. For the purpose of the analysis in this report, a rate of 12.0 percent has been used. Acutal interst and discount rates will be dependent on market conditions at the time of the bond issue sale although it is expected that the maximum interest rate will not exceed 14 percent.

## Assessed Value

Recent discussions with the Gunnison County Assessor's Office indicated that a two-step process is used to determine property values for assessment purposes. Based on frequently updated marketing surveys, the initial market value of properties is determiend, then reduced to a common base using the year 1977. This is presently accomplished using the following conversion table:

1978 Market Value x 54% = 1977 Base Value

1979 Market Value x 53% = 1977 Base Value

1980 Market Value x 50% = 1977 Base Value

1981 Market Value x 45% = 1977 Base Value

1982 Market Value x ? = 1977 Base Value

Base values are then converted to assessed values using the following factors:

Unimproved Lots: 1977 Base Value x 22% = Assessed Value

Improved Lots : 1977 Base Value x 29% = Assessed Value

For the purpose of illustrating the relationship between market value and assessed value for the East River Regional Sanitation District, the base value table was projected through 1984 and coupled with an assumed relationship between unimproved lots and improved lots. This resulted in a direct conversion factor of about 15 percent which has been used throughout the study period.

Valuations for some of the special districts within the East River Valley as of January 1, 1983 were obtained from the "Abstract of Assessments and Levies - 1982" at the Gunnison County Assessor's office. These data are shown on Table 6-1 . As a comparative example of the type of growth that has taken place within the general project area, the assessed valuation for the Crested Butte South Metropolitan District was obtained for the past four years. These data indicate that an increase in assessed valuation, not market value, of more than 150 percent took place between 1979 and 1982 ($582,340 vs. $1,476,210) and that the increase in the single year of 1980 was more than 100 percent ($582,340 vs. $1,262,170).

## Bond Issue Elements

To support the objectives of the East River Regional Sanitation District, a general obligation bond issue has been recommended. Among the primary purposes of this issue are the retirement of short-term notes that are expected to be used to finance the initial design costs, the purchase of land for the treatment platn site plus any required rights-of-way not located on public property, the construction of the physical facilities, the payment of bond issue financing and discount expenses, a provision for bond insurance, and the creation of a suitable interest reserve. A bond issue in the amount of $2,950,000 using a twenty-year term with principal deferred for the first three years, ~~and with equal annual payments of principal deferred for the first three years~~, and with equal annual payments of principal and interest thereafter, is proposed. Bond issue elements are shown on Table 6-2 and an estimated debt service schedule is included in Table 6-3.

Table 6-2

EAST RIVER REGIONAL SANITATION DISTRICT

BOND ISSUE

| Element | | Amount |
|---|---|---|
| Construction Cost* | | $1,630,000 |
| Retire Short-Term Notes | | 231,000 |
| Finance/Discount Costs | | 100,000 |
| Interest Reserve | | 890,000 |
| Bond Insurance | | 80,000 |
| | | $2,931,000 |
| | Say | $2,950,000 |

*Includes land acquisition, rights-of-way and engineering.

TABLE 6-3

EAST RIVER REGIONAL SANITATION DISTRICT
PROPOSED DEBT SERVICE SCHEDULE

| Year | Principal Outstanding | Interest @ 12.0% | Principal Maturing | Total Bond Service |
|---|---|---|---|---|
| 1983 | $ --- | $ --- | $ --- | $ --- |
| 1984 | 2,950,000 | 354,000 | --- | 354,000 |
| 1985 | 2,950,000 | 354,000 | --- | 354,000 |
| 1986 | 2,950,000 | 354,000 | --- | 354,000 |
| 1987 | 2,950,000 | 354,000 | 60,000 | 414,000 |
| 1988 | 2,890,000 | 346,800 | 65,000 | 411,800 |
| 1989 | 2,825,000 | 339,000 | 75,000 | 414,000 |
| 1990 | 2,750,000 | 330,000 | 85,000 | 415,000 |
| 1991 | 2,665,000 | 319,800 | 95,000 | 414,800 |
| 1992 | 2,570,000 | 308,400 | 105,000 | 413,400 |
| 1993 | 2,465,000 | 295,800 | 120,000 | 415,800 |
| 1994 | 2,345,000 | 281,400 | 135,000 | 416,400 |
| 1995 | 2,210,000 | 265,200 | 150,000 | 415,200 |
| 1996 | 2,060,000 | 247,200 | 165,000 | 412,200 |
| 1997 | 1,895,000 | 227,400 | 185,000 | 412,400 |
| 1998 | 1,710,000 | 205,200 | 210,000 | 415,200 |
| 1999 | 1,500,000 | 180,000 | 235,000 | 415,000 |
| 2000 | 1,265,000 | 151,800 | 265,000 | 416,800 |
| 2001 | 1,000,000 | 120,000 | 295,000 | 415,000 |
| 2002 | 705,000 | 84,600 | 330,000 | 414,600 |
| 2003 | 375,000 | 45,000 | 375,000 | 420,000 |
| 2004 | --- | --- | --- | --- |
| TOTALS | | $ 5,163,600 | $ 2,950,000 | $ 8,113,600 |

## Operation and Maintenance Costs

As depicted in Figure 5-2, the major facilities required to serve the needs of the East River Regional Sanitation District consist of interceptors, gravity sewers, a pump station, a force main, and the treatment plant. Cost estimates for treatment plant labor, power, and maintenace, as well as for the pump station, and for general and administrative requirements, have been prepared as shown on Table 6-4. These costs have been separated so that varying escalation rates could be applied where appropriate. Manpower requirements are based on one full-time manager/operator and a part-time bookkeeper/secretary.

## Cost Recovery Considerations

Apart from the cost items that are paid through bond issue proceeds, there are ~~three~~ four primary sources of revenue available to the East River Regional Sanitation District: (1) the mill levy; (2) connection fees; ~~and~~ (3) user charges; and (4) availability of service fees.

## Mill Levy

Under the Colorado Revised Statues of 1973 as found in Title 32, Article 1, Part 1201, the District Board is required to determine each year the amount of money to be raised by taxation, and to fix a rate of levy that will supply funds "for paying expenses of organiation and costs of constructing, operating and maintaining the facilities and improvements of the special district to pay in full . . . all interest on and prinicipal of bonds an other obligations . . . "

TABLE 6-4

EAST RIVER REGIONAL SANITATION DISTRICT

ESTIMATED OPERATION & MAINTENANCE COSTS

($/1000)

| Year | Treatment Plant Labor | Treatment Plant Power | Treatment Plant Maintenance | Pump Station | General & Admin. | Total |
|---|---|---|---|---|---|---|
| 1984 | 5.5 | 1.5 | 0.8 | 1.6 | 3.6 | 13.0 |
| 1985 | 24.0 | 6.6 | 3.3 | 7.0 | 16.5 | 57.4 |
| 1986 | 25.4 | 7.6 | 3.6 | 7.6 | 20.4 | 64.6 |
| 1987 | 27.0 | 8.7 | 4.0 | 8.1 | 22.0 | 69.8 |
| 1988 | 28.6 | 10.0 | 4.4 | 8.8 | 23.7 | 75.5 |
| 1989 | 30.4 | 11.5 | 4.8 | 9.4 | 25.5 | 81.6 |
| 1990 | 32.2 | 13.2 | 5.3 | 10.3 | 27.5 | 88.5 |
| 1991 | 34.1 | 15.2 | 5.8 | 10.9 | 29.8 | 95.8 |
| 1992 | 40.9 | 18.2 | 7.0 | 13.1 | 35.8 | 115.0 |
| 1993 | 43.3 | 20.9 | 7.7 | 14.4 | 39.4 | 125.7 |
| 1994 | 45.9 | 24.0 | 8.5 | 15.8 | 43.3 | 137.5 |
| 1995 | 48.7 | 27.6 | 9.4 | 17.4 | 47.6 | 150.7 |
| 1996 | 51.6 | 31.7 | 10.3 | 19.1 | 52.4 | 165.1 |
| 1997 | 54.7 | 36.5 | 11.3 | 21.0 | 57.6 | 181.1 |
| 1998 | 58.0 | 42.0 | 12.4 | 23.1 | 63.4 | 198.9 |
| 1999 | 61.5 | 48.3 | 13.6 | 25.4 | 69.7 | 218.5 |
| 2000 | 65.2 | 55.5 | 15.0 | 27.9 | 76.7 | 240.3 |
| 2001 | 69.1 | 63.8 | 16.5 | 30.7 | 84.4 | 264.5 |
| 2002 | 73.2 | 73.4 | 18.2 | 33.8 | 92.8 | 291.4 |
| 2003 | 77.6 | 84.4 | 20.2 | 37.2 | 102.1 | 321.5 |
| 2004 | 82.3 | 97.1 | 22.2 | 40.9 | 112.3 | 354.8 |

TABLE 6-5

EAST RIVER REGIONAL SANITATION DISTRICT

ESTIMATED MILL LEVY INCOME

| Year | Building Starts Annual (ea) | Building Starts Cumulative (ea) | Average Unit Value ($/1000) | Market Value ($/1000) | Assessed Value ($/1000) | Mill Levy ($/1000) | Mill Levy Income ($/1000) |
|---|---|---|---|---|---|---|---|
| 1982 | -- | -- | -- | -- | -- | -- | --- |
| 1983 | 4 | 4 | 105 | 420 | 63 | 0.040 | --- |
| 1984 | 9 | 13 | 110 | 1430 | 215 | 0.040 | 3 |
| 1985 | 111 | 124 | 116 | 14384 | 2158 | 0.040 | 9 |
| 1986 | 111 | 235 | 122 | 28670 | 4301 | 0.040 | 86 |
| 1987 | 108 | 343 | 128 | 43904 | 6586 | 0.020 | 172 |
| 1988 | 110 | 453 | 134 | 60702 | 9105 | 0.015 | 132 |
| 1989 | 93 | 546 | 141 | 76986 | 11548 | 0.010 | 137 |
| 1990 | 90 | 636 | 148 | 94128 | 14119 | 0.010 | 115 |
| 1991 | 90 | 726 | 155 | 112530 | 16880 | 0.010 | 141 |
| 1992 | 64 | 790 | 163 | 128770 | 19316 | 0.010 | 169 |
| 1993 | 64 | 854 | 171 | 146034 | 21905 | 0.010 | 193 |
| 1994 | 61 | 915 | 180 | 164700 | 24705 | 0.010 | 219 |
| 1995 | -- | 915 | 189 | 172935 | 25940 | 0.010 | 247 |
| 1996 | -- | 915 | 198 | 181170 | 27176 | 0.010 | 259 |
| 1997 | -- | 915 | 208 | 190320 | 28548 | 0.010 | 272 |
| 1998 | -- | 915 | 218 | 199470 | 29921 | 0.010 | 285 |
| 1999 | -- | 915 | 229 | 209535 | 31430 | 0.010 | 299 |
| 2000 | -- | 915 | 241 | 220515 | 33077 | 0.010 | 314 |
| 2001 | -- | 915 | 253 | 231495 | 34724 | 0.010 | 331 |
| 2002 | -- | 915 | 265 | 242475 | 36371 | 0.010 | 347 |
| 2003 | -- | 915 | 279 | 255285 | 38293 | 0.010 | 364 |
| 2004 | -- | 915 | 293 | 268095 | 40214 | 0.010 | 383 |
| 2005 | -- | 915 | 307 | 280905 | 42136 | 0.010 | 402 |
| | | | | | | | 421 |

Within Gunnison County the current practice is to have the tax rolls certified during September, obtain formal setting of the levy by the County Commission during December, and to mail tax notices during January of each year. First installment payments are due during January and second installments during July. Normally the bulk of the revenues are transmitted to special districts near the end of April. This lag between the action by the District Board and the receipt of revenues has been recognized in the tables which follow.

## Connection Fees

Connection fees, or tap fess as they are sometimes labeled, are defined under Title 32-1-1006 as installation charges for making sewer services available to the real estate and constitute a perpetual lien against the property served. Fees of this type may be increased or decreased at the direction of the District Board and revenues from this source may be used in payment of any type of District indebtedness.

## User Fees

User fees are not specifically defined in the Statutes except by reference to " . . . fees, rates, tolls, penalties, or charges for services, programs, or facilities furnished by the special district . . ." Further language in Title 32-1-1002 states that "The Board may pledge such revenue for the payment of any indebtness of the special district."

## AVAILABILITY OF SERVICE FEES

## Range of Levies and Fees

As proposed in this report, the mill levy is anticipated to range from a high of about $40 per $1,000 of assessed valuation at the beginning of the project to a low of about $10 per $1,000. Connection fees for each single-family residential unit or its equivalent are expected to begin at $2,100 and increase on annual basis to about $2,600 near the end of the initial development periods in about 1994. User fees have been estimated at $21 per month at the beginning of development, gradually increasing to about $27 per month for each single-family residential unit or equivalent.

Data showing the development of these unit costs and the estimated revenue from each source are given in Table 6-5 for the mill levy, in Table 6-6 for the connection fees, and in Table 6-7 for the user charges.

It should be noted that the various tables that incorporate data relating to lots sold, building starts, and the number of users are not necessarily identical. This is due to the fact that there may be, for example, only one physical connection of a lateral serving a collection system pipeline, while there may also be only one or two connections serving a condominium structure that may contain fifty or more users.

TABLE 6-6

EAST RIVER REGIONAL SANITATION DISTRICT

ESTIMATED CONNECTION FEE REVENUE

| Year | Building Starts (Annual) | Unit Charge ($) | Revenue ($/1000) |
|---|---|---|---|
| 1982 | --- | --- | --- |
| 1983 | 4 | --- | --- |
| 1984 | 9 | 2,100 | 27 |
| 1985 | 111 | 2,150 | 239 |
| 1986 | 111 | 2,200 | 244 |
| 1987 | 108 | 2,250 | 243 |
| 1988 | 110 | 2,300 | 253 |
| 1989 | 93 | 2,350 | 219 |
| 1990 | 90 | 2,400 | 216 |
| 1991 | 90 | 2,450 | 221 |
| 1992 | 64 | 2,500 | 160 |
| 1993 | 64 | 2,550 | 163 |
| 1994 | 61 | 2,600 | 159 |
| 1995 | -- | -- | -- |
| 1996 | -- | -- | -- |
| 1997 | -- | -- | -- |
| 1998 | -- | -- | -- |
| 1999 | -- | -- | -- |
| 2000 | -- | -- | -- |
| 2001 | -- | -- | -- |
| 2002 | -- | -- | -- |
| 2003 | -- | -- | -- |
| 2004 | -- | -- | -- |

TABLE 6-7

EAST RIVER REGIONAL SANITATION DISTRICT

ESTIMATED USER CHARGE REVENUE

| Year | Sewerage Connections (cumulative) | Unit Charge ($/month) | Annual Revenue ($/1000) |
|---|---|---|---|
| 1982 | -- | -- | -- |
| 1983 | -- | -- | -- |
| 1984 | 4 | 20 | 1 |
| 1985 | 13 | 20 | 3 |
| 1986 | 124 | 20 | 30 |
| 1987 | 235 | 21 | 59 |
| 1988 | 343 | 21 | 86 |
| 1989 | 453 | 21 | 114 |
| 1990 | 546 | 22 | 144 |
| 1991 | 636 | 22 | 168 |
| 1992 | 726 | 22 | 192 |
| 1993 | 790 | 23 | 218 |
| 1994 | 854 | 23 | 236 |
| 1995 | 915 | 23 | 253 |
| 1996 | 915 | 24 | 264 |
| 1997 | 915 | 24 | 264 |
| 1998 | 915 | 24 | 264 |
| 1999 | 915 | 25 | 275 |
| 2000 | 915 | 25 | 275 |
| 2001 | 915 | 25 | 275 |
| 2002 | 915 | 26 | 285 |
| 2003 | 915 | 26 | 285 |
| 2004 | 915 | 26 | 285 |
| 2005 | 915 | 27 | 296 |

TABLE 6-8

EAST RIVER REGIONAL SANITATION DISTRICT

SUMMARY OF ESTIMATED EXPENSE

($/1000)

| Year | Construction Cost | Retire S.T. Notes | Operation & Maintenance | Bond Principal & Interest | Finance/ Discount | Bond Insurance | Total Expense |
|---|---|---|---|---|---|---|---|
| 1982 | -- | -- | -- | -- | -- | -- | -- |
| 1983 | -- | -- | -- | -- | -- | -- | -- |
| 1984 | 1630 | 231 | 13 | 354 | 100 | 80 | 2408 |
| 1985 | -- | -- | 57 | 354 | -- | -- | 411 |
| 1986 | -- | -- | 65 | 354 | -- | -- | 419 |
| 1987 | -- | -- | 70 | 414 | -- | -- | 484 |
| 1988 | -- | -- | 76 | 412 | -- | -- | 488 |
| 1989 | -- | -- | 82 | 414 | -- | -- | 496 |
| 1990 | -- | -- | 89 | 415 | -- | -- | 504 |
| 1991 | -- | -- | 96 | 415 | -- | -- | 511 |
| 1992 | -- | -- | 115 | 413 | -- | -- | 528 |
| 1993 | -- | -- | 126 | 416 | -- | -- | 542 |
| 1994 | -- | -- | 138 | 416 | -- | -- | 554 |
| 1995 | -- | -- | 151 | 415 | -- | -- | 566 |
| 1996 | -- | -- | 165 | 412 | -- | -- | 577 |
| 1997 | -- | -- | 181 | 412 | -- | -- | 593 |
| 1998 | -- | -- | 199 | 415 | -- | -- | 614 |
| 1999 | -- | -- | 219 | 415 | -- | -- | 634 |
| 2000 | -- | -- | 240 | 417 | -- | -- | 657 |
| 2001 | -- | -- | 265 | 415 | -- | -- | 680 |
| 2002 | -- | -- | 291 | 415 | -- | -- | 706 |
| 2003 | -- | -- | 319 | 420 | -- | -- | 739 |
| 2004 | -- | -- | 349 | -- | -- | -- | 349 |
| 2005 | -- | -- | 382 | -- | -- | -- | 382 |

TABLE 6-9

($/1000)

EAST RIVER REGIONAL SANITATION DISTRICT

SUMMARY OF ESTIMATED REVENUE

| Year | Mill Levy Income | Connection Fee | User Charge | Bond Proceeds | Capitalized Interest | Earned Interest | Total Income |
|---|---|---|---|---|---|---|---|
| 1982 | | | | | | | |
| 1983 | | | | | | | |
| 1984 | 3 | 27 | 1 | 1861 | 890 | 133 | 2915 |
| 1985 | 9 | 239 | 3 | | | 45 | 296 |
| 1986 | 86 | 244 | 30 | | | 18 | 378 |
| 1987 | 172 | 243 | 59 | | | | 474 |
| 1988 | 132 | 253 | 86 | | | | 471 |
| 1989 | 137 | 219 | 114 | | | | 470 |
| 1990 | 115 | 216 | 144 | | | | 475 |
| 1991 | 141 | 221 | 168 | | | | 530 |
| 1992 | 169 | 160 | 192 | | | | 521 |
| 1993 | 193 | 163 | 218 | | | | 574 |
| 1994 | 219 | 159 | 236 | | | | 614 |
| 1995 | 247 | --- | 253 | | | | 500 |
| 1996 | 259 | --- | 264 | | | | 523 |
| 1997 | 272 | --- | 264 | | | | 536 |
| 1998 | 285 | --- | 264 | | | | 549 |
| 1999 | 299 | --- | 275 | | | | 574 |
| 2000 | 314 | --- | 275 | | | | 589 |
| 2001 | 331 | --- | 275 | | | | 606 |
| 2002 | 347 | --- | 285 | | | | 632 |
| 2003 | 364 | --- | 285 | | | | 649 |
| 2004 | 383 | --- | 285 | | | | 668 |
| 2005 | 402 | --- | 296 | | | | 698 |

TABLE 6-10

EAST RIVER REGIONAL SANITATION DISTRICT

ESTIMATED TOTAL INCOME & EXPENSE

($/1000)

| Year | Total Income | Total Expense | Interest On Surplus | Cumulative Balance |
|---|---|---|---|---|
| 1982 | -- | -- | -- | -- |
| 1983 | -- | -- | -- | -- |
| 1984 | 2915 | 2408 | -- | 507 |
| 1985 | 296 | 411 | -- | 392 |
| 1986 | 378 | 419 | -- | 351 |
| 1987 | 474 | 484 | 27 | 368 |
| 1988 | 471 | 488 | 28 | 379 |
| 1989 | 470 | 496 | 28 | 381 |
| 1990 | 475 | 504 | 28 | 380 |
| 1991 | 530 | 511 | 32 | 431 |
| 1992 | 521 | 528 | 34 | 458 |
| 1993 | 574 | 542 | 39 | 529 |
| 1994 | 614 | 554 | 47 | 636 |
| 1995 | 500 | 566 | 46 | 616 |
| 1996 | 523 | 577 | 45 | 607 |
| 1997 | 536 | 593 | 44 | 594 |
| 1998 | 549 | 614 | 42 | 571 |
| 1999 | 574 | 634 | 41 | 552 |
| 2000 | 589 | 657 | 39 | 523 |
| 2001 | 606 | 680 | 36 | 485 |
| 2002 | 632 | 706 | 33 | 444 |
| 2003 | 649 | 739 | 28 | 382 |
| 2004 | 668 | 349 | 5 | 706 |
| 2005 | 698 | 382 | -- | -- |

APPENDIX

# THE RECOMMENDED FACILITIES PLAN[1]

## A. OVERVIEW

### 1. Planning Areas

Throughout this report the overall study area has been divided into various smaller segments, each of which is presently or may in the future be served by a single treatment facility. The two major regions of study area are the Upper Valley and Almont. The Upper Valley region consists of the five geographical planning areas previously described and used in this report as follows:

1. Crested Butte Water & Sanitation District - (CBWSD), which includes the Town of Mount Crested Butte (MCB)

2. Town of Crested Butte - (TCB)

3. Meridian Lake Park - (ML)

4. Slate River Developments - (SRD), which include Skyland Metropolitan District, Avion, Riverbend and other potential developments in the vicinty.

5. East River Developments - (ERD), which include Crested Butte South Metro District, Allen Homesites, Mountain Lair, and other potential developments in the vicinity.

The recommended plan presented in this chapter is described in terms of these five individual planning areas in the Upper Valley, and for Almont as a separate region. Neither the recommended plan nor any of the foregoing alternatives involve physical interconnection of Almont with the Upper Valley region.

---

[1] From the "Wastewater Facilities Plan for the East River Valley, Gunnison County, Colorado", June, 1982, by Camp Dresser & Mckee.

## 2. Summary of Plan

It is recommended that Alternative 4A be implemented as the facilities plan for the Upper Valley region of the East River Valley. It is the most cost-effective alternative, both on a first cost and present worth basis, and allows for the greatest and most efficient distribution and utilization of available ammonia wasteload allocations, reducing the extent of and urgency for installation of ammonia reduction processes.

Alternative 4A includes the initial construction of satellite plants (both aerated lagoon type) at both the SRD and ERD areas, as well as expansion to the CBWSD plant. Prior to construction of the satellite plants, temporary treatment will be provided at the Riverbend lagoon system for the SRD, and at the Crested Butte South package treatment plant, presently being expanded to accommodate immediate short-term needs of CBS. Other areas in the ERD area will remain on individual systems until a satellite plant is available. The satellite plant for the SRD area will discharge to the East River, with flows from Skyland and Riverbend pumped to the facility. Future improvements include expanding the ML lagoon system, as well as the SRD and ERD treatment plants. Certain components of the TCB facility will need upgrading/expansion, and further expansion will be required at CBWSD.

Regarding the need for ammonia removal in the Upper Valley region, the data generated in Chapters 2 and 5 show that for Alternative 4A, ammonia reduction is needed for Slate River discharges theoretically beginning in about 7 years. It is not needed on the East River for at least 10 years, and then only in the summer/fall season and only in the SRD area (Middle East segment). It is recommended that the ammonia removal requirement on the Slate River, when it is needed, be accomplished through biological nitrification at the CBWSD facility. The timing of this process addition is also a function of available wasteload allocations and the economics of measures which would delay its need. The final wasteload allocations and proposed nitrification measures are discussed in greater detail in Section B below.

The general layout of the recommended Plan in the Upper Valley is shown in Figure 5-4 of Chapter 5, and a detailed description of all initial and future components of the Plan is given in Section C of this chapter.

In the Almont region, it is recommended that Alternative 6 be implemented. While this alternative involves treatment at two sites, it is by far the most attractive economically, and solves the most crucial need which is centralized treatment for the Three Rivers Resort area. River crossings are not required.

The Alternative 6 plan includes initially a new package mechanical plant and sewer lines to serve the Three Rivers Resort Area. Future improvements could include expanding/improving both the new facility and the existing Almont Resort package plant, as well as construction of pipeline and pump stations to accommodate growth, and possible inclusion of the Almont and Homestead Subdivisions into the systems. The general layout of the recommended plan for Almont is provided in Figure 6-3 of this chapter and a detailed description of all plan components is in Section C below.

3. Plan Staging

The staging program used in evaluating alternative schemes is described in Chapter 5. The improvements proposed in the recommended plan will be implemented within a similar schedule.

**Initial Improvements.** The initial improvements will comprise the first construction resulting from the recommendations in this facilities plan. It is assumed that, barring any implementation or financial constraints, construction would be completed in about three years following the approval of this report. Some items could feasibly be completed in less time. The initial improvements are, for the most part, sized for the projected needs of 1992, and include both new facilities as well as expansions or upgrading of existing systems. Prior to expansion beyond 1992 needs, it will be necessary to re-evaluate the growth patterns projected herein for the years beyond. Some initial items, particularly pipelines and very small plants or pump stations, which are not highly conducive to staging, may be sized for 20-year or ultimate needs.

**Future Improvements.** Future improvements generally are those facilities, expansions, and upgradings needed during the second 10 years of the planning period. However, some improvements may be needed sooner, although not nearly so soon as to be considered as initial. Those items are so specified. It is difficult to precisely forecast when improvements will be needed for the 1992 to 2002 period, since it is very dependent on actual growth, performance life of equipment, and the actual treatment capacity of facilities in comparison to initial estimations. For example, it is assumed that essentially no ammonia reduction will occur in a treatment plant unless specifically designed for that purpose. However, it is very probable that some nitrification would occur in biological plants, particularly in the summer, thus potentially prolonging the point in time when nitrification facilities would need to be added to the facility. Nitrification capabilities of existing plants can only be accurrately evaluated by observations over time, with the future planning adjusted appropriately. This plan is based on a projected pattern and population forecasts established for the study area in Chapter 3. As growth rates may deviate from projections, the actual timing of the future improvements outlined in this report must be periodically re-evaluated, with appropriate adjustments made to reflect actual growth rates. In this way, the improvements are made when the growth actually occurs, rather than when a certain year is reached. For any year assigned to an improvement, it is the respective population in the service area for that year for which that item should be constructed. Phase 2 future improvements are approximate or conceptual estimations of facilities or expansions needed beyond the 20-year planning horizon of this study, which carry forth the trends established herein in providing for the projected growth patterns in the East River Valley.

EAST RIVER REGIONAL SANITATION DISTRICT

SKYLAND LEGAL DESCRIPTION

SKYLAND PROPERTIES, A COLORADO LIMITED PARTNERSHIP, JACK D. BLANTON NANCY BLANTON, BUD F. GARLAND, DOLORES GARLAND, AND GARY F. GARLAND, BEING THE OWNERS OF THE LAND DESCRIBED AS FOLLOWS:

A PART OF SECTIONS 1 AND 12, TOWNSHIP 14 SOUTH, RANGE 86 WEST AND AND OF SECTIONS 6 AND 7, TOWNSHIP 14 SOUTH, RANGE 85 WEST, SIXTH PRINCIPAL MERIDIAN, COUNTY OF GUNNISON, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTH ¼ CORNER OF SAID SECTION 12, THENCE N89°09'47"W ALONG THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 12 A DISTANCE OF 356.26 FEET TO THE CENTERLINE OF THE SLATE RIVER, SAID CENTERLINE ALSO BEING THE EASTERLY LINE OF RIVERBEND SUBDIVISION AS PLATTED; THENCE ALONG SAID CENTERLINE AND SAID EASTERLY LINE OF RIVERBEND SUBDIVISION THE FOLLOWING FOUR COURSES: (1) THENCE S11°45'00"W, 340.75 FEET, (2) THENCE S26°42'00"E, 192.50 FEET; (3) THENCE S50°44'00"E, 301.00 FEET; (4) THENCE S24°59'00"E. 287.00 FEET TO THE WEST LINE OF SAID NORTHEAST QUARTER OF SECTION 12; THENCE S0°17'01"E ALONG THE WEST LINE OF SAID NORTHEAST QUARTER A DISTANCE OF 1303.23 FEET TO THE NORTHERLY LINE OF THAT PARCEL DESCRIBED IN BOOK 291 AT PAGE 45 OF THE GUNNISON COUNTY RECORDS; THENCE ALONG SAID NORTHERLY LINE OF SAID PARCEL THE FOLLOWING THREE COURSES: (1) THENCE S58°26'31"E, 223.14 FEET; (2) THENCE S31°33'29"W. 50.00 FEET; (3) THENCE ALONG A NON-TANGET CURVE TO THE RIGHT HAVING A RADIUS OF 1960.00 FEET, A CENTRAL ANGLE OF 1°23'45", A CORD LENGTH OF 47.74 FEET, A CORD BEARING OF S57°44'28"E, AN ARC LENGTH OF 47.75 FEET; THENCE PROCEEDING ALONG THE NORTHERLY RIGHT-OF-WAY BOUNDARY OF GUNNISON COUNTY ROAD NO. 738, FIRST N88°55'33"E, 134.36 FEET; THENCE N35°08'23"E, 270.17 FEET; THENCE N41°56'35"E, 1244.61 FEET TO THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 12, THENCE S89°12'02"E ALONG THE NORTH LINE OF SAID SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 12 A DISTANCE OF 15.65 FEET TO THE WESTERLY LINE OF SAID TRACT DESCRIBED IN BOOK 268 AT PAGE 312 OF THE GUNNISON COUNTY RECORDS, THENCE ALONG SAID TRACT DESCRIBED IN BOOK 268 PAGE 312 THE FOLLOWING THREE COURSES: (1) THENCE N34°29'48"E, 894.77 FEET; (2) THENCE S88°27'46"E, 812.75 FEET TO THE WESTERLY LINE OF LOT I OF SAID SECTION 7, (3) THENCE N89°38'54"E, 1275.34 FEET TO THE EASTERLY LINE OF SAID LOT 1 SECTION 7 A DISTANCE OF 582.52 FEET TO THE SOUTHEAST CORNER OF LOT VIII OF SAID SECTION 6; THENCE N0° 20'16"W ALONG THE EASTERLY LINE OF SAID LOT VII AND LOT VI OF SAID SECTION 6 A DISTANCE OF 2645.00 FEET TO THE NORTHEAST CORNER OF SAID LOT VI; THENCE S89°55'16"W ALONG THE NORTH LINE OF SAID LOT VI A DISTANCE OF 1242.05 FEET TO THE EAST ¼ CORNER OF SAID SECTION 1; THENCE N0°16'08"E ALONG THE EAST LINE OF SAID NORTHEAST QUARTER OF SECTION 1, 660.00 FEET; THENCE N89°43'52"W, 175.00 FEET, THENCE S0°16'08"W, 71.38 FEET; THENCE S87°38'50"W, 257.04 FEET; THENCE S32°21'10"E, 310.00 FEET; THENCE S43°[illegible]'[illegible]"W, 197.55 FEET;

THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 586.58 FEET, A CENTRAL ANGLE OF 17°34'57", A CORD BEARING OF N67°52'08"W, A CORD OF 179.30 FEET, 180.01 FEET; THENCE N67°39'36"W, 150.01 FEET; THENCE ALONG A CURVE TO THE RIGHT A DISTANCE OF 631.42 FEET, SAID CURVE HAVING A RADIUS OF 798.04 FEET, A CHORD WHICH BEARS N53°59'36"W 615.08 FEET AND A CENTRAL ANGLE OF 45°20'00"; THENCE N31°19'36"W 106.57 FEET; THENCE S58°40'24"W 80.00 FEET, THENCE S31°19'36"E 106.57 FEET; THENCE ALONG A CURVE TO THE LEFT A DISTANCE OF 694.72 FEET, SAID CURVE HAVING A RADIUS OF 878.04 FEET, A CORD WHICH BEARS S53°59'36"E 150.01 FEET; THENCE ALONG A CURVE TO THE RIGHT A DISTANCE OF 456.81 FEET, SAID CURVE HAVING A RADIUS OF 506.58 FEET, A CHORD WHICH BEARS S50°49'36"E 441.49 FEET, AND A CENTRAL ANGLE OF 51°40'00"; THENCE S24°59'38"E 326.97 FEET; THENCE ALONG A CURVE TO THE RIGHT A DISTANCE OF 274.83 FEET; SAID CURVE HAVING A RADIUS OF 335.00 FEET, A CORD WHICH BEARS S01°29'28"E 267.19 FEET, AND A CENTRAL ANGLE OF 47°00'17"; THENCE 522°01'41"W 504.74 FEET; THENCE ON A CURVE TO THE RIGHT A DISTANCE OF 39.27 FEET, SAID CURVE HAVING A RADIUS OF 25.00 FEET, A CHORD WHICH BEARS S67°00'41"W 35.36 FEET, AND A CENTRAL ANGLE OF 90°00'00"; THENCE N67°59'19"W 75.00 FEET; THENCE ALONG A CURVE TO THE RIGHT A DISTANCE OF 193.58 FEET; SAID CURVE HAVING A RADIUS OF 235.98 FEET, A CHORD WHICH BEARS N44°29'19"W 188.19 FEET, AND A CENTRAL ANGLE OF 47°00'00"; THENCE ALONG A CURVE TO THE LEFT A DISTANCE OF 451.31 FEET, SAID CURVE HAVING A RADIUS OF 550.18 FEET, A CHORD WHICH BEARS N44°29'19"W 438.77 FEET, AND A CENTRAL ANGLE OF 47°00'00"; THENCE N67°59'19"W 284.74 FEET; THENCE S22°00'41"W 80.00 FEET, THENCE 567°59'19"E 161.34 FEET; THENCE S22°00'41"W 47.50 FEET; THENCE S72°17'40"W 871.26 FEET; THENCE N57°02'44"W 207.68 FEET; THENCE N04°06'49"E373.11 FEET; THENCE N17°05'20"W 575.27 FEET; THENCE N17°30'47"E 640.06 FEET; THENCE N18°18'05"W 447.21 FEET; THENCE N60°18'00"W 209.65 FEET; THENCE S74°08'26"W 223.31 FEET; THENCE N53°54'12W 288.43 FEET; THENCE N 28°22'14"W 1755.06 FEET TO THE NORTH LINE OF THE EAST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 1; THENCE N89°13'34"W ALONG THE NORTH LINE OF SAID EAST HALF OF THE NORTHWEST QUARTER 340.00 FEET TO THE NORTHWEST CORNER OF SAID EAST HALF OF THE NORTHWEST QUARTER, THENCE S0°25'34"W ALONG THE WEST LINE OF SAID EAST HALF OF THE NORTHWEST QUARTER 2647.76 FEET TO THE SOUTHWEST CORNER OF SAID EAST HALF OF THE NORTHWEST QUARTER; THENCE S89°29'48"E ALONG THE SOUTH LINE OF SAID EAST HALF OF THE NORTHWEST QUARTER, 1322.57 FEET TO THE CENTER ¼ CORNER OF SAID SECTION 1; THENCE S0°30'37"W ALONG THE WEST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 1 A DISTANCE OF 2633.64 FEET TO THE POINT OF BEGINNING, CONTAINING 381.820 ACRES MORE OR LESS.

IN GUNNISON COUNTY, COLORADO UNDER THE NAME OF SKYLAND, INITIAL FILING, HAVE LAID OUT, PLATTED, AND SUBDIVIDED THE SAME AS SHOWN ON THIS PLAT. SKYLAND PROPERTIES, A COLORADO LIMITED PARTNERSHIP, JACK D. BLANTON, NANCY BLANTON, BUD F. GARLAND, DOLORES AND GARY F. GARLAND HEREBY RESERVE THE RIGHT TO CONVEY AND DEDICATE TO A METROPOLITAN DISTRICT FORMED IN ACCORDANCE WITH TITLE 32 OF THE COLORADO REVISED STATUTES OF 1973, AS AMENDED. ALL ROADWAY RIGHT-OF-WAYS, OPEN SPACE, EASEMENTS FOR THE INSTALLATION AND MAINTENANCE OF UTILITIES AND DRAINAGE EASEMENTS AS SHOWN HEREON.

SKYLAND

SCHEDULE A

TO WARRANTY DEED

LEGAL DESCRIPTION

Part I: The Premises

The following described real property situate in Gunnison County, Colorado;

Township 14 South, Range 86 West, Sixth Principal Meridian

Section 1:

E/2
E/2 NW/4

Section 12:

N/2 NE/4, except that portion previously conveyed by Quit Claim Deed recorded December 6, 1946, in Book 268, at page 312, of the records of Gunnison County, Colorado.
SW/4NE/4, except that portion lying South and West of the Southwest boundary line of Colorado State Highway No. 135.

Township 14 South, Range 85 West, Sixth Principal Meridian

Section 6:

Lot 6, being the NW/4SW/4
Lot 7, being the SW/4SW/4

Section 7:

NW/4NW/4, except that portion previously conveyed by Quit Claim Deed recorded December 6, 1946, in Book 268, at page 312, of the records of Gunnison County, Colorado

Part II: Title Exceptions

1. Lease dated March 23, 1973 between Sellers and H. Merle and M.C. Dorsett.

2. Agreement dated December 22, 1970, between C.M. Pollard, Irogene M. Pollard, H. Merle Dorsett and M.C. Dorsett, and Jerry B. Robinson, Carl Ahlen and Edward J. Verzuh.

Part II: Title Exceptions (Cont.)

3. The terms and conditions of the Agreement for the Agreement for Purchase and Sale dated August 27, 1970, between Charles M. Ruland and Imogene M. Ruland and Jerry B. Robinson, Carl Akers and Edward W. Verzuh, and second addendum to such agreement dated December 22, 1970, including without limitation the lease granted therein.

4. Deed of Truct dated December 22, 1970 from Jerry B. Robinson, Carl Akers and Edward W. Verzuh to the Public Trustee of Gunnison County for the Benefit of Charles M. Ruland and Imogene M. Ruland.

Richard A. Landy

AVION LEGAL DESCRIPTION

TRACT 1

A parcel of land located in the NE¼ and the N½ SE¼ of Section 7 and the W½ NW¼ and the NW¼ SW¼ of Section 8, all in Township 14 South, Range 85 West, Sixth Principal Meridian, County of Gunnison, State of Colorado, more particularly described as follows:

BEGINNING at the northeast corner of said Section 7:
THENCE N88°30'29"E a distance of 1,350.36 feet tot the northeast corner of the said W½ NW¼ of Setion 8 as set by L.S. 5329 as were all original boundary corners:
THENCE S00°32'52"W a distance of 2,570.93 feet to the southeast corner of said W½ NW¼;
THENCE S00°36'21"W. a distance of 1,365.79 feet to the southeast corner of the said NW¼ SW¼ Section 8;
THENCE S88°24'11"W a distance of 1,328.21 feet to the southwest corner of the said NW¼ SW¼ Section 8:
THENCE S89°30'55"W a distance of 2,695.79 feet to the southwest corner of the said N½ SE¼ Section 7;
THENCE N00°39'17"E a distance of 2,713.17 feet to the point of intersection betwee an east west fence line extended and the north south center line of said Section as set by L.S. 5329;
THENCE N89°39'14"E alonq said fence line a distance of 140.24 feet:
THENCE S89°56'11"E alonq said fence line a distance of 1,097.59 feet:
THENCE S89°45'54"E alonq said fence line a distance of 100.00 feet:
THENCE S89°55'06"E alonq said fence line a distance of 911.71 feet:
THENCE S89°28'58"E a distance of 426.28 feet to a point which is the intersection of the said east west fence line, extended, and the east line of said Section 7 as set by L.S. 5329;
THENCE N00°15'53"E a distance of 1,270.04 feet to the POINT OF BEGINNING, containi 287.23 acres. Bearings are based on a bearing of N00°15'53"E between the norhteas corner of the SW¼ NW¼ of said Section 8 and the northwest corner of said Section 8

I hereby certify that a survey was performed to locate the existing monuments on the above described Tract 1 and that the location of these monuments is as shown on this plat. The remainder of the information was obtained from previous surveys and previously written legal descriptions. No new monuments were set. It must be noted that conflicts may exist between the existing monuments and older land use boundaries (Fence lines).

BY _____
Doyle O. Abrahamson L.S. 13155

Richard A. Landy

AVION LEGAL DESCRIPTION

PARCEL A

A parcel of land located in the NE¼ of Section 7, Township 14 South, Range 85 West, Sixth Principal Meridian, County of Gunnison, State of Colorado, more particularly described as follows:

BEGINNING at the NE corner of said Section 7 from whence the N1/16th corner of Section 7/8 bears S00°15'53"W a distance of 1,312.53 feet:
THENCE S43°53'26"W a distance of 1,736.73 feet to a point of the northerly boundary of the Crested Butte Airport, being the TRUE POINT OF BEGINNING, from whence the TRUE POINT OF BEGINNING of Parcel B bears N89°16'18"W a distance of 239.65 feet;
THENCE S88°55'06"E a distance of 208.65 feet;
THENCE S00°57'59"E a distance of 163.51 feet;
THENCE on a curve to the right a distance of 56.29 feet, said curve having a radius of 205.57 feet and a chord which bears S38°15'52" a distance of 56.12 feet;
THENCE S30°26'10"E a distance of 126.09 feet;
THENCE S32°46'22"W a distance of 618.64 feet;
THENCE N57°13'38"W a distance of 196.68 feet along the northerly boundary of the Crested Butte Airport;
THENCE N14°33'24"E a distance of 758.26 feet to the TRUE POINT OF BEGINNING, containg 5.29 acres.

Richard A. Landy

AVION LEGAL DESCRIPTION

PARCEL C

A parcel of land located in the NE¼ of Section 7, Township 14 South, Range 86 West, Sixth Principal Meridian, County of Gunnison, State of Colorado, more particularly described as follows:

BEGINNING at the NE corner of said Section 7 from whence the N1/16 corner of Section 7/S bears S00°15'53 W a distance of 1,312.53 feet;
THENCE S63°51'24"W a distance of 2,830.88 feet to a point on the northerly boundary of the Crested Butte Airport (Parcel D), being the TRUE POINT OF BEGINNING, from whence the TRUE POINT OF BEGINNING of Parcel B bears S89°56'11"E a distance of 1,097.58 feet:
THENCE S89°56'11"E along the northerly boundary of Parcel B a distance of 307.57 feet;
THENCE S32°46'22"W along the westerly boundary of Parcel B a distance of 166.21 feet;
THENCE N57°13'38"W along the northerly boundary of the Crested Butte Airport (Parcel D) a distance of 258.80 feet to the TRUE POINT OF BEGINNING, containing 0.49 acres.

CRESTED BUTTE RECREATIONAL DEVELOPMENT
(Silver Sage)

EXHIBIT "A"

Special Warranty Deed dated March 17, 1981 from John J. Bernal, Grantor, To Michael Cooper, Grantee

Book 563 Page 967

A tract of land being all that part of the Northeast Quarter of the Southwest Quarter (NE1/4SW1/4) of Section One (1), Township Fourteen (14) South, Range Eighty-six (86) West of The Sixth Prinicipal Meridian (6th P.M.), lying east of the centerline of Slate River, Gunnison County, Colorado, and being described as follows:

Beginning at the Center Quarter Corner of said Section 1, said beginning point being marked as is each of the other corners and witness corners of said tract, by a 5/8 inch steel reinforcing bar two feet long driven in the ground and having a one and one-half inch aluminum cap; thence proceeding around said tract South 0°30' West along the north-south centerline of said Section 1 a distance of 1316.5 feet, to the southerly boundary of said NE1/4SW1/4; thence North 89°23' WEst along said southerly boundary 786.7 feet to a witness corner; thence continuing North 89°23' West along said boundary 40 feet more or less to the centerline of Slate River; thence northwesterly along said centerline to the westerly boundary of said NE1/4SW1/4; thence North 0°25' East along said westerly boundary for an additional 36.5 feet to the centerline of said Section 1; thence South 89°30' East along said centerline 1321.9 feet to the point of beginning; containing 29 acres more or less.

Together with .5 c.f.s. of water decreed to the Spann-Nettick Ditch, Ditch No. 330 in Water District 59 under Priority No. 525, with a decree date of June 29, 1957.

# SERVICE PLAN

## SKYLAND METROPOLITAN DISTRICT
## GUNNISON COUNTY, COLORADO

JUNE, 1981

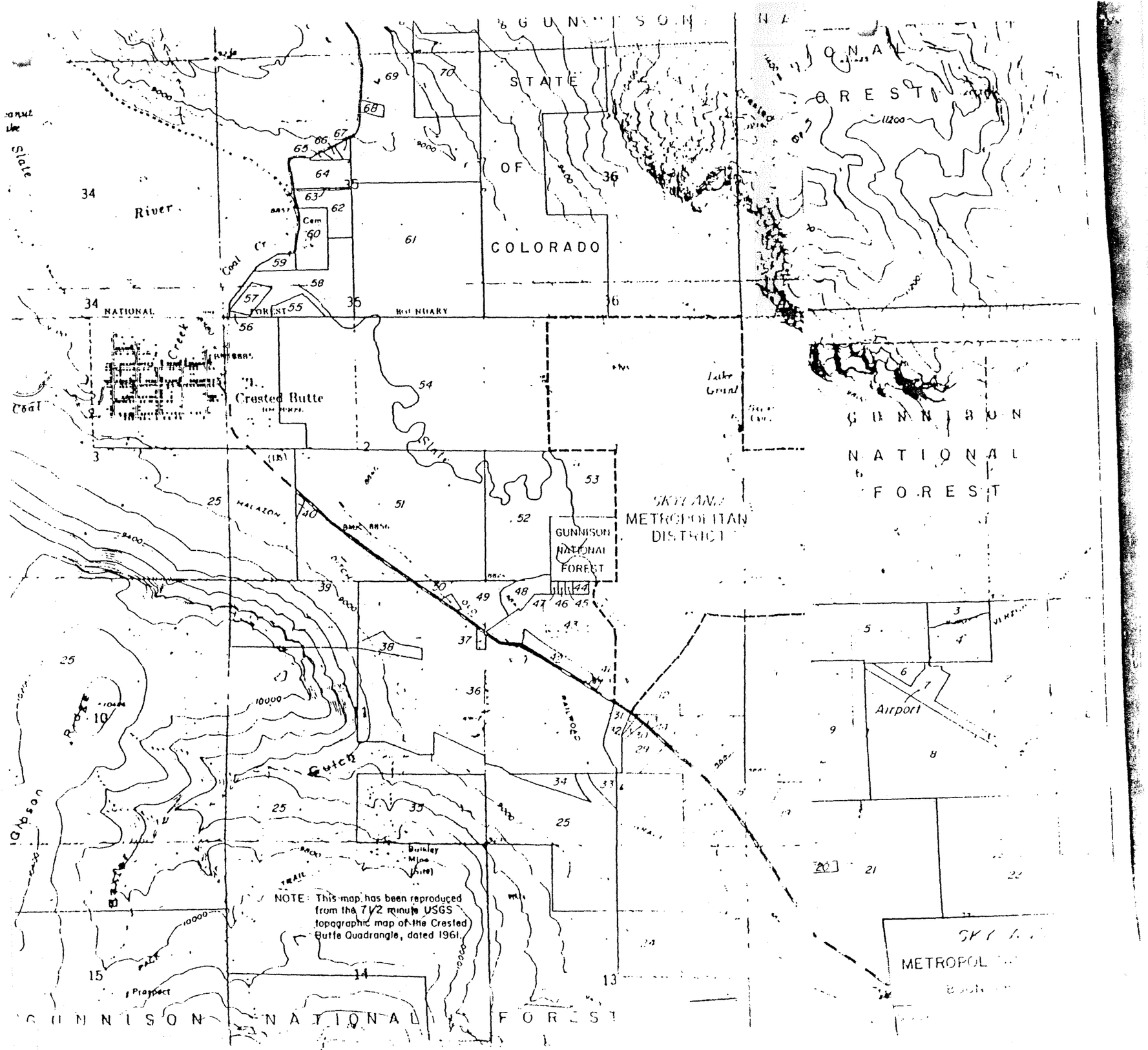
5-20-85

PREPARED FOR:

Skyland Properties
A Limited Partnership
P.O. Box 788
Crested Butte, Colorado 81224

PREPARED BY:

Nielson Dragos Engineers
P.O. Box 1091
210 East Main Street
Buena Vista, Colorado 81211
(303) 395-6632


STATE
OF
COLORADO
GUNNISON
NATIONAL
FOREST
Crested Butte
Coal Creek
Slate River
Lake Grant
SKYLINE
METROPOLITAN
DISTRICT
GUNNISON
NATIONAL
FOREST
Airport
Buckley Mine
Prospect
NOTE: This map has been reproduced from the 7 1/2 minute USGS topographic map of the Crested Butte Quadrangle, dated 1961.

NIELSON-DRAGOS ENGINEERS

210 EAST MAIN STREET, P.O. BOX 1091, BUENA VISTA, COLORADO 81211, (303) 395-6602

June 10, 1981

Gunnison County Clerk and Recorder
Gunnison County Planning Commission
Gunnison County Commissioners
Gunnison County Courthouse
Gunnison, Colorado 81230

Ladies and Gentlemen:

Please find in the following pages the Service Plan for the proposed Skyland Metropolitan District. The Service Plan has been prepared in accordance with Title 32, Article 1, Part 2 of the Colorado Revised Statues, as amended, commonly cited as the "Special District Control Act". In Accordance with the "Special District Control Act" the Service Plan must be submitted to the County Commissioners for review and approval. Also, a public hearing must be conducted by the County Commissioners at which time the County Planning Commission is required to make a recommendation to the Commissioners on the Service Plan.

Skyland Properties, Ltd., the developers of the Skyland Subdivision, have proposed the formation of a Metropolitan District since the Sketch Plan was submitted to the Planning Commission in November of 1980. Since that time steps have been taken towards the formation of the district including:

1. Newman and Associates, Inc., a Denver based bond underwriting firm, has been retained by Skyland Properties to assist in setting up the district and to serve as underwriter on any future district bond issues.

2. Lamm, Stowe, Braymer, and Wisor, P.C., Denver based bond attorneys, have been retained by Skyland Properties to also assist in setting up the district and to serve as bond council on any future district bond issue.

Both firms have been involved in preparation of the Service Plan and performed a detailed review of the completed document.

The Service Plan should be reviewed in conjunction with the documents submitted as the Preliminary Plan. Much of th information contained in the Preliminary Plan documents has been repeated in the Service Plan, but the Service Plan [illegible]

beyond what was covered in the Preliminary Plan in the areas of financing and operation.

If you have any questions or require additional information, please feel free to contact us.

Sincerely,
NIELSON -DRAGOS ENGINEERS

Jeffrey W. Dragos

Jeffrey W. Dragos, P.E.

JWD: kh

JEFFREY W. DRAGOS
REGISTERED
15500
PROFESSIONAL ENGINEER
STATE OF COLORADO

TABLE OF CONTENTS

SERVICE PLAN

SKYLAND METROPOLITAN DISTRICT


| | Pages |
|---|---|
| Title Sheet | |
| Cover Letter | |
| Table of Contents | |
| I. Introduction and Purpose | 1-8 |
| II. Facilities to be Constructed | 9-18 |
| A. Roadways | 9-10 |
| B. Drainage | 10 |
| C. Water System | 10-11 |
| D. Sewer System | 11 |
| E. Electric Power | 11-12 |
| F. Telephone | 12 |
| G. Cable Television | 12 |
| H. Golf Course | 12-13 |
| I. Lake Grant Dam | 13 |
| J. Other Recreational Features | 14 |
| K. Fire Station and District Office | 14 |
| L. Maintenance Shop | 14 |
| M. District Equipment | 14-15 |
| III. Services to be Provided by District | 19 |
| IV. Financing and Operation | 20-33 |
| A. Bond Issues and Debt Service | 20-23 |
| B. District Revenue and Expenditures | 23-33 |
| V. Summary and Conclusions | 34-35 |


List of Figures, Tables, and Appendices


| Figure Number | Title | Page |
|---|---|---|
| 1 | Skyland Metropolitan District Boundary Map | 2 |
| 2 | SKYLAND - Preliminary Plan | Map Pocket |

TABLE OF CONTENTS (CONT'D)

SERVICE PLAN

SKYLAND METROPOLITAN DISTRICT


| Table Numer | Title | Page |
|---|---|---|
| 1 | Land Use | 6-7 |
| 2 | Population Estimate | 8 |
| 3 | Financial Responsibility | 16 |
| 4 | Facilities Cost Estimate | 17-18 |
| 5 | Bond Issues | 21-22 |
| 6 | Debt Service Schedule | 24 |
| 7 | Capital Improvement Investment Fees | 26 |
| 8 | Projected Annual Capital Improvement Investment Revenues | 27 |
| 9 | Water and Sewer Availability Charges | 28 |
| 10 | Projected Annual Availability Revenues | 30 |
| 11 | Projected Market Value and Assessed Valuation | 31 |
| 12 | Projected Mill Levies - Cash Flow | 32 |

| | Appendix | Page |
|---|---|---|
| A | Boundary Legal Description | Following Page 35 |

# SERVICE PLAN

# SKYLAND METROPOLITAN DISTRICT

## I. INTRODUCTION AND PURPOSE

The Service Plan presented herein has been prepared in accordance with Title 32, Article 1, Part 2, of the Colorado Revised Statutes, as amended, generally referred to as the "Special District Control Act", which governs the creation of special districts. In accordance with the "Special District Control Act", a service plan must be prepared and submitted to the Gunnison County Comissioners for review and approval. A Metropolitan District has been proposed as the governing body for the proposed Skyland Subdivision. The purpose of the proposed Metropolitan District is to provide for long term ownership, operation, and maintenance of the various services to be provided within SKYLAND and to allow for the sale of tax free municipal bonds in order to help finance the various public improvements which have been proposed.

SKYLAND is proposed to be a multi-use housing and recreational development located approximately 1½ miles south of Crested Butte along Colorado Highway 135. The property, formerly known as the Ruland Ranch, also served for some time as a summer camp known as the Skyland Camp. Gunnison County Road 738 provides access through a portion of the property and along the south boundary of the property to the Gunnison National Forest and the Crested Butte airport.

Please refer to Figure 1, page 2, "METROPOLITAN DISTRICT BOUNDARY MAP", for an overall view of the district in relationship to other properties and features in the area. In addition to the general topography of the area indicated in Figure 1, please note the relationship of

Crested Butte, Mount Crested Butte, Colorado Highway 135, Gunnison County Road 738, the Crested Butte Airport, and the Slate River to Skyland. The boundary of the proposed District is identical to the boundary of the proposed Skyland Subdivision.

The property, as proposed for inclusion in the Metropolitan District, contains 586.3 acres. Of the 586 acres, approximately 80% lies in historically irrigated river bottom land with gentle slopes and surface vegetation consisting mostly of meadow hay and some native grasses. The remaining 20% of the property lies on steep to very steep slopes with vegetation consisting of sagebrush, aspen trees, and pine trees. The elevation of the property varies between 8,840 and 9,500 feet above mean sea level. A legal description for the entire 586 acres proposed to be included in the district has been included at the end of this report as Appendix A.

The developers of the Skyland Subdivision, Skyland Properties Ltd., are currently undertaking a land use change review in accordance with the Gunnison County Land Use Resolution. Sketch Plan approval has been secured and Preliminary Plan review is currently underway. In order to satisfy the Preliminary Plan submission requirements of the Land Use Resolution, a number of reports prepared for the various aspects of the proposed development were submitted to Gunnison County on May 1, 1981. Since the various reports previously submitted cover all aspects of the proposed development in great detail, we will not attempt to repeat the information in those reports in this service plan. However, for the readers information we have listed the various available reports as follows:

1. SKYLAND-Preliminary Plan Report, prepared in April, 1981, by Nielson-Dragos Engineer .

2. Subsurface Soil Investigation and Engineering Geology, Skyland Development, Crested Butte, Colorado, prepared on February 27, 1981 by Rocky Mountain Geotechnical, and updated on March 31, 1981.

3. SKYLAND-Preliminary Plan-Drainage and Floodplain, prepared in April, 1981, by Nielson-Dragos Engineers.

4. SKYLAND-Preliminary Plan-Roadway Improvements, prepared in April, 1981, by Nielson-Dragos Engineers.

5. SKYLAND-Preliminary Plan-Water System Master Plan, prepared in April, 1981, by Nielson-Dragos Engineers.

6. SKYLAND-Preliminary Plan-Sanitary Sewer Master Plan, prepared in April, 1981, by Nielson-Dragos Engineers.

7. SKYLAND-Financial Analysis and Fiscal Impact Analysis, prepared on January 28, 1981, by Community Services Collaborative, and updated in April, 1981.

8. Preliminary Draft: Declaration of Protective Covenants, prepared in April, 1981, by Nielson-Dragos Engineers, in conjunction with Community Services Collaborative.

9. Preliminary Draft: Design Guidelines, prepared in April 1981, by Nielson-Dragos Engineers in conjunction with Community Services Collaborative.

The variety of land uses proposed for the Skyland Subdivision include single family lots, duplex lots, multifamily tracts, an employee housing tract, a small commercial area, a clubhouse - recreation center, a lodge - convention center, and a complete eighteen hole golf course. Included in a pocket at the end of this report as Figure [illegible] is the

Preliminary Plan, on which the proposed Skyland Subdivision layout and land uses have been shown. Figure 2 is a detailed drawing of the Skyland Subdivision, at a scale of one inch equals 200 feet with contour lines at 2 foot intervals in the background. The proposed development has been broken down into three phases or filings with Phase I consisting of the entire eighteen hole golf course and the remainder of the proposed land uses divided approximately evenly between Phases II and III. Proposed land uses conforming with the Preliminary Plan have been summarized in Table 1 on pages 6 and 7.

Based on the proposed land uses, a population estimate at 100% occupancy has been calculated in Table 2 on page 8. The projected population estimate has been used to size the various utility systems proposed for incorporation into the Skyland Subdivision.

Although it is difficult to predict a buildout schedule for SKYLAND at this time, it is estimated that complete buildout of Phases I and II will occur over the next five to seven years. All basic services including roadways, domestic water, sanitary sewer, electric power, telephone, and cable television will be completed within Phase II during the 1981 and 1982 summer construction seasons. Services will then be expanded or extended to serve Phase III in approximately 1987 or 1988.

TABLE 1

LAND USE

| LAND USE | PHASE I | PHASE II | PHASE III | TOTAL |
|---|---|---|---|---|
| Single Family | | 40 lots<br>43.47 acres | 41 lots<br>48.54 acres | 81 lots<br>92.01 acres |
| Duplex | | 17 lots<br>11.81 acres | 13 lots<br>10.60 acres | 30 lots<br>22.41 acres |
| Multi-Family | | 250 units<br>5 tracts<br>33.09 acres | 250 units<br>4 tracts<br>28.74 acres | 500 units<br>9 tracts<br>61.83 acres |
| Employee Housing | | 100 units<br>1 tract<br>9.66 acres | | 100 units<br>1 tract<br>9.66 acres |
| Commercial | | 100,000 gross square feet, 20 employee housing units, 12.34 acres | | 100,000 gross square feet, 20 employee housing units, 12.34 acres |
| Clubhouse - Recreation Center | | 4.75 acres | | 4.75 acres |
| Lodge-Convention Center | | | 50 units<br>3.79 acres | 50 units<br>3.79 acres |
| Golf Course | 207.47 acres | | | 207.47 acres |
| Roads | | 13,419 feet<br>25.24 acres | 7,944 feet<br>15.07 acres | 21,363 feet<br>40.31 acres |
| Open Space | | 52.29 acres | 63.85 acres | 116.14 acres |

TABLE I (CONT'D)

LAND USE

| LAND USE | PHASE I | PHASE II | PHASE III | TOTAL |
|---|---|---|---|---|
| Maintenance | | 0.72 acres | - | 0.72 acres |
| Sewage Treatment and Storage | | 14.92 acres | | 14.92 acres |
| TOTAL AREA | 207.47 acres | 208.28 acres | 170.60 acres | 586.35 acres |

TABLE 2

POPULATION ESTIMATE

Phase II

| | |
|---|---|
| 250 multifamily units @ 3 persons/unit | 750 |
| 120 employee housing units @ 2 persons/unit | 240 |
| 17 duplex lots with 2 units/lot @ 3 persons/unit | 102 |
| 40 single family lots with 1 unit/lot @ 3.5 persons/unit | 140 |
| Golf Course Clubhouse and Recreation Center @ 5 persons | 5 |
| Subtotal - Phase II | 1,237* |

Phase III

| | |
|---|---|
| 250 multifamily units @ 3 persons/unit | 750 |
| 13 duplex lots with 2 units/lot @ 3 persons/unit | 78 |
| 41 single family lots with 1 unit/lot @ 3.5 persons/unit | 144 |
| 50 overnight lodge units @ 2 persons/unit | 100 |
| Subtotal - Phase III | 1,072 |
| TOTAL POPULATION | 2,309* |

*Population estimates for the commercial area have not been included in these totals, except for the 20 employee housing units with a population equivalent of 40.

## II. FACILITIES TO BE CONSTRUCTED

Facilities to be constructed within the boundary of the proposed district or extended to serve the proposed district include roadway and drainage improvements, a central domestic water system, a central sanitary sewer system, electric power, telephone, cable television, an eighteen hole golf course, a dam improvement at the existing Lake Grant, other recreational features, a combination fire station and district office building, and a maintenance shop. Some of these facilities will be financed directly by the developer, Skyland Properties, and others are proposed to be financed through general obligation bond sales by the Skyland Metropolitan District.

### A. Roadways

Roadways proposed for construction within the District will consist of paved streets, designed for easy snow removal and a long life with minimal maintenance requirements. A separate report entitled "Skyland-Preliminary Plan-Roadway Improvements" has been prepared and considers the soil conditions affecting roadway design, roadway geometry and grades, total roadway lengths, and estimated construction costs. Estimated construction costs for roadways total $1,058,000 for Phase II and $623,000 for Phase III. These estimated costs take into account excavation, embankment, subbase, base course, prime coat, hot bituminous pavement, shoulders, drainage ditches, seeding and planting. Also, cost totals include a thirty (30) percent contingency: 15% for estimated engineering, legal, and administration fees; and 15% as a contingency to cover cost overruns, interest on monies borrowed for construction, and construction items which may have been neglected during the planning stages. Roadway improvements required at the intersection of Colorado Highway 135 and Gunnison County [illegible] 135, in order to provide adequate [illegible]

and left turn lanes have been estimated to cost $150,000.

B. Drainage

Drainage improvements proposed within the district will consist of roadside ditches, roadway and driveway culverts, channel improvements, and pipe underdrains. A separate report entitled "Skyland - Preliminary Plan - Drainage and Floodplain" has been prepared and considers flood flows, culvert locations and capacities, and channel improvements. Estimated construction costs for drainage improvements total $123,000 for Phase II and $30,000 for Phase III. These estimated costs include provision for all materials and installation costs and also include the 30% contingency factor noted above.

C. Water System

Skyland Metropolitan District will be served by a central water system supplied by high quality springs located on the property. The system has been planned to provide an excellent volume and quality of water for domestic, lawn irrigation and fire protection purposes, with low operation and maintenance requirements. A water production facility will gather water produced by the springs, provide for disinfection through chlorination, and pump the disinfected water to an underground concrete water storage reservoir. The reservoir will gravity feed a distribution system consisting of underground ductile iron pipelines and copper service lines. A separate pumping system and smaller water storage reservoir will serve the upper pressure zone. Fire protection will be provided throughout the district through storage, adequately sized mains, and properly spaced fire hydrants.

A separate report entitled "Skyland - Preliminary Fire Water System Master Plan" has been prepared which presents detailed information on all components of the proposed water

system including water rights, production, storage and distribution. Estimated construction costs for the water system total $1,533,000 for Phase II and $854,000 for Phase III. These estimated costs include provision for all materials and installation costs required for the complete water system and also include the 30% contingency factor noted above.

D. Sewer System

Skyland Metropolitan District will also be served by a central sewage collection and treatment system. The collection system will consist of underground sewer mains and service laterals, all designed and constructed in accordance with standard engineering practice and Colorado Department of Health Regulations. Treatment will be accomplished by means of aerated lagoons, winter storage, and slow rate land application to the golf course. A separate report entitled "Skyland - Preliminary Plan - Sanitary Sewer Master Plan" has been prepared and presents detailed information on all components of the proposed sewer system including system layout, quantities of flow, and expected levels of treatment.

Permission has been secured from the Colorado Water Quality Control Commission to construct the sewage treatment facility proposed. Estimated construction costs for the sewer system total $1,983,000 for Phase II and $474,000 for Phase III. These estimated costs include provision for all materials and installation costs required for the complete sewer system and also include the 30% contingency factor noted above.

E. Electric Power

Electric power service will be provided to and within the Skyland Metropolitan District by Gunnison County Electric Association, Inc., of Gunnison. Arrangements [illegible]

being made at this time so work can begin on the extension of power service during the 1981 construction season. All power lines will be installed underground within roadway rights-of-way or designated easements. Estimated construction costs for electric power service total $200,000 for Phase II and $100,000 for Phase III.

F. Telephone

Telephone service will be provided to and within the Skyland Metropolitan District by Mountain States Telephone. Arrangements are being made at this time so work can begin on the extension of telephone service during the 1981 construction season. All telephone lines will be installed underground within roadway rights-of-way or designated easements. Estimated construction costs for telephone service total $530,000 for Phase II and $250,000 for Phase III.

G. Cable Television

Cable television service will be provided to and within the Skyland Metropolitan District by Crested Butte Cable. Extension of cable television service is also scheduled to begin during the 1981 construction season. Cable television lines will also be installed underground within roadway rights-of-way or designated easements. Estimated construction costs for cable television service total $180,000 for Phase II and $100,000 for Phase III.

H. Golf Course

A complete eighteen hole golf course with a driving range and putting green is proposed for incorporation into the Skyland Metropolitan District. Construction of the course should begin during the 1981 construction season with completion of construction scheduled for fall of 1982. However, due to the lag time between construction and actual

golf play, the course will not be ready for play until spring of 1984 at the earliest. The golf course is an integral part of the entire development layout; therefore only two roadway crossings will be encountered in eighteen holes of play. Please refer to the Preliminary Plan, Figure 2, in the pocket at the end of this report, for a schematic of the golf course. Estimated Construction costs for the complete eighteen hole course total $1,620,000. As noted previously, the golf course has been designated as Phase I, with construction of the entire course scheduled for 1981-1982. Upon completion of construction of the course, a golf course maintenance building will be constructed and equipment required for maintenance and operation of the course will be purchased. The cost of the building and equipment has been estimated at $400,000.

I. Lake Grant Dam

Lake Grant is one of the most beautiful features of SKYLAND, nestled at the base of Crested Butte Mountain with an existing surface area of 23.0 acres and a high water elevation of 9016.4 feet. To enhance the beauty of the lake and to make the lake more functional for recreational purposes, the high water elevation is proposed to be raised to 9026.0 feet, resulting in a surface area of approximately 23.8 acres. To accomplish this, the existing dam will be raised from its current elevation of 9018 feet to 9030 feet. A separate report entitled "Skyland - Preliminary Plan - Drainage and Floodplain" has been prepared and presents detailed information on the proposed dam improvement including hydrology, hydraulics, soil considerations, types of materials, and methods of construction. Estimated construction costs for the dam improvement total $[illegible]12,000 for the complete installation. The estimated total cost includes the 30% contingency factor noted above.

J. Other Recreational Features

Other recreational features proposed for incorporation into the Skyland Metropolitan District include an equestrian center, tennis courts, pedestrian and equestrian paths, and a beach area at Lake Grant. Specific plans for these improvements have not been developed at this time. However, a preliminary estimate for construction of these features totals $100,000 for Phase II and $100,000 for Phase III.

K. Fire Station and District Office

A combination fire station and district office building is proposed to be constructed on commercial tract C-3, (See Preliminary Plan, Figure 2). Architectural plans for this facility have not been prepared to date but preliminary discussion includes provision for storage of two fire fighting vehicles and 3,000 square feet of office space. A preliminary cost estimate for construction of this facility totals $300,000.

L. Maintenance Shop

A maintenance shop consisting of a garage type building with one small office is proposed to be constructed on the tract designated for maintenance, which is located on Eagle Lane. This area will be used for storage of all maintenance materials and equipment utilized by the district. A preliminary estimate for construction of this facility totals $150,000.

M. District Equipment

Although specific requirements for equipment have not been finalized at this time, it is anticipated that equipment will be required for the maintenance of district owned facilities and fire protection. For fire protection it is proposed that the district purchase a [illegible]

with the capacity to fight fires within the district itself. Required maintenance equipment will probably include a snow plow, pickup trucks, a backhoe, and other miscellaneous smaller equipment. A preliminary cost estimate for the purchase of this equipment totals $400,000.

As noted above, some of these facilities are proposed to be financed directly by the developer, Skyland Properties, Ltd., with the remainder proposed to be financed through the borrowing power of the Skyland Metropolitan District. Table 3 on page 16 separates the proposed facilities into those which will be financed by Skyland Properties, Ltd., and those which will be financed by the Skyland Metropolitan District. All of the proposed facilities and their estimated costs have been briefly described above with the exception of the required payment to the local school district. Table 4 on pages 17 and 18 summarizes projected costs for all of the proposed facilities. Table 4 has been broken down by the three phases of proposed development and also by area of financial responsibility.

TABLE 3

FINANCIAL RESPONSIBILITY

Facilities to be financed by Skyland Properties, Ltd.

1. Electric Power Service
2. Telephone Service
3. Cable Television Service
4. Golf Course
5. Payment to School District

Facilities to be financed through the Skyland Metropolitan District

1. Roadways
2. Intersection Improvement at Colorado Highway 135
3. Drainage Improvements
4. Water System
5. Sewer System
6. Lake Grant Dam
7. Other Recreational Features
8. Fire Station and District Office
9. Maintenance Shop
10. District Equipment

TABLE 4

FACILITIES COST ESTIMATE

Facilities to be Financed by Skyland Properties, Ltd.

| Facility | Phase I | Phase II | Phase III | Total |
|---|---|---|---|---|
| Electric Power | | $200,000 | $100,000 | $300,000 |
| Telephone | | 530,000 | 250,000 | 780,000 |
| Cable Television | | 180,000 | 100,000 | 280,000 |
| Golf Course | $1,620,000 | | | 1,620,000 |
| Maintenance Shop and Equipment | 400,000 | | | 400,000 |
| Payment to School District | | 44,000 | 32,000 | 76,000 |
| TOTAL ESTIMATED COST | $2,020,000 | $954,000 | $482,000 | $3,456,000 |

Facilities to be Financed Through the Skyland Metropolitan District

| Facility | Phase I | Phase II | Phase III | Total |
|---|---|---|---|---|
| Roadways | | $1,058,000 | $623,000 | $1,681,000 |
| Intersection Improvement | | 150,000 | | 150,000 |
| Drainage | | 123,000 | 30,000 | 153,000 |
| Central Water System | | 1,533,000 | 854,000 | 2,387,000 |
| Central Sewer System | | 1,983,000 | 474,000 | 2,457,000 |
| Lake Grant Dam | | 212,000 | | 212,000 |
| Open Recreational Facilities | | 100,000 | 100,000 | 200,000 |

TABLE 4 (CONT'D)

FACILITIES COST ESTIMATE

Facilities to be Financed Through the Skyland Metropolitan District (Cont'd)

| Facility | Phase I | Phase II | Phase III | Total |
|---|---|---|---|---|
| Fire Station, and District Office | | $ 300,000 | $ | $ 300,000 |
| Maintenance Shop | | 150,000 | | 150,000 |
| District Equipment | | 250,000 | 150,000 | 400,000 |
| TOTAL ESTIMATED COST | | $5,859,000 | $2,231,000 | $8,090,000 |

## III. SERVICES TO BE PROVIDED BY DISTRICT

Services proposed to be provided by the Skyland Metropolitan District include ownership, operation, and maintenance of roadways, the central water and sewer systems, and other recreational features, ownership of the golf course, fire protection, and at some point in the future, mass transportation to and from the district. Through preliminary discussion with Gunnison County it was determined that Gunnison County was not interested in taking over ownership responsibilities for roadways or the water and sewer systems. Consequently, the decision was made to create a public entity to provide for these services within the Skyland Subdivision.

As discussed above, the developer, Skyland Properties, Ltd., intends to completely finance construction of the proposed golf course and pass ownership along to the Skyland Metropolitan District. Skyland Properties is investigating the feasibility of arranging for the services of a firm which specializes in operating golf courses, intending to make preliminary arrangements for operation of the course, leaving only ownership responsibilities to the Skyland Metropolitan District.

Fire protection within the district will be the complete responsibility of the district. A fire station with fire fighting equipment is proposed and equipment will be manned through a volunteer force.

No specific plan for mass transportation is available at this time. However, it is anticipated that at some point in the future the need may arise for a local bus transportation system which would serve residents of the district. This system may be part of an overall system serving the Crested Butte area.

## IV. FINANCING AND OPERATION

The facilities which have been identified as those which will be financed through the borrowing power of the district will be paid for by the sale of general obligation bonds. Individual bond sales will be timed so monies are available to meet the needs of the proposed development schedule; with the first bond sale scheduled for November, 1981. A second bond sale will follow around May of 1982, with a third sale scheduled for sometime in 1987. As bonds are sold and proceeds spent to construct the various facilities, a debt service will be incurred by the district.. A semi-annual payment will be made by the district to bond holders to retire the bonded indebtedness. The debt service will most likely be the greatest periodical expenditure faced by the district. Other district costs will include operation and maintenance costs associated with the central water and sewer systems, roadway maintenance costs including snow removal, maintenance of recreational facilities, operation of the fire protection facilities, and routine operating costs associated with the district offices.

District income will be derived through a variety of sources including capital improvement investment fees, water and sewer system service and availability charges, general property taxes, and possibly payments from the golf course operator.

### A. Bond Issues and Debt Service

As noted above, three separate general obligation bond sales are proposed to finance the district facilities. Table 5 on pages 21 and 22 lists each of the facilities that will be paid for out of the proceeds from the three bond sales and develops total bond issue amounts. The underwriters discount has been calculated at 3% of the total of each bond issue, with the maximum underwriters discount [illegible] not to exceed 5% for any of the three bond issues.

TABLE 5

BOND ISSUES

| Bond Issue #1 - November, 1981 - Phase II Only | |
|---|---|
| Roadways | $ 400,000 |
| Drainage | 123,000 |
| Central Water System | 875,000 |
| Central Sewer System | 685,000 |
| Lake Grant Dam | 212,000 |
| Net Total Amount Required | $2,295,000 |
| Underwriters Discount | 90,000 |
| Capitalized Interest (2 Yrs) | 720,000 |
| Less Earnings on Capitalized Interest | (105,000) |
| TOTAL - BOND ISSUE #1 | $3,000,000 |

| Bond Issue #2 - May 1982 - Phase II Only - 1981 Dollars | |
|---|---|
| Roadways | $ 658,000 |
| Intersection Improvement | 150,000 |
| Central Water System | 658,000 |
| Central Sewer System | 1,298,000 |
| Other Recreational Features | 100,000 |
| Fire Station and District Office | 300,000 |
| Maintenance Shop | 150,000 |

TABLE 5 (CONT'D)

BOND ISSUES

Bond Issue #2 - May 1982 - Phase II Only - 1981 Dollars (Cont'd)

| | |
|---|---|
| District Equipment | $ 250,000 |
| Net Total Amount Required | $3,564,000 |
| Underwriters Discount | 129,000 |
| Capitalized Interest (2 Yrs) | 1,032,000 |
| Less Earnings on Capitalized Interest | (150,000) |
| Less Interest Earnings During Construction Period | (275,000) |
| TOTAL - BOND ISSUE #2 | $4,300,000 |

Bond Issue #3 - 1987 - Phase III Only - 1981 Dollars

| | |
|---|---|
| Roadways | $ 623,000 |
| Drainage | 30,000 |
| Central Water System | 854,000 |
| Central Sewer System | 474,000 |
| Other Recreational Features | 100,000 |
| District Equipment | 150,000 |
| Net Total Amount Required | $2,231,000 |
| Underwriters Discount | 81,000 |
| Capitalized Interest (2 Yrs) | 648,000 |
| Less Earnings on Capitalized Interest | (93,000) |
| Less Interest Earnings During Construction Period | (167,000) |
| TOTAL - BOND ISSUE #3 | $2,700,000 |

Also, two years capitalized interest will be withheld from each bond issue to cover the first two years of bond interest. Since capitalized interest will be withheld from the total bond issue, some interest can be earned on these dollars during the first two years, through short-term investments. The potential to earn interest on bond proceeds during the construction period through short-term investments also exists. All of these amounts have been estimated for all three bond issues and included in Table 5. Interest earnings during the construction period have been eliminated from bond issue number one since construction dollars will be spent prior to the bond issue and reimbursement will take place at the time of the bond issue.

In conformance with the overall plan of three separate bond issues, a combined debt service schedule has been developed in Table 6 on page 24: Based on current bond market conditions, an annual interest rate of 12% has been assumed for preparing the debt service schedule. Taking into account the scheduled 1987 bond issue, the maximum projected annual interest rate should not exceed 15% for any of the three bond issues. Also, due to the current unstable condition of the municipal bond market, annual interest rates for the first two bond issues could be slightly higher than the projected 12% rate.

B. District Revenue and Expenditures

Projected district revenues fall into two categories: those revenues that will be used to operate and maintain the various facilities once constructed; and those revenues that will be used to retire bond issue debt service. Operation and maintenance of the water and sewer systems will be financed through system service charges; maintenance of recreational facilities and roadways will be financed through a property tax, as will the fire protection facilities and district offices.

TABLE 6

DEBT SERVICE SCHEDULE

| YEAR | ISSUE #1 $3,000,000 NOVEMBER, 1981 | | ISSUE #2 $4,300,000 MAY, 1982 | | ISSUE # 3 $2,700,000 MAY, 1987 | | TOTAL |
|---|---|---|---|---|---|---|---|
| | PRINCIPAL | INTEREST | PRINCIPAL | INTEREST | PRINCIPAL | INTEREST | |
| 1982 | | 360,000 | | 258,000 | | | $ 618,000 |
| 1983 | 45,000 | 360,000 | | 516,000 | | | 921,000 |
| 1984 | 55,000 | 354,600 | 70,000 | 516,000 | | | 995,600 |
| 1985 | 60,000 | 348,000 | 75,000 | 507,600 | | | 990,600 |
| 1986 | 65,000 | 340,800 | 85,000 | 498,600 | | | 989,400 |
| 1987 | 75,000 | 333,000 | 95,000 | 488,400 | | 162,000 | 1,153,400 |
| 1988 | 85,000 | 324,000 | 105,000 | 477,000 | | 324,000 | 1,315,000 |
| 1989 | 95,000 | 313,800 | 120,000 | 464,400 | 45,000 | 324,000 | 1,362,200 |
| 1990 | 105,000 | 302,400 | 135,000 | 450,000 | 45,000 | 318,600 | 1,356,000 |
| 1991 | 115,000 | 289,800 | 150,000 | 433,800 | 55,000 | 313,200 | 1,356,800 |
| 1992 | 130,000 | 276,000 | 170,000 | 415,800 | 60,000 | 306,600 | 1,358,400 |
| 1993 | 145,000 | 260,400 | 190,000 | 395,400 | 65,000 | 299,400 | 1,355,200 |
| 1994 | 165,000 | 243,000 | 210,000 | 372,600 | 75,000 | 291,600 | 1,357,200 |
| 1995 | 185,000 | 223,200 | 235,000 | 347,400 | 85,000 | 282,600 | 1,358,200 |
| 1996 | 205,000 | 201,000 | 265,000 | 319,200 | 95,000 | 272,400 | 1,357,600 |
| 1997 | 230,000 | 176,400 | 295,000 | 287,400 | 105,000 | 261,000 | 1,354,800 |
| 1998 | 260,000 | 148,800 | 330,000 | 252,000 | 120,000 | 248,400 | 1,359,200 |
| 1999 | 290,000 | 117,600 | 370,000 | 212,400 | 130,000 | 234,000 | 1,354,000 |
| 2000 | 325,000 | 82,800 | 415,000 | 168,000 | 150,000 | 218,400 | 1,359,200 |
| 2001 | 365,000 | 43,800 | 465,000 | 118,200 | 165,000 | 200,400 | 1,357,400 |
| 2002 | | | 520,000 | 62,400 | 185,000 | 180,600 | 948,000 |
| 2003 | | | | | 210,000 | 158,400 | 368,400 |
| 2004 | | | | | 235,000 | 133,200 | 368,200 |
| 2005 | | | | | 260,000 | 105,000 | 365,000 |
| 2006 | | | | | 290,000 | 73,800 | 363,800 |
| 2007 | | | | | 325,000 | 39,000 | 364,000 |
| [illegible] | $3,000,000 | $5,099,400 | $4,300,000 | $7,560,600 | $2,700,000 | $4,746,600 | $27,406,600 |

Bond issue debt service will be retired through a combination of capital improvement investment fees, water and sewer system availability charges, and general property taxes. Capital improvement investment fees will take the form of direct payments from lot and tract purchasers collected at the time of a sale closing, collected when connections are made to the water and sewer systems, or a combination of both. In order to help secure the marketability of the general obligation bonds, the developer may have to guarantee that capital improvement investment revenues will meet or exceed the projected schedule. Whether these fees will be collected from the purchaser at the time of a sale closing or collected when connections are made to the water and sewer systems has not been finalized at this time. Once the district is formed, the method of collection and final amounts will be set forth by the District's Board of Directors. Total capital improvement investment fees have been preliminarily set and are listed in Table 7 on page 26.

In accordance with the proposed capital improvement investment fee schedule and assuming a five year buildout period for Phase II and also a five year buildout period for Phase III, annual capital improvement investment revenues have been projected in Table 8 on page 27.

Water and sewer system availability charges will be made to lot and tract owners by the Skyland Metropolitan District on a quarterly basis. Availability charges will begin once water or sewer service is available to serve a lot or tract and will run until such time a connection is made to the water or sewer system. Once a connection is made to the water or sewer system, regular system service charges will begin. Availability charges have been preliminarily set and are listed in Table 9 on page 28.

TABLE 7

CAPITAL IMPROVEMENT INVESTMENT FEES

| Lot or Tract | Amount |
|---|---|
| Single Family Lot | $12,500 |
| Duplex Lot | 18,000 |
| Multifamily Tract (For each unit designated on Final Plat) | 6,000 |
| Employee Housing Tract (For each unit designated on Final Plat) | 2,000 |
| Commercial Tract (For each employee housing unit designated on Final Plat) | 2,000 |
| Commercial Tract (For each 1,000 gross square feet of commercial space designated on Final Plat) | 2,500 |
| Clubhouse Tract | 50,000 |
| Lodge Tract | 50,000 |

Note: These amounts will be paid to the Skyland Metropolitan District by the purchaser of a lot or tract at the time of a sale closing and/or when connections are made to the water and sewer systems.

TABLE 8

PROJECTED ANNUAL CAPITAL IMPROVEMENT INVESTMENT REVENUES

| Year | Capital Improvement Investment Revenues |
|---|---|
| 1983 | $575,000 |
| 1984 | 575,000 |
| 1985 | 575,000 |
| 1986 | 575,000 |
| 1987 | 575,000 |
| 1988 | 465,000 |
| 1989 | 465,000 |
| 1990 | 465,000 |
| 1991 | 465,000 |
| 1992 | 465,000 |
| TOTAL REVENUES | $5,200,000 |

TABLE 9

WATER AND SEWER AVAILABILITY CHARGES

| Lot or Tract Served | Quarterly Charges | | |
|---|---|---|---|
| | WATER | SEWER | TOTAL |
| Single Family Lot | $25.00 | $25.00 | $50.00 |
| Duplex Lot | 35.00 | 35.00 | 70.00 |
| Multifamily Tract (For each unit designated on Final Plat) | 15.00 | 15.00 | 30.00 |
| Employee Housing Tract (For each unit designated on Final Plat) | 10.00 | 10.00 | 20.00 |
| Commercial Tract (For each employee housing unit designated on Final Plat) | 10.00 | 10.00 | 20.00 |
| Commercial Tract (For each 1,000 gross square feet of commercial space designated on Final Plat) | 20.00 | 20.00 | 40.00 |
| Clubhouse Tract | 250.00 | 250.00 | 500.00 |
| Lodge Tract (For each lodge unit designated on Final Plat) | 7.50 | 7.50 | 15.00 |

In accordance with the proposed water and sewer availability charges and assuming that all connections will be made to the water and sewer systems over a five year period for Phase II and also over a five year period for Phase III, annual availability revenues have been projected in Table 10 on page 30.

In order to project general property tax revenues or required mill levies, an estimate must be made of projected market values and assessed valuation. The current assessed valuation of the property proposed for incorporation in the Skyland Metropolitan District totals $7,055. However, the current market value is based on the current agricultural use. Once final plat approval is obtained for Phases I and II, the current use will change to residential and commercial, causing an immediate substantial increase in market value and assessed valuation.

Assuming that buildout of units will occur fairly uniformly over a ten year period and that total market values will reflect that level of buildout, an estimate has been made of total market value and assessed valuation for a twenty five (25) year period beginning in 1983. Table 11 on 31 lists the projected total market values and assessed valuation for the entire district. An 18% factor has been used for converting market value to assessed valuation since current State of Colorado regulations call for a 30% factor using 1973 market values. Since the projected market values have been adjusted for inflation and should reflect actual market values in any given year, an 18% assessed valuation factor was determined to be appropriate.

Table 12 on page 32 summarizes revenues and expenditures in an attempt to project estimated mill levy requirements over a twenty five (25) year period beginning in 1983. Please note that the maximum mill levy required throughout

TABLE 10

PROJECTED ANNUAL AVAILABILITY REVENUES

| Year | Availability Revenues (Water & Sewer) |
|---|---|
| 1983 | $ 70,000 |
| 1984 | 56,000 |
| 1985 | 42,000 |
| 1986 | 28,000 |
| 1987 | 14,000 |
| 1988 | 44,000 |
| 1989 | 55,000 |
| 1990 | 26,000 |
| 1991 | 18,000 |
| 1992 | 9,000 |
| TOTAL REVENUES | $362,000 |

TABLE 11

PROJECTED MARKET VALUE AND ASSESSED VALUATION

| | Total Market Value | Total Assessed Valuation |
|---|---|---|
| 1981 | $ 60,000 | $ 10,800 |
| 1982 | 3,000,000 | 540,000 |
| 1983 | 10,000,000 | 1,800,000 |
| 1984 | 30,000,000 | 5,400,000 |
| 1985 | 50,000,000 | 9,000,000 |
| 1986 | 70,000,000 | 12,600,000 |
| 1987 | 90,000,000 | 16,200,000 |
| 1988 | 110,000,000 | 19,800,000 |
| 1989 | 130,000,000 | 23,400,000 |
| 1990 | 150,000,000 | 27,000,000 |
| 1991 | 170,000,000 | 30,600,000 |
| 1992 | 190,000,000 | 34,200,000 |
| 1993 | 200,000,000 | 36,000,000 |
| 1994 | 210,000,000 | 37,800,000 |
| 1995 | 220,000,000 | 39,600,000 |
| 1996 | 230,000,000 | 41,400,000 |
| 1997 | 240,000,000 | 43,200,000 |
| 1998 | 250,000,000 | 45,000,000 |
| 1999 | 260,000,000 | 46,800,000 |
| 2000 | 270,000,000 | 48,600,000 |
| 2001 | 280,000,000 | 50,400,000 |
| 2002 | 290,000,000 | 52,200,000 |
| 2003 | 300,000,000 | 54,000,000 |
| 2004 | 310,000,000 | 55,800,000 |
| 2005 | 320,000,000 | 57,600,000 |
| 2006 | 330,000,000 | 59,400,000 |
| 2007 | 340,000,000 | 61,200,000 |

NOTES: Total market value calculated assuming a total market value at buildout of $100,000,000 (1983 dollars), a ten year buildout period beginning in 1983, and an inflation factor equal to a 10% increase over 1983 dollars for each year. Assessed valuation calculated using an 18% conversion factor.

TABLE 12

PROJECTED MILL LEVIES
CASH FLOW

| Year | Capital Improvement Investment Revenue (from Table 8) | Water & Sewer Availability Revenue (from Table 10) | Assessed Valuation (from Table 11) | Proposed Mill Levy | * Tax Revenue | Bond Proceeds Reserved for Interest Payments | Total Revenues | Operation & Maintenance Costs (Roadways & Recreation) | Total Bond Payment (Principal and Interest) (from Table 6) | Total Expenditures | Annual Surplus Gain/(Loss) | Accumul Surpl |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1981 | $ 0 | $ 0 | $ 10,800 | 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ |
| 1982 | 0 | 0 | 540,000 | 0 | 0 | 618,000 | 618,000 | 0 | 618,000 | 618,000 | 0 | |
| 1983 | 575,000 | 70,000 | 1,800,000 | 40.0 | 0 | 876,000 | 1,521,000 | 20,000 | 921,000 | 941,000 | 580,000 | 580, |
| 1984 | 575,000 | 56,000 | 5,400,000 | 40.0 | 72,000 | 258,000 | 961,000 | 22,000 | 995,600 | 1,017,600 | ( 56,600) | 523, |
| 1985 | 575,000 | 42,000 | 9,000,000 | 40.0 | 216,000 | 0 | 833,000 | 24,000 | 990,600 | 1,014,600 | (181,600) | 341, |
| 1986 | 575,000 | 28,000 | 12,600,000 | 40.0 | 360,000 | 0 | 963,000 | 26,000 | 989,400 | 1,015,400 | ( 52,400) | 289, |
| 1987 | 575,000 | 14,000 | 16,200,000 | 40.0 | 504,000 | 162,000 | 1,255,000 | 46,000 | 1,153,400 | 1,199,400 | 55,600 | 345, |
| 1988 | 465,000 | 44,000 | 19,800,000 | 40.0 | 648,000 | 324,000 | 1,481,000 | 50,000 | 1,315,000 | 1,365,000 | 116,000 | 461, |
| 1989 | 465,000 | 35,000 | 23,400,000 | 40.0 | 792,000 | 162,000 | 1,454,000 | 54,000 | 1,362,200 | 1,416,200 | 37,800 | 498, |
| 1990 | 465,000 | 26,000 | 27,000,000 | 35.0 | 936,000 | 0 | 1,427,000 | 58,000 | 1,356,000 | 1,414,000 | 13,000 | 511, |
| 1991 | 465,000 | 18,000 | 30,600,000 | 35.0 | 945,000 | 0 | 1,428,000 | 62,000 | 1,356,800 | 1,418,800 | 9,200 | 521, |
| 1992 | 465,000 | 9,000 | 34,200,000 | 35.0 | 1,071,000 | 0 | 1,545,000 | 66,000 | 1,358,400 | 1,424,400 | 120,600 | 641, |
| 1993 | 0 | 0 | 36,000,000 | 35.0 | 1,197,000 | 0 | 1,197,000 | 70,000 | 1,355,200 | 1,425,200 | (228,200) | 413, |
| 1994 | 0 | 0 | 37,800,000 | 35.0 | 1,260,000 | 0 | 1,260,000 | 74,000 | 1,357,200 | 1,431,200 | (171,200) | 242, |
| 1995 | 0 | 0 | 39,600,000 | 35.0 | 1,323,000 | 0 | 1,323,000 | 78,000 | 1,358,200 | 1,436,200 | (113,200) | 129, |
| 1996 | 0 | 0 | 41,400,000 | 35.0 | 1,386,000 | 0 | 1,386,000 | 82,000 | 1,357,600 | 1,439,600 | ( 53,600) | |
| 1997 | 0 | 0 | 43,200,000 | 35.0 | 1,449,000 | 0 | 1,449,000 | 84,000 | 1,354,800 | 1,438,800 | 10,200 | |
| 1998 | 0 | 0 | 45,000,000 | 35.0 | 1,512,000 | 0 | 1,512,000 | 88,000 | 1,359,200 | 1,447,200 | 64,800 | 150, |
| 1999 | 0 | 0 | 46,800,000 | 30.0 | 1,575,000 | 0 | 1,575,000 | 92,000 | 1,354,000 | 1,446,000 | 129,000 | 279, |
| 2000 | 0 | 0 | 48,600,000 | 30.0 | 1,404,000 | 0 | 1,404,000 | 96,000 | 1,359,200 | 1,455,200 | ( 51,200) | 228, |
| 2001 | 0 | 0 | 50,400,000 | 20.0 | 1,458,000 | 0 | 1,458,000 | 100,000 | 1,357,400 | 1,457,400 | 600 | 228, |
| 2002 | 0 | 0 | 52,200,000 | 10.0 | 1,008,000 | 0 | 1,008,000 | 104,000 | 948,000 | 1,052,000 | ( 44,000) | 184, |
| 2003 | 0 | 0 | 54,000,000 | 10.0 | 522,000 | 0 | 522,000 | 108,000 | 368,400 | 476,400 | 45,600 | 230, |
| 2004 | 0 | 0 | 55,800,000 | 10.0 | 540,000 | 0 | 540,000 | 112,000 | 368,200 | 480,200 | 59,800 | 290, |
| 2005 | 0 | 0 | 57,600,000 | 10.0 | 558,000 | 0 | 558,000 | 116,000 | 365,000 | 481,000 | 77,000 | 367, |
| 2006 | 0 | 0 | 59,400,000 | 10.0 | 576,000 | 0 | 576,000 | 120,000 | 363,800 | 483,800 | 92,200 | 459, |
| | | 0 | 61,200,000 | 0 | 594,000 | 0 | 594,000 | 124,000 | 364,000 | 488,000 | 106,000 | 565, |

Revenues | Expenditures

Surplus

* Tax revenue shown one year after assessed valuation and mill levy to reflect collection time lag.

the twenty five year period is 40.0 mills. As noted above, general property tax revenues will be utilized to make general obligation bond payments and for operation and maintenance costs connected with roadways, recreational features, fire protection, and the district offices. Operation and maintenance costs connected with the water and sewer systems will be met with revenues generated through customer service charges, and not by general property taxes. Adding the 1980 mill levy of 52.1245 mills for that portion of Gunnison County to the projected maximum of 40.0 mills required by the Skyland Metropolitan District, results in a total mill levy of 92.1245 mills.

The summary of revenues and expenditures presented in Table 12 clearly indicates that the proposed district will be able to meet bonded indebtedness annual payments without causing an unusually high mill levy. All amounts given in Table 12 have been documented in other areas of this service plan. Projected mill levies have been calculated to make up the difference between estimated total expenditures and other revenues.

## V. SUMMARY AND CONCLUSIONS

The service plan presented herein has been prepared in an effort to create a Metropolitan District that will provide a variety of services within the proposed Skyland Subdivision. The district will encompass a 586 acre tract of land which lies approximately 1½ miles south of the Town of Crested Butte. The district will ultimately consist of a variety of land uses including single family, multifamily, commercial, and recreation. Detailed site planning and preliminary engineering have been completed for the entire tract and site specific information is available in the individual engineering reports.

Facilities proposed to be constructed within the district include roadways, drainage improvements, central water and sewer systems, power, phone, and cable television extensions, an eighteen hole golf course, other recreational features, a fire station - district office, and a maintenance shop. Some of the facilities are proposed to be financed directly by the developer, Skyland Properties, Ltd., with the remainder to be financed through the borrowing power of the district. Detailed cost estimates for all proposed facilities have been presented in Table 4 on pages 17 and 18.

Facilities to be financed by the district will be paid for through general obligation bond sales. Three separate bond sales are proposed with the first sale scheduled for November, 1981. Bond sale amounts have been itemized in Table 5 on pages 21 and 22. Bond debt service will be retired through capital improvement investment fees, water and sewer availability charges, and general property taxes. Operation and maintenance of the water and sewer systems will be financed through customer service charges. Roadway and recreational feature maintenance will be financed through the general property tax. The golf course

will be operated and maintained by a firm retained for that specific purpose, with income derived through user fees and membership dues.

The projected revenue and expenditure amounts presented herein indicate that the proposed district will have the financial ability to meet proposed debt service requirements and provide basic services, including long term operation and maintenance of utility systems.

The standards of construction proposed are of the highest quality, with all utilities to be installed underground, and roadways to be finished with a paved surface.

Creation of the proposed Skyland Metropolitan District will insure that future residents of the district will be guaranteed continuous and long term operation of all basic services.

# APPENDIX A

## SKYLAND METROPOLITAN DISTRICT

## BOUNDARY LEGAL DESCRIPTION

SKYLAND METROPOLITAN DISTRICT

BOUNDARY LEGAL DESCRIPTION

The Northeast Quarter, the Southeast Quarter, and the East Half of the Northwest Quarter of Section 1, together with part of the North Half of Section 12, both of Township 14 South, Range 86 West, together with Lot 6 (being the Northwest Quarter of the Southwest Quarter) and Lot 7 (being the Southwest Quarter of the Southwest Quarter) of Section 6 together with a part of the Northwest Quarter of the Northwest Quarter of Section 7, both of Township 14 South, Range 85 West, all of the Sixth Principal Meridian, County of Gunnison, State of Colorado, more particularly described as follows:

Beginning at the Northeast corner of said Section 1; thence N 89° 31' 36" W along the North line of said Northeast Quarter of Section 1, 2654.51 feet to the Northwest corner of said Northeast Quarter of Section 1; thence N 89° 13' 34" W along the North line of said East Half of the Northwest Quarter, 1326.47 feet; thence S 0° 25' 34" W along the West line of said East Half of the Northwest Quarter, 2647.76 feet; thence S 89° 29' 48" E along the South line of said East Half of the Northwest Quarter 1322.57 feet; thence S 0° 30' 37" W along the West line of said Southeast Quarter of Section 1, 2633.64 feet; thence N 89° 09' 47" W along the North line of said Section 12, and along a parcel described in Book 377, Page 289, of the Office of the Gunnison County Clerk, 356.26 feet to the East line of Riverbend Subdivision, a recorded plat, and the accepted centerline of the Slate River; thence along said Subdivision and said centerline the following four courses; S 11° 15' 0" W, 390.75 feet; thence S 26° 42' 0" E, 192.5 feet; thence S 50° 44' 0" E, 301.0 feet; thence S 24° 59' 0" E, 287.0 feet to the West line of the Northeast Quarter of said Section 12;