CASCADE METROPOLITAN DISTRICT NOS. 1 & 2 SERVICE PLAN

CONSOLIDATED SERVICE PLANS

FOR

CASCADE METROPOLITAN DISTRICT NO. 1

AND

CASCADE METROPOLITAN DISTRICT NO. 2

PREPARED BY:

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SECTION A – INTRODUCTION

Public water service in the Cascade area of Ute Pass, Colorado, has been provided for over a hundred years by the Cascade Public Service Company ("CPSC"), a privately owned water company, and its predecessors in ownership. CPSC, a Colorado public utility regulated by the Colorado Public Utilities Commission ("PUC"), presently provides water to 350 customers, with 300 of those being single-family homes, 25 being multi-family homes, 19 being commercial and 6 being governmental/religious institutions. Since 1990 CPSC has purchased its bulk water supply from the City of Colorado Springs by way of a connection in Chipita Park Road, below the City's treatment plant in Green Mountain Falls. Prior to 1990 CPSC served its customers utilizing water rights owned by the Cascade Town Company ("CTC"), the owner of CPSC. For reasons set forth below, the organization of two metropolitan districts to serve the existing and future customers of the Cascade area is believed to be a better alternative to a private company for the long-term ownership and operation of the Cascade water system. In addition to water, the proposed metropolitan districts would also have the ability to provide additional services beneficial to the Cascade area as described below.

1. NAME OF PROPOSED DISTRICT:

The proposed districts shall be named the CASCADE METROPOLITAN DISTRICT NO. 1 and the CASCADE METROPOLITAN DISTRICT NO. 2, hereinafter referred to as "District No. 1" and "District No. 2"

2. DESCRIPTION OF PROPOSED SERVICES:

The proposed services for District No. 1 include the supply of water for domestic

and other public and private purposes by any available means and all necessary or proper reservoirs, treatment works and facilities, equipment and appurtenances incident thereto. The proposed services for District No. 1 also include parks and recreation and mosquito control. The proposed services for District No. 2 include the supply of water for domestic and other public and private purposes by any available means and all necessary or proper reservoirs, treatment works and facilities, equipment and appurtenances incident thereto. The proposed services for District No. 2 also include parks and recreation, safety protection, street improvement, transportation, mosquito control, storm-water protection, and fire protection.

3. **BOUNDARIES**:

DISTRICT NO. 1: The initial jurisdictional boundaries of District No. 1 will include property in the unincorporated portion of western El Paso County owned by the Cascade Resort Community, Inc., comprising approximately 330 acres as more particularly described in the attached legal description (Exhibit A) and as depicted on the attached maps (Exhibit B). The boundaries of District No. 1 do not include properties currently being served by CPSC. However, for the first twelve months after formal organization, District No. 1 will include any of the properties currently being served by CPSC into its boundaries at no cost. Thereafter, the terms and conditions of inclusion will be those established from time to time by the Board of Directors of District No. 1. Those properties choosing not to be included into District No. 1 will continue to be served on a contractual basis by District No. 1.

DISTRICT NO. 2: The jurisdictional boundaries of District No. 2 will include certain property in the unincorporated portion of western El Paso County owned by the

Cascade Resort Community, Inc., comprising approximately 220 acres as more particularly described in the attached legal description (Exhibit A) and as depicted on the attached maps (Exhibit B). The property included in District No. 2 is anticipated to be developed by the owner into single-family home sites with an overall gross density of no less than five acres per site. There are also several adjoining and adjacent parcels of privately owned land that will likely be included into District No. 2 should their owners desire a public water supply and/or other district services.

SERVICE AREA: Unless otherwise mutually agreed by the districts, the service areas for District Nos. 1 & 2 shall be the areas within their jurisdictional boundaries and the areas as more particularly shown on Exhibit C hereto.

4. RELATIONSHIP TO ADJOINING AND OVERLAPPING DISTRICTS:

There is no municipality overlapping the boundaries of District Nos. 1 & 2 or the area currently being served by CPSC. District Nos.1 & 2 are overlapped by four governmental entities that certified mill levies in 2003: Manitou Springs School District #14, El Paso County, Cascade Fire Protection District and the Pikes Peak Library District. The overlapping mill levies are described in Table 1

TABLE 1

OVERLAPPING MILL LEVIES

(2003)

	Mill Rate
El Paso County	7.880
Cascade FPD	5.487

Pikes Peak Regional Library District	3.271
Manitou Springs School Dist. No. 14	49.709
2003 Tax Rate:	66.347

As indicated in the tables and financial projections contained herein, it is anticipated that District No. 1 will not require property tax revenue to adequately provide services to its customers. After organization of District No. 1, a property tax can only be established upon approval of the qualified electors of District No. 1 at an election pursuant to the Colorado Constitution and election laws. It is proposed that District No. 2 would levy twenty (20) mills on the property within its boundaries. The total overlapping mill levy after organization of District No. 2 would be 86.347 mills. This appears to be below average compared to other developed and developing areas in El Paso County. The district's twenty-mill levy for an $800,000.00 home would generate approximately $1,280.00 per year.

5. NEED/INADEQUATE EXISTING SERVICES:

A. **General**. The creation of District Nos. 1 & 2 will be in the best interests of the current customers of CPSC and the future residents of the developing areas to be included within District No. 2. A district enjoys statutory powers, protections and benefits that are not available to homeowners' associations or private utility companies. These include the ability to levy property taxes, fees and charges collectible by the County Treasurer through the tax sale process, a perpetual statutory lien for services, representative government with known budgetary and audit protections, an enhanced ability to receive federal, state and local grants, and an ability to obtain municipal financing with more favorable interest rates and terms (please refer to the correspondence from the Colorado

Department of Local Affairs and a grants person retained by CPSC contained in Exhibit D). All of these help assure the long-term provision of services at the lowest rates possible.

B. **Water**. Neither annexation to a municipality nor inclusion into an existing water district appear to be viable alternatives to the creation of District Nos. 1 & 2 due to costs associated with the relatively large distances from existing municipalities and districts, water rights issues and other impacts on the existing and future customers of those municipalities/districts and the residents/property owners in the Cascade area. As more particularly set forth below, the organization of District Nos. 1 & 2 is believed to be the best structure for the long term ownership and maintenance of the water system in the Cascade area.

C. **Parks and Recreation**. The Cascade area enjoys natural beauty and scenery second to none in the Pikes Peak region and beyond. There are numerous hiking trails located within and adjacent to the boundaries of District Nos. 1 & 2, which, together, share miles of common boundary with the Pike National Forest. There are also open space tracts that are expected to be donated to the districts in conjunction with the development of the Cascade Resort Community. District Nos. 1 &. 2 will receive funding from the Great Outdoors Colorado (lottery) program for the enhancement and maintenance of the trail system and/or other park and recreational purposes.

D. **Transportation, Street Improvement, Safety Protection (signage) and Storm-Water Protection.** It is anticipated that District No. 2 will own and maintain the streets and storm-water improvements within its boundaries.

E. **Fire Protection.** Although all property located in District No. 2 and its service area is

located within the existing Cascade Fire Protection District ("CFPD"), it is proposed that District No. 2 also have fire protection as one of its services pursuant to an intergovernmental agreement with CFPD whereby two mills of property taxes will be levied against the property within District No. 2 to augment the fire protection services of CFPD. The additional two mills, which would not be applicable to any area within District No. 1, is reasonable based upon the additional costs of providing adequate fire protection service to the relatively steep and treed land within District No. 2.

6. **MASTER PLAN**:

A finding of consistency can be made for District Nos. 1 & 2 based on the Ute Pass Comprehensive Plan adopted by the El Paso County Planning Commission in April of 1982. Stated goals of that plan are "the provision of adequate, efficient, economical and safe water ...facilities"; "encourage the efficient use of water supplies"; "provide recreational opportunities that are community oriented"; and "develop a park and trail system of a community nature to include pedestrian and equestrian trails". The organization of District Nos. 1 & 2 is also consistent with all duly adopted county, regional and state long-range water quality management plans for the area, including Project Aquarius.

SECTION B - DEVELOPMENTAL ANALYSIS

1. **INFRASTRUCTURE:**

Existing Water System - It is the intent of CPSC to convey the existing water system assets of CPSC (see Exhibit E hereto) to District No. 1. The conveyance will be done as a contribution with no consideration being paid by District No. 1 for these assets, which are presently being carried on the

books of CPSC at a value of $659,072.65, less accumulated depreciation. Certain portions of this system, including portions of the delivery system, pumps and a water storage facility, are also necessary for the provision of water to property located within District No. 2.

Proposed Water System Improvements

District No. 1: A proposed Capital Improvement Plan, prepared by JDS-Hydro Consultants, Inc., is set forth in Exhibit F hereto. The Plan includes improvements believed by CPSC to be of priority in addressing current pressure, leakage and discolored water problems. Portions of the system are over one hundred years old. A recent survey of CPSC customers was utilized in putting together this portion of the Plan. The Plan also includes a description and summary of costs for a new water treatment facility.

District No. 2: The property within District No. 2 will be served by a newly installed central water system which will require delivery lines, additional storage and pumping improvements (described in Exhibit F). It is proposed that District No. 1 own and operate the water system improvements located within District No. 2 pursuant to an intergovernmental agreement ("IGA") between the districts.

Future water system improvements in both districts shall be constructed pursuant to standards promulgated by either the Colorado Springs Utilities Department or the American Water Works Association.

Water Treatment Plant - As described in the Financial Plan section of this

Service Plan, the construction of a water treatment plant to treat Cascade's water rights would be more cost effective than continuing to pay the City of Colorado Springs for treated water. CPSC will convey water rights to both District Nos. 1 and 2 sufficient for the districts to serve their present and future customers. The conveyance of the water rights necessary to serve District No. 1 will be done as a contribution with no cost to District No. 1. Estimates of the cost of the water treatment plant range between $450,000 and $695,156.00, depending upon the necessity of reducing the fluoride levels occurring naturally in Cascade Creek. Water quality sampling and an engineering study are underway to determine the necessary fluoride removal cost.

Trails and Open Space - It is proposed that the trails located on Cascade Resort Community, Inc. property, as generally shown in Exhibit G hereto, will be owned and maintained by the district within which the trails are located. The source of the detailed trail map shown in Exhibit G is the *Pikes Peak Atlas*, Robert Ormes and Robert Houdek. Cascade Resort Community, Inc. will contribute easements for the trails at no cost to either district with the exact alignments to be mutually determined by the owner and the districts. It is also contemplated that several open space tracts will be acquired by the districts through donations from the owner of Cascade Resort Community property as well as adjoining property owners.

2. CITY OF COLORADO SPRINGS/PUBLIC UTILITIES COMMISSION/WATER RIGHTS:

History of Agreements Between City of Colorado Springs and CTC: CPSC is wholly owned by CTC, a Colorado corporation that has historically owned water rights on Cascade Creek in El Paso County, Colorado. From 1890 to 1934, Cascade residents received water from Cascade Creek. From 1934 to 1990, pursuant to a 1934 agreement between CTC and the City of Colorado Springs, the City was obligated to deliver up to .4 cubic feet of water per second of time to CTC by way of its North Slope Pipeline and a connecting pipe line to CTC's distribution system at Mothers' Rest in Cascade Canyon (the "Contractual Water Right"). In addition, the City agreed to provide minimum stream flows in Cascade Canyon of at least 2 cubic feet per second of time from June 15th to October 1st of each year and 1 cubic foot per second of time the remaining portions of each year.

Because of excessive turbidity in the CPSC distribution system, mainly due to spring runoff, in 1987 the Colorado Public Utilities Commission ("PUC") ordered CPSC to submit engineering plans for the construction of a filtration plant. Notwithstanding approved plans and financing for the filtration plant, in 1990 the PUC ordered CPSC to enter into an agreement with the City of Colorado Springs to receive filtered and treated water from a City-owned treatment facility near Green Mountain Falls. Under duress, CPSC entered into an agreement in 1990 with the City which terminated the City's water supply and minimum stream flow obligations set forth in the1934 agreement and which required CTC to assign its water rights to the City as collateral for the payment of the monthly bulk water purchases. Under the 1990 agreement, the City is required to deliver up to 550 acre feet of water per year to CPSC. The current usage is approximately 125 acre feet per year.

Water Rights: The water rights now owned by CPSC and presently being held the City of Colorado Springs are: Priority No. 2 originally decreed 2/15/1882 in District Court, El Paso County, with appropriation date of 3/20/1861 with an interest of .3533 cfs; Priority No. 33 decreed 2/15/1882 with an interest of 1.7cfs. CPSC also is entitled to a contractual water right of .4 cfs from City of Colorado Springs based upon a 1934 agreement between the parties. The point of diversion for CTC's water rights is at Mothers' Rest in Cascade Canyon with an alternate point higher on the stream at the City of Colorado Springs' Lincoln Ditch Diversion. The quantity of water available in Cascade Creek by reason of the foregoing water rights is substantially in excess of the needs of the current and future customers of CPSC and District Nos. 1 and 2 (See Exhibit H hereto, prepared by Hydrosphere Resource Consultants, Boulder, CO, 1/7/04 for CTC). **The excess water rights are currently being utilized by the City for its municipal purposes without compensation to CTC, CPSC or the Cascade water customers other than an agreement to sell up to 550 acre feet of treated water per year to Cascade at 150% of the rate paid by City of Colorado Springs' customers (emphasis added intentionally).**

Colorado Public Utility Commission: At various times prior to 1969 and at all times since then, CPSC has been under the jurisdiction of the Colorado Public Utilities Commission. It is one of three private water companies still regulated by the PUC which typically regulates large oil, gas, electric, communication and public transportation companies. All monthly rates and user fees and new water tap charges of CPSC are established by the PUC after a public notice and hearing process. Transfer of the assets of CPSC to District No. 1 would automatically terminate PUC jurisdiction with such

matters as rate setting thereafter being under the jurisdiction of the five-member elected board of directors of each district. **However, any increase in the monthly water rates for existing CPSC customers within three years following the organization of District No. 1 shall be considered to be a material modification of this service plan requiring the prior approval of the Board of County Commissioners of El Paso County (emphasis added intentionally).**

3. POPULATION - CURRENT AND PROJECTED:

Based upon the 2.58 people per household average in El Paso County (PPACG), the total population of District No. 2 is estimated to be approximately 114 people at full build-out of the property located within its current boundaries. The population of District No. 1 will depend upon the number of customers including their property into that district. Should all current CPSC customers include their property into District No. 1, the total population is estimated to be approximately 839 people. A U.S. Census Bureau Profile of General Demographic Characteristics, Year 2000, is included in Exhibit I hereto.

4. OPERATING AND MAINTENANCE COSTS:

District No. 1: The estimated operation and maintenance costs for the District No. 1 water system, both before and after construction of a water treatment plant, are shown in Exhibit J. They are based on an average of the 2002 and 2003 costs actually incurred by CPSC. Although not shown, these costs are expected to decrease substantially if a grant or other financing is obtained to replace and improve the older and problematic portions of the system. For purposes of estimating only, the costs attributed to the maintenance of the trails and open space tracts in this Service Plan are assumed to

be equivalent to the amount of lottery funds received by the district. It is anticipated that the volunteer efforts of the Cascade community will also be available to assist with these efforts. The use of other sources of revenue for the maintenance and/or improvement of trails and open space tracts shall not be considered a material modification to the Service Plan.

District No. 2: The estimated operating and maintenance costs for the water system, street and drainage improvements and park and recreation facilities within District No. 2 are shown in Exhibit K. The O&M costs are estimated for both 5 and 10 homes per year to account for different water usage costs attributable to the number of homes. Like District No. 1, the costs attributed to the maintenance of the trails and open space tracts are assumed to be equivalent to the amount of lottery funds received by the district. It is anticipated that the volunteer efforts of the Cascade community will also be available to assist with these efforts. The use of other sources of revenue for the maintenance and/or improvement of trails and open space tracts shall not be considered a material modification to the Service Plan.

SECTION C - FINANCIAL PLAN ANALYSIS:

1. **Current Situation**. Attached in Exhibit L hereto is a financial statement of CPSC, consolidated from years 2002 and 2003. As can be seen, CPSC's total annual revenues exceed fixed costs by approximately $46,000 per year. Not including emergency needs, inflationary increases and rate increases, it will require at least seven years to pay for the necessary upgrades and replacements in the existing distribution system as described in Exhibit F. Including these contingencies, the time period is expected to be considerably longer if a district is not organized. The largest fixed cost is the payment of

approximately $100,000 per year to the City of Colorado Springs for bulk water. As stated above, the City's billing rate to CPSC is about 150% of that paid by City residents. In addition, the 1990 agreement between CPSC and the City has a provision that the City's rate per 1000 gallons shall be increased by the percentage of unaccounted water losses (the difference between the water provided to CPSC at its delivery point and the sum of the metered sales to CPSC customers) above thirty (30) percent. The City has attempted to invoke this clause at least once during the term of the Agreement and the risk of even higher water rates in the future is substantial if the Agreement remains in place.

2. **Termination of Agreement with City of Colorado Springs**: Although organization of District Nos. 1 and 2 is in the best interests of the Cascade water customers whether or not the 1990 agreement between CTC and the City (the "Agreement") is terminated, terminating the Agreement and returning to a situation where the Cascade Creek water rights are utilized would provide a more economically viable water system as shown in Exhibits M and N.

3. **Indebtedness**:

District No. 1: In order to replace and modernize the existing water system and to construct a water treatment plant, water revenue bonds, certificates of participation, installment purchase agreements or other financing instruments may be issued in an amount approved by the Board of Directors of District No. 1, subject to the authority and limitations of the Special District Act and this Service Plan. This debt will only be incurred should grant funds for all desired improvements be unavailable and said debt will not be general obligation debt of District No. 1 and no tax revenue from District No.

1 will be pledged to the retirement of this debt. For purposes of this Service Plan, the total estimated capital cost of such facilities and improvements is $1,162,024 (including a 15% contingency). District No. 1 shall have a maximum authorized indebtedness of $2,000,000.00. Any proposed increase in this maximum amount of authorized indebtedness shall be considered a material modification of this service plan requiring the prior approval of the Board of County Commissioners of El Paso County.

District No. 2: Revenue bonds, certificates of participation, installment purchase agreements or other financing instruments will be issued in an amount approved by the Board of Directors of District No. 2, subject to the authority and limitations of the Special District Act and this Service Plan, to assist District No. 1 in the construction of the water treatment plant, to construct certain water system improvements of system-wide benefit (eg. pump system at lower tank, mid-point pump system and upper tank), to acquire water rights to serve District No. 2 and to construct road improvements within and adjacent to District No. 2 which provide a benefit to a significant share of the residents of District No. 2. For purposes of this Service Plan, the total estimated capital and acquisition costs of such facilities, improvements and water rights is $1,500,000.00 for District No. 2 and its service area and an additional $1,000,000.00 should District No. 2 include the 360 acre parcel described in Section C.4. into its boundaries. Repayment of this debt will be at market rates and will be from the fee sources shown in Exhibit O. District No. 2 will not be obligated to raise its mill levy beyond 25 mills (as adjusted for the Gallagher Amendment and other statutory changes) to repay the debt. An estimated debt service scenario is set forth in Exhibit P hereto. It is expected that all or a portion of the revenue bonds or other debt instruments issued to construct improvements and

acquire water rights will be issued to the current owner and developer of the land located within District No. 2. District No. 2 shall have a maximum authorized indebtedness of $2,000,000.00 for the financing of improvements located within District No. 2 and its service area and $3,000,000.00 should the 360 acre parcel be included within its boundaries. Any proposed increases in these maximum amounts of authorized indebtedness shall be considered material modifications of this service plan requiring the prior approval of the Board of County Commissioners of El Paso County.

4. **Financial Plan:** Attached as Exhibits M, N and O hereto are Financial Plan Analyses for the next ten (10) year period of time for each district. The projected number of new homes in District No. 2 is based upon a *Market Analysis of the Cascade Resort Community* prepared by David Bamberger & Associates, April, 2004 (Portions of which are set forth in Exhibit Q). Utilizing this analysis, four Financial Plan Analyses are shown for District No. 2, one with 5 new homes per year for 12 years, one with 10 new homes per year for 5 years, one with 8 new homes per year for 10 years (assumes the development of adjoining service area), and one with 8 new homes per year for 10 years within District No. 2 and its service area as well as 8 new homes for 7 years located on a 360 acre parcel located within two miles of Cascade District No. 2 . The analyses depict the income to be derived from ad valorem taxes (District No. 2 only), tap fees, monthly user fees, lottery funds and specific ownership taxes. They also include estimates for the annual operating and maintenance costs of the districts' respective facilities as set forth in more detail in Exhibits J and K. The organizational costs for both districts, including preliminary engineering, financial consulting, legal fees, filing fees and election costs, are being fully paid by CTC, CPSC and the current owner of the property to be initially

included into the Districts with no reimbursement from either District.

5. **Water Rates:** As shown in Exhibits M, N and O, organization of District Nos. 1 & 2, obtaining a grant to modernize the existing water system and construction of a water treatment plant utilizing the Cascade water rights should allow the districts to lower water rates in the future.

6. **Capability:** District Nos. 1 & 2 will be capable of providing economical service within their boundaries. Financial difficulties that could affect the performance of the districts are not anticipated due to the fact that there will be no general obligation debt.

SECTION D - MISCELLANEOUS

The following is additional information required by the Colorado Revised Statutes and the County's guidelines:

a. The contemplated municipal services are under the jurisdiction of the Special District Control Act and not the Public Utilities Commission

b. At this time there are no anticipated needs or plans to exercise the power of eminent domain within or without the Districts' boundaries.

c. An annual report will be required and submitted as described in C.R.S. 32-1-207(3)(d).

d. Should material modifications occur as described in C.R.S. 32-1-207(2), the applicable district shall apply for approval of such modifications to the Board of County Commissioners.

e. Except for a proposed intergovernmental agreement between Cascade Metropolitan District No. 1 and District No. 2, there are no proposed intergovernmental

agreements. It is contemplated that both districts will join the El Paso County Water authority upon their organization.

EXHIBIT A

DISTRICT LEGAL DESCRIPTIONS

PARCEL1: LOTS 20, 22, 24, 26, 28, 30, 32 AND 34 IN BLOCK 10 IN RESUBDIVISION OF BLOCKS 10, 11, 12 AND 13 OF THE TOWN OF CASCADE, EL PASO COUNTY, COLORADO.

PARCEL 2: THE UNPLATTED PORTION OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 22 IN TOWNSHIP 13 SOUTH, RANGE 68 WEST OF THE 6TH P.M., EL PASO COUNTY, COLORADO, LYING SOUTH AND WESTERLY OF A LINE DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF THE SAID EAST HALF OF THE SOUTHEAST QUARTER; THENCE SOUTHERLY 1030 FEET ON THE WESTERLY LINE OF SAID EAST HALF OF THE SOUTHEAST QUARTER TO THE POINT OF BEGINNING OF THE LINE DESCRIBED HEREBY; THENCE ANGLE LEFT 90 DEGREES 29 MINUTES AND RUN EASTERLY 777.3 FEET MORE OR LESS, ON A LINE PARALLEL TO THE SOUTHERLY LINE OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 22 TO THE POINT OF INTERSECTION OF THE SAID LINE WITH THE WESTERLY LINE OF A TRACT OF LAND CONVEYED IN DEED RECORDED IN BOOK 1433 AT PAGE 403; THENCE ANGLE RIGHT 86 DEGREES 07 MINUTES SOUTHERLY ALONG SAID WESTERLY LINE 137 FEET; THENCE ANGLE LEFT SOUTHEASTERLY ALONG THE WESTERLY LINE OF SAID TRACT IN BOOK 1433 AT PAGE 403 TO THE SOUTHWEST CORNER OF LOT 17 IN BLOCK 11 IN RESUBDIVISION OF BLOCKS 10, 11, 12 AND 13 OF THE TOWN OF CASCADE.

PARCEL 3: THE NORTHERLY 20 FEET OF LOT 18 IN BLOCK 24 IN ADDITION NO. 1 TO THE TOWN OF CASCADE, EL PASO COUNTY, COLORADO.

PARCEL 4: THAT UNPLATTED PORTION OF THE NORTHWEST QUARTER OF SECTION 26 IN TOWNSHIP 13 SOUTH, RANGE 68 WEST OF THE 6TH P.M., EL PASO COUNTY, COLORADO, LYING SOUTH OF THOSE TRACTS OF LAND AT RECEPTION NO. 99159218, LYING SOUTHERLY OF THOSE TRACTS OF LAND IN BOOK 5315 AT PAGE 396, LYING NORTHERLY, WESTERLY AND SOUTHERLY OF THOSE TRACTS OF LAND IN BOOK 3822 AT PAGE 414, SOUTHERLY AND WESTERLY OF THOSE TRACTS OF LAND AT RECEPTION NO. 200085989, LYING SOUTHERLY AND WESTERLY OF BOYSEN SUBDIVISION, EL PASO COUNTY, COLORADO, LYING SOUTHERLY AND WESTERLY OF THAT TRACT OF LAND IN BOOK 6364 AT PAGE 1344, LYING SOUTHERLY AND WESTERLY OF THAT TRACT OF LAND AT RECEPTION NO. 200062373, LYING SOUTHERLY AND WESTERLY OF THOSE TRACTS OF LAND AT RECEPTION NO. 99003811, LYING SOUTHERLY AND WESTERLY OF THAT TRACT OF LAND AT RECEPTION NO. 98036078, LYING SOUTHERLY AND WESTERLY OF THOSE TRACTS OF LAND IN BOOK 3239 AT PAGE 498, LYING SOUTHERLY AND WESTERLY OF THOSE TRACTS OF LAND IN BOOK 6820 AT PAGE 1423 AND LYING SOUTHERLY AND WESTERLY OF THAT TRACT OF LAND IN BOOK 1295 AT PAGE 220.

PARCEL 5: THE UNPLATTED PORTION OF THE NORTHEAST QUARTER, EXCEPT FOR THOSE PORTIONS IN BOOK 5249 AT PAGE 237 AND AT RECEPTION NO. 99069043, THE EAST HALF OF THE SOUTHEAST QUARTER AND THE WEST HALF OF THE NORTHWEST QUARTER, EXCEPT FOR THOSE PORTIONS CONTAINED IN BOOK 441 AT PAGE 336 AND IN BOOK 893 AT PAGE 381, IN SECTION 27, TOWNSHIP 13 SOUTH, RANGE 68 WEST OF THE 6TH P.M., EL PASO COUNTY, COLORADO.

PARCEL 1 THE WEST HALF OF THE NORTHEAST QUARTER, ALL THAT PORTION OF THE WEST HALF OF THE SOUTHEAST QUARTER LYING EASTERLY OF PYRAMID MOUNTAIN ROAD, EXCEPT FOR THOSE PORTIONS IN BOOK 2351 AT PAGE 835, BOOK 6295 AT PAGE 936, AND IN BOOK 6672 AT PAGE 916 AND EXCEPT THAT PART OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 23, TOWNSHIP 14 SOUTH, RANGE 68 WEST OF THE 6TH P.M., EL PASO COUNTY, COLORADO, DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE SOUTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 23, TOWNSHIP 13 SOUTH, RANGE 68 WEST OF THE 6TH P.M., MONUMENTED AT ITS WEST END WITH A 2 ½" GLO BRASS CAP AND ON ITS EAST END WITH A 2 ½" ALUMINUM CAP, PLS NO. 25955. SAID LINE IS ASSUMED TO BEAR S 87 DEGREES 19' 05" E, 1319.22 FEET.

COMMENCING AT THE SOUTHWEST CORNER OF SAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER; THENCE N 58 DEGREES 12' 11"E, 410.42 FEET TO THE MOST SOUTHERLY CORNER OF THAT PARCEL OF LAND DESCRIBED IN BOOK 2351 AT PAGE 835, BEING THE POINT OF BEGINNING: THENCE N 39 DEGREES 36' 52" E ALONG THE SOUTHEASTERLY LINE OF SAID PARCEL, 245.04 FEET; THENCE N 50 DEGREES 23' 08" W ALONG THE NORTHEASTERLY LINE OF SAID PARCEL, 194.36 FEET TO THE EASTERLY RIGHT OF WAY LINE OF PYRAMID MOUNTAIN ROAD AS SHOWN ON THE MAP RECORDED IN PLAT BOOK D-2 AT PAGE 69; THENCE N 20 DEGREES 41' 52" E ALONG SAID RIGHT OF WAY LINE 55.20 FEET; THENCE NORTHERLY, CONTINUING ALONG SAID RIGHT OF WAY LINE ALONG A TANGENTIAL CURVE CONCAVE TO THE WEST, SAID CURVE HAVING A CENTRAL ANGLE OF 43 DEGREES 13' 08", A RADIUS OF 150.00 FEET FOR AN ARC LENGTH OF 113.15 FEET; THENCE S 85 DEGREES 39' 26" E, 408.34 FEET; THENCE S 1 DEGREES 00' 00" W, 636.20 FEET TO A LINE DRAWN 60.00 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF SAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER; THENCE N 87 DEGREES 19' 05" W ALONG SAID PARALLEL LINE A DISTANCE OF 71.12 FEET; THENCE NORTHWESTERLY ALONG A TANGENTIAL CURVE CONCAVE TO THE NORTHEAST, SAID CURVE HAVING A CENTRAL ANGLE OF 45 DEGREES 19' 40", A RADIUS OF 270.00 FEET FOR AN ARC LENGTH OF 213.60 FEET; THENCE NORTHWESTERLY ALONG A NON-TANGENTIAL CURVE CONCAVE TO THE SOUTHWEST, SAID CURVE HAVING A CENTRAL ANGLE OF 33 DEGREES 23' 46", A RADIUS OF 330.00 FEET FOR AN ARC LENGTH OF 192.35 FEET (THE CHORD OF SAID CURVE BEARS N 58 DEGREES 14' 23" W, 189.64 FEET) TO THE POINT OF BEGINNING. TOGETHER WITH A PRIVATE INGRESS, EGRESS AND UTILITY EASEMENT DESCRIBED AS FOLLOWS: A PRIVATE EASEMENT FOR INGRESS, EGRESS AND UTILITIES OVER, UNDER AND ACROSS THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 23, TOWNSHIP 13 SOUTH, RANGE 68 WEST, EL PASO COUNTY, COLORADO DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 23, MONUMENTED AT EACH END WITH A 2 ½" U.S.G.L.O. BRASS CAP. SAID LINE IS ASSUMED TO BEAR S 87 DEGREES 19 MINUTES 05 SECONDS E.

COMMENCING AT THE SOUTH QUARTER CORNER OF SAID SECTION 23; THENCE N 58 DEGREES 127 MINUTES 11 SECONDS E, 410.42 FEET TO THE MOST SOUTHERLY CORNER OF A PARCEL OF LAND RECORDED IN BOOK 2351 AT PAGE 835, SAID POINT BEING THE POINT OF BEGINNING OF THE EASEMENT TO BE DESCRIBED; THENCE N 80 DEGREES 37 MINUTES 08 SECONDS W ALONG THE SOUTHERLY LINE OF SAID PARCEL 46.20 FEET TO THE EASTERLY RIGHT OF WAY LINE OF SEVERY AVENUE; THENCE SOUTHWESTERLY ALONG SAID RIGHT OF WAY LINE, ALONG A NON-TANGENTIAL CURVE CONCAVE TO THE WEST, SAID CURVE HAVING A CENTRAL ANGLE OF 48 DEGREES 35 MINUTES 25 SECONDS, A RADIUS OF 80.00 FEET FOR AN ARC LENGTH OF 67.84 FEET (THE CHORD OF SAID CURVE BEARS S 33 DEGREES 40 MINUTES 35 SECONDS W, 65.83 FEET) TO THE NORTHERLY LINE OF A PARCEL DESCRIBED IN BOOK 6295 AT PAGE 936; THENCE S 80 DEGREES 37 MINUTES 08 SECONDS E, ALONG SAID NORTHERLY LINE, 42.63 FEET; THENCE SOUTHEASTERLY ALONG A TANGENTIAL CURVE CONCAVE TO THE SOUTHWEST, SAID CURVE HAVING A CENTRAL ANGLE OF 32 DEGREES 54 MINUTES 54 SECONDS, A RADIUS OF 270.00 FEET FOR AN ARC LENGTH OF 155.11 FEET; THENCE N 42 DEGREES 50 MINUTES 31 SECONDS E ALONG A RADIAL LINE, 60.26 FEET; THENCE NORTHWESTERLY ALONG ANON-TANGENTIAL CURVE CONCAVE TO THE SOUTHWEST, SAID CURVE HAVING A CENTRAL ANGLE OF 27 DEGREES 46 MINUTES 47 SECONDS, A RADIUS OF 330.00 FEET FOR AN ARC LENGTH OF 160.00 FEET (THE CHORD OF SAID CURVE BEARS N 61 DEGREES 02 MINUTES 53 SECONDS W, 158.44 FEET) TO THE POINT OF BEGINNING; ALL THAT PORTION OF THE SOUTHWEST QUARTER AND THE SOUTH HALF OF THE NORTHWEST QUARTER LYING EASTERLY OF PYRAMID MOUNTAIN ROAD, LYING EASTERLY AND NORTHERLY OF THOSE TRACTS OF LAND IN BOOK 6779 AT PAGE 326 AND IN BOOK 5443 AT PAGE 1350, LYING SOUTHERLY OF THAT TRACT OF LAND IN BOOK 3924 AT PAGE 430 AND NORTHERLY AND EASTERLY OF THAT TRACT OF LAND IN BOOK 6845 AT PAGE 1020, IN SECTION 23, TOWNSHIP 13 SOUTH, RANGE 68 WEST OF THE 6TH P.M., EL PASO COUNTY, COLORADO.

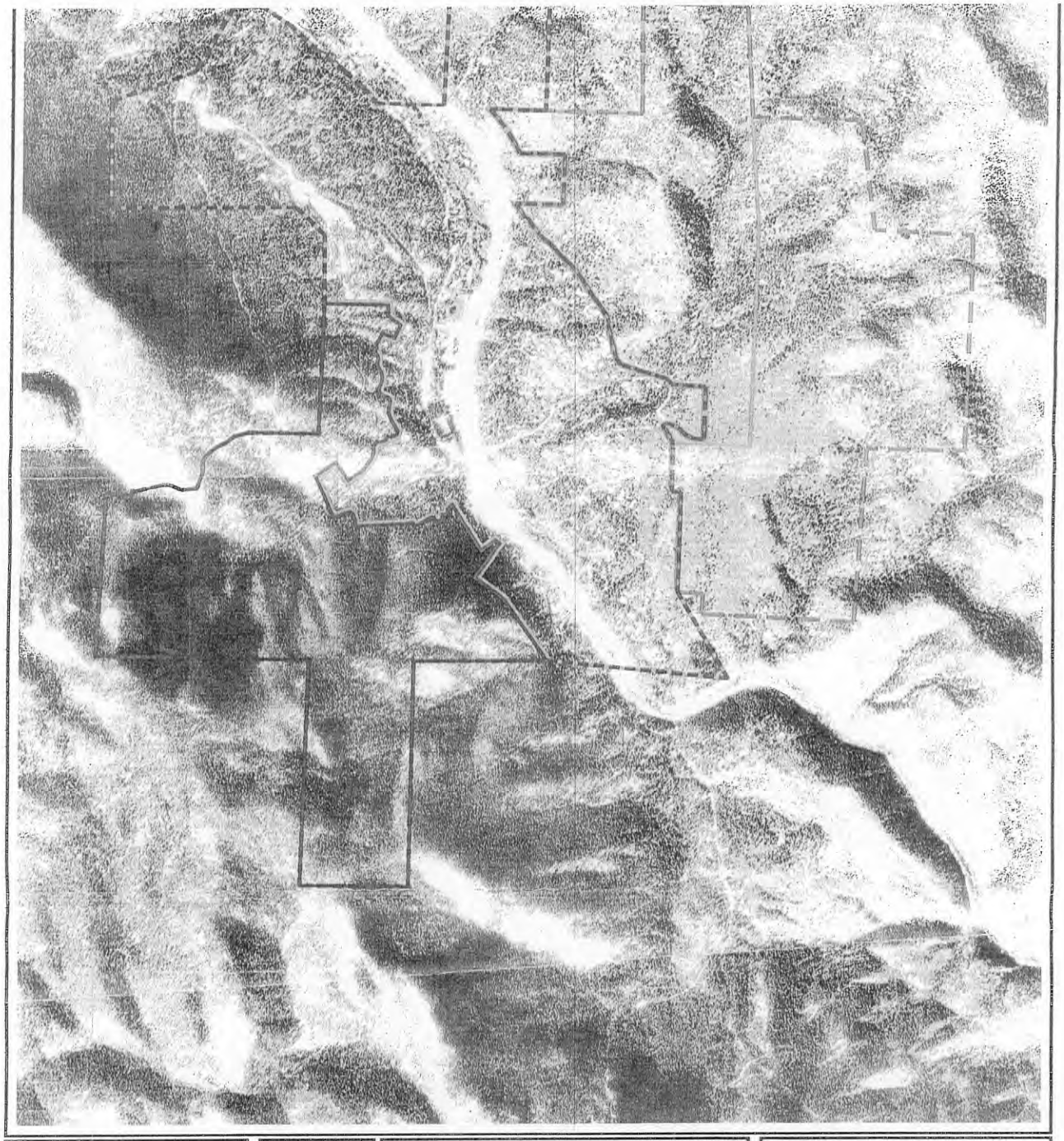
PARCEL 2 THAT PORTION OF THE WEST HALF OF SECTION 23, TOWNSHIP 13 SOUTH, RANGE 68 WEST OF THE 6TH P.M., EL PASO COUNTY, COLORADO LYING SOUTHWESTERLY OF PYRAMID MOUNTAIN ROAD, NORTHERLY OF THAT TRACT OF LAND IN BOOK 6471 AT PAGE 726 AND EASTERLY OF THOSE TRACTS OF LAND IN BOOK 5958 AT PAGE 1192 AND IN BOOK 6779 AT PAGE 336.

PARCEL 3 THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 23, TOWNSHIP 13 SOUTH, RANGE 68 WEST OF THE 6TH P.M., EL PASO COUNTY, COLORADO, DESCRIBED AS FOLLOWS: COMMENCING AT 3 ½" ALUMINUM CAP MONUMENT STAMPED GCS LS #18238 (BELIEVED TO BE THE EAST 1/16TH CORNER OF SW ¼ OF SAID SECTION 23), GO N 81 DEGREES 12 MINUTES 29 SECONDS W, 40.24 FEET TO CENTER LINE OF 20' WIDE UTILITY EASEMENT RIGHT OF WAY; THENCE N 58 DEGREES 56 MINUTES 02 SECONDS E 118.92 FEET; THENCE N 53 DEGREES 58 MINUTES 11 SECONDS E, 98.72 FEET; THENCE N 59 DEGREES 20 MINUTES 48 SECONDS E, 236.78 FEET TO POINT OF INTERSECTION WITH A FENCED TRACT OF LAND CONTAINING A WATER STORAGE TANK, WHICH IS POINT OF BEGINNING; THENCE FOLLOW SAID WESTERLY LINE OF SAID WATER TANK PARCEL N 10 DEGREES 31 MINUTES 38 SECONDS E, 13.28 FEET TO INTERSECTION WITH NORTHERLY LINE OF 20' WIDE INFLOW EASEMENT, CONTINUING N 10 DEGREES 31 MINUTES 38 SECONDS E 72.52 FEET TO NORTHWESTERLY CORNER OF WATER TANK PARCEL, POINT BEING A #4 REBAR CAP GCS LS #18238; THENCE S 82 DEGREES 38 MINUTES 54 SECONDS E, 107.02 FEET TO NORTHEASTERLY CORNER

OF WATER TANK PARCEL, AT A #4 REBAR CAP CGS LS #18238; THENCE S 06 DEGREES 10 MINUTES 26 SECONDS E, 120.19 FEET TO AN ANGLE POINT IN TANK PARCEL, SAID POINT A #5 REBAR CAP RMG ENG. PLS #23897; THENCE S 28 DEGREES 38 MINUTES 33 SECONDS W, 100.99 FEET TO SOUTHEASTERLY CORNER OF TANK PARCEL POINT BEING #4 REBAR CAP CGS LS #18238, POINT BEING ON EASTERLY LINE OF 20' WIDE OUTFLOW EASEMENT; THENCE ALONG SOUTHERLY LINE OF TANK PARCEL, N 77 DEGREES 47 MINUTES 21 SECONDS W, 110.05 FEET TO SOUTHWESTERLY CORNER OF WATER TANK PARCEL, THIS POINT A #4 REBAR CAP STAMPED LS #5814; THENCE N 10 DEGREES 31 MINUTES 38 SECONDS E, 102.87 FEET TO INTERSECTION WITH SOUTHERLY LINE OF 20' WIDE INFLOW EASEMENT; THENCE N 10 DEGREES 31 MINUTES 38 SECONDS E. 13.28 FEET BACK TO POINT OF BEGINNING.

EXHIBIT B

MAPS AND AERIALS OF DISTRICTS



DISTRICT #1 SERVICE AREA
DISTRICT #1 BOUNDARY
DISTRICT #2 SERVICE AREA
DISTRICT #2 BOUNDARY
EXISTING CUSTOMER SERVICE AREA

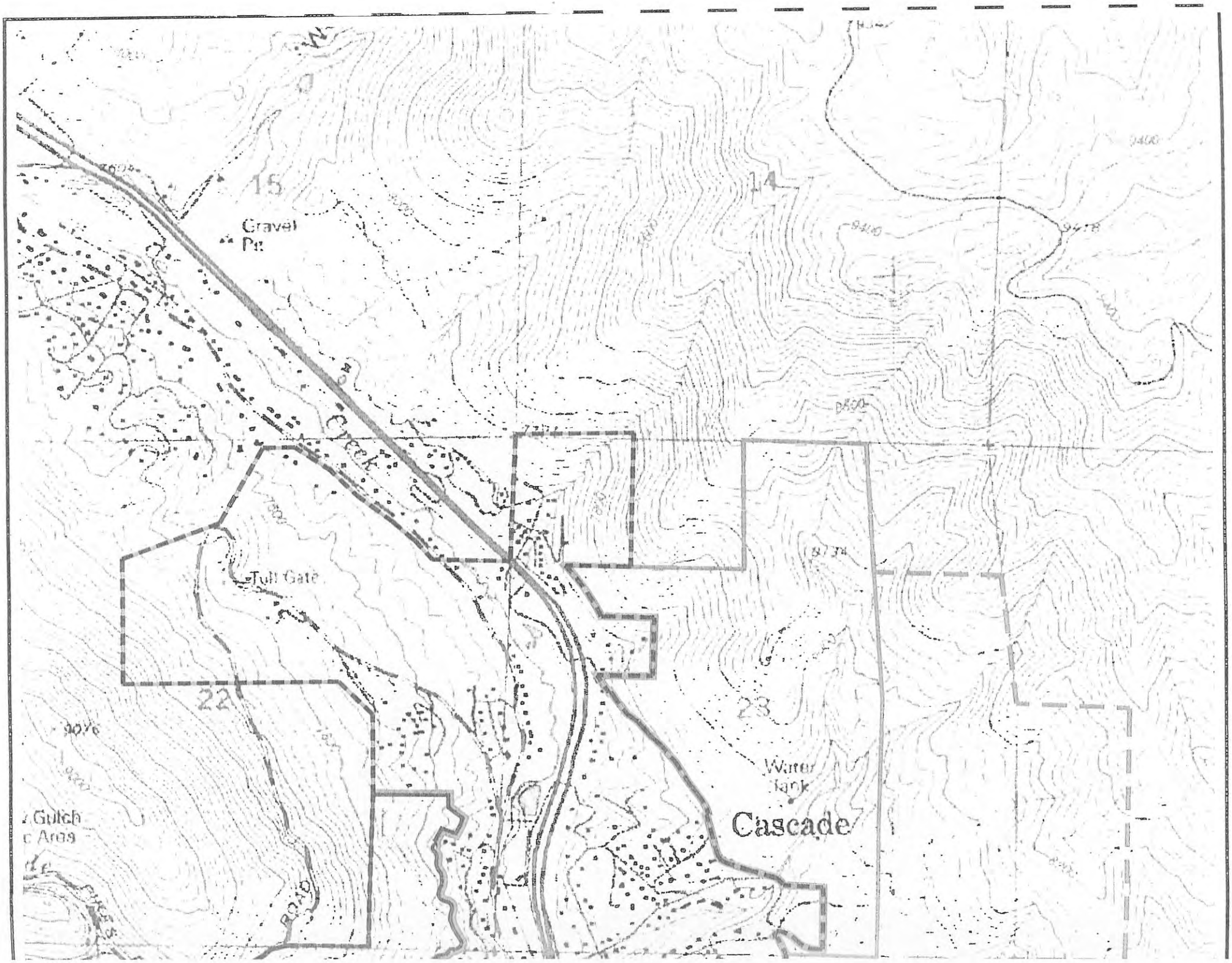
Revisions:
Check: JPM
Drawn: RMM
Design: RMM
Date: 04/07/04
Scale: 1:1200
Project No.: 127.01

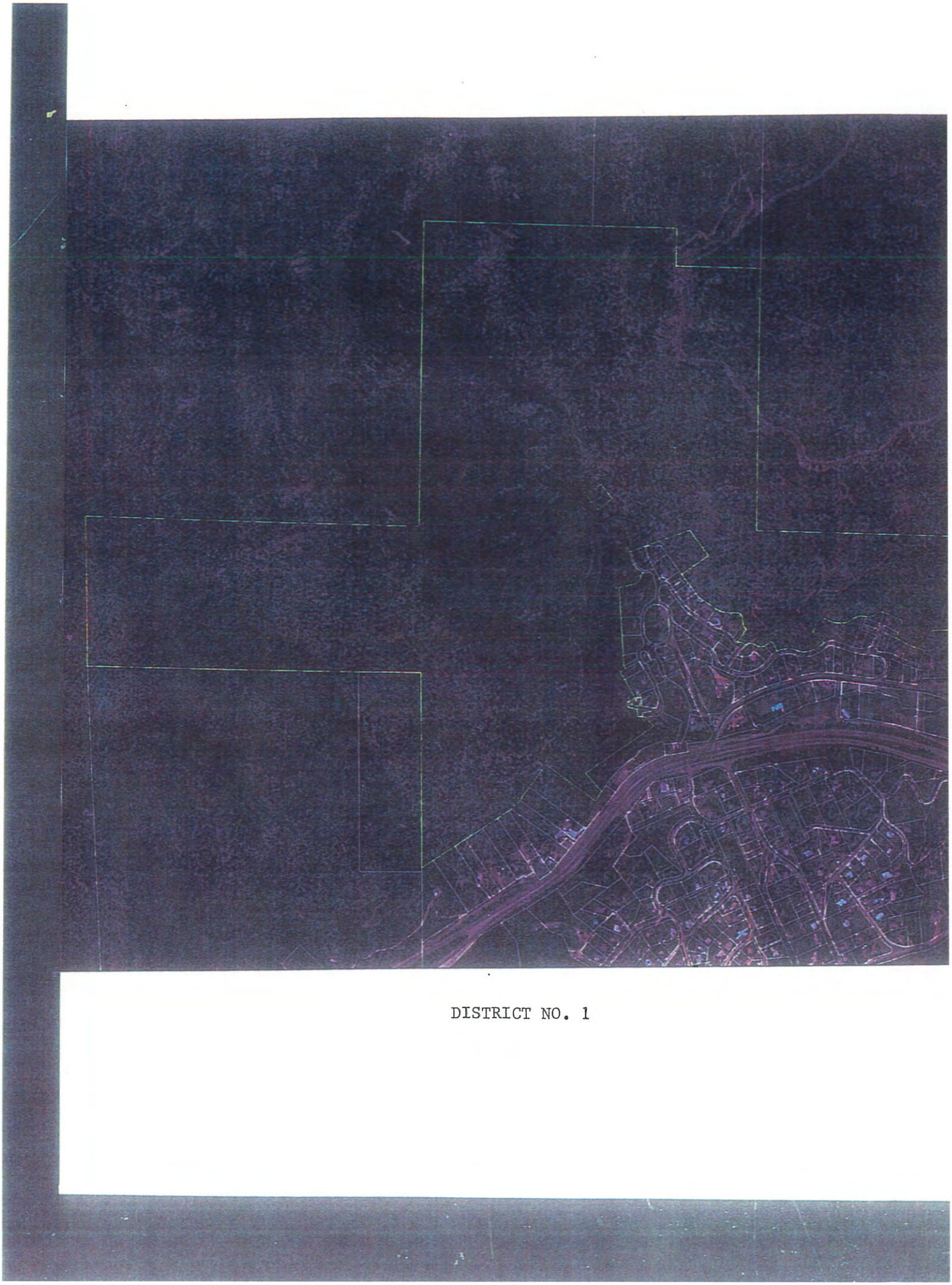
CASCADE WATER SYSTEM
DISTRICT BOUNDARIES

N

SCALE: 1" = 1200'

CONSULTANTS, INC.
545 East Pikes Peak Ave. Suite 300
Colorado Springs, Colorado 80903
(719) 227-0072


15
14
Gravel
Pit
Creek
Toll Gate
22
23
Water
tank
Cascade
Gulch
c Area
Road



DISTRICT NO. 1

DISTRICT NO. 2

EXHIBIT C

MAP OF DISTRICT BOUNDARIES AND SERVICE AREAS

INDICATES NON-MOTORIZED TRAIL
U.S. HWY 24
212.780 Ac. +/-
(3.552 Ac. +/-)
(10.702 Ac +/-)
(254 Ac +/-)
305 Ac +/-
(41.262 Ac +/-)
SECTION 27
T13S, R8W
SECTION 26
T13S, R8W

EXHIBIT D

GRANT/LOAN LETTERS AND INFORMATION

STATE OF COLORADO

DEPARTMENT OF LOCAL AFFAIRS
1313 Sherman Street, Suite 521
Denver, Colorado 80203
Phone: (303) 866-2771
FAX: (303) 866-4819
TDD: (303) 866-5300

Bill Owens
Governor

Michael L. Beasley
Executive Director

Terry Malcolm
Cascade Public Service Company
454 East Pikes Peak Ave., Suite 207
Colorado Springs, CO 80903

Dear Mr. Malcolm:

Mr. Geoff Withers, formerly of our staff, asked that I send you a brief letter concerning the funding benefits which local governments enjoy.

As you may know, one significant benefit of forming a special district under title 32 of the state statutes is the ability to access funding programs administered by the state. Most funding programs that the state uses to support the construction of local public facilities are not available to water systems that do not operate under a local government. Some of these are grant programs and others are loan programs, with interest rates that can be below 4%. If you would like to see a listing of programs that we work with in funding local infrastructure, you can find it on our website at:
http://www.dola.state.co.us/LGS/TA/Utility/Documents/Available-Financial-Assistance.pdf .

Also, our regional manager for El Paso County, Clay Brown, can assist with guidance on the formation, effective management, and funding of local governments. If you would like assistance in contacting Mr. Brown, or if I can provide other information, please do not hesitate to contact me at 303-866-2352.

Sincerely,

Barry Cress
Division of Local Government

Cc: Geoff Withers
Clay Brown

Policy Research Associates

Counties
Municipalities
Special Districts
Ballot Issues
Tax and Fiscal Matters
Community Development
Intergovernmental Relations

April 1, 2004

Mr. P.J. Anderson
545 East Pikes Peak Ave., Suite 207
Colorado Springs, CO 80904

Dear Mr. Anderson:

I have inquired of the staff at the Department of Local Affairs (DoLA) as to the efficacy of an Energy Impact Assistance (EIA) loan and grant combination to the proposed Cascade Metropolitan District, and have received a positive response. A loan can be used as part of the 50% match requirement for a grant, so a $1.5M project could qualify for a $750,000 loan and as much as a $750,000 grant for financing.

The EIA program is very competitive, and a commitment of those funds cannot be made until (a) a district is in place, (b) a very specific project is ready to go into the design and construction phases, and (c) an application is made to the EIA program, received by DoLA staff and their Advisory Committee, and an award letter is received from DoLA. The earliest that this could occur is next winter, which could be in time for the spring 2005 construction season. The application deadline is December 1.

Sincerely,

Geoff Withers

8857 N. Awl Rd., Parker, CO 80138
303-882-0692

DRINKING WATER REVOLVING FUND
ELIGIBILITY PROCESS

The Safe Drinking Water Act (SDWA) Amendments of 1996 established the Drinking Water State Revolving Fund Program to finance the cost of infrastructure needed to achieve or maintain compliance with public health objectives of the Act. Senate Bill 19 of 1995 created the Drinking Water Revolving Fund ("DWRF") within the Colorado Water Resources and Power Development Authority (the "Authority") and designated the Authority as the administrator. The Water Quality Control Division (the "WQCD") and the Division of Local Government (the "DLG") are partners with the Authority in operating this program. Under the DWRF, low-interest loans, up to $15 million per borrower, are made to local governments for eligible drinking water projects.

ELIGIBLE PROJECTS:

- Public water system projects that address present and/or future SDWA compliance and aging infrastructure, including: treatment plants, pipelines, wells, pump stations and treated storage.

INELIGIBLE PROJECTS:

- Dams/reservoirs, water rights, water meters and projects primarily for growth or fire protection.

PROCESS:

- The Colorado Board of Health (the "BOH") adopts an annual intended use plan ("IUP") which includes a project eligibility list for the DWRF. If a borrower's project is not on the current eligibility list, it must be identified in the IUP, which is adopted by the BOH in November of each year.

- Note: To view the current IUP and eligibility list click on BOH DWRF IUP, go to "Regulations" and look for "2000 DWRF IUP" and "DWRF Project Eligibility List."

- After the BOH receives comments and approves the project eligibility list, it is then included in a Joint Resolution submitted to the General Assembly by January 15 of each year. The Joint Resolution must be approved by the General Assembly and signed by the Governor by April 1 of each year.

- Once the project is on the eligibility list, the borrower may submit an application to WQCD. At that time the WQCD determines technical eligibility. The application is forwarded to the DLG and Authority to determine financial eligibility. NOTE: As of June 4th, 1996, prior to submitting an application to the Authority, governmental agencies, using 2000 acre-feet of water per year, must have an approved water conservation plan, as defined by section 37-60-126, C.R.S.

- DLG conducts a financial review and produces a credit report, which is then reviewed by the Authority and the WQCD.

- If approved by the three agencies, the borrower's credit report is then forwarded to the Authority's Project Finance Committee and (upon favorable recommendation) to the Board of Directors for approval.

- Once the Authority's Board of Directors approves a borrower's loan application, a loan agreement is negotiated and then executed. Loans greater than $500,000 (leveraged loans) are funded from bond proceeds and may require additional time. (Check "Funding Schedules" under "Latest News" for the

next bond issue.) Loans under $500,000 (direct loans) may be executed within three months from initial application.

EXHIBIT E

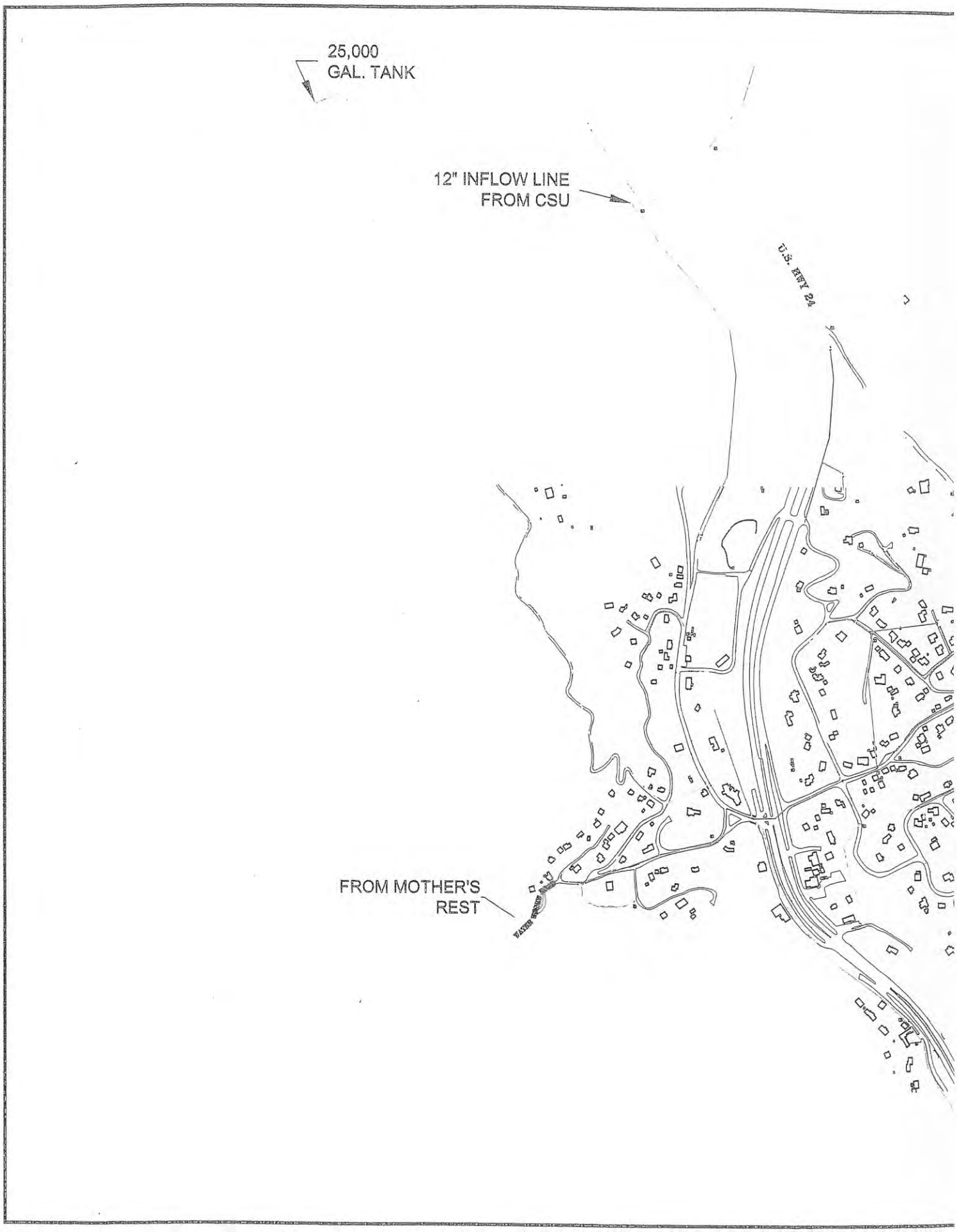
CPSC ASSETS

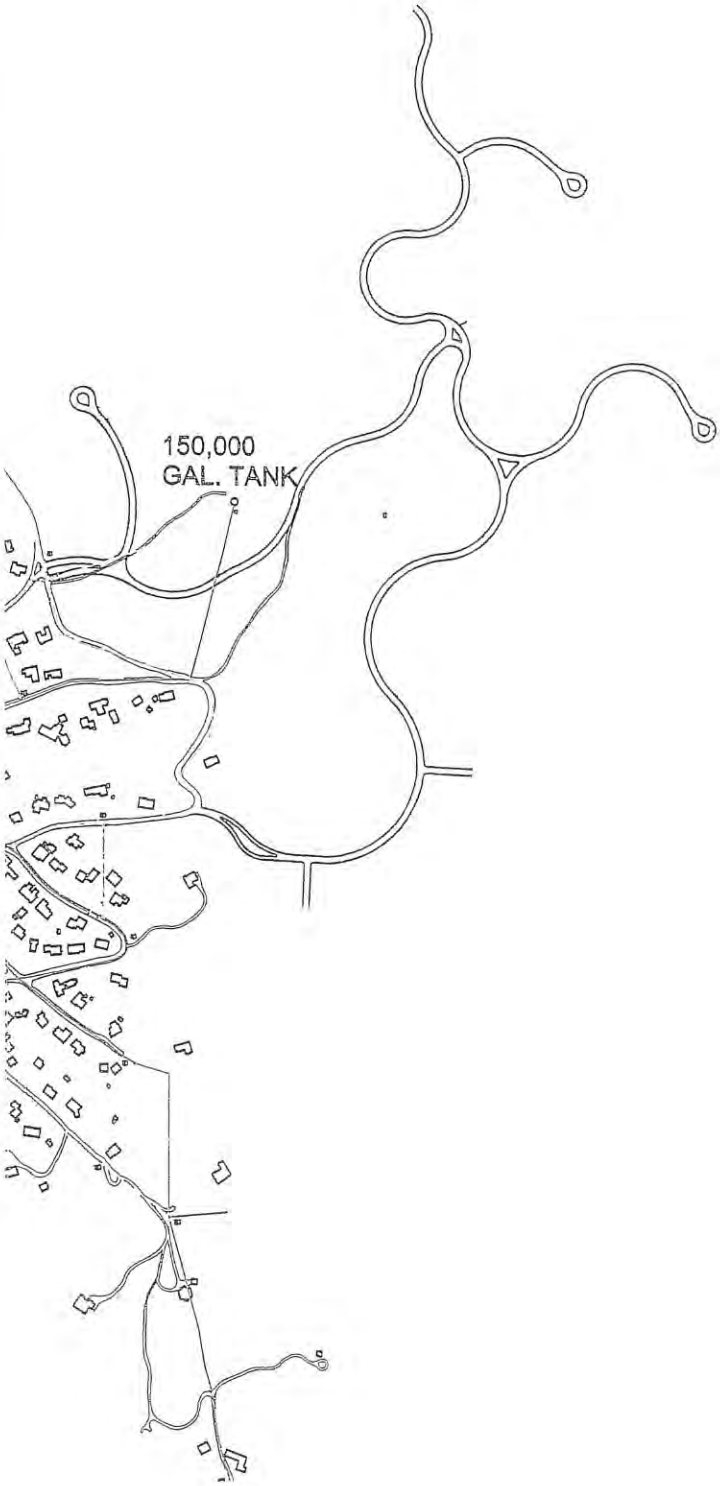
CASCADE PUBLIC SERVICE COMPANY

ASSET SCHEDULE
UNAUDITED
DECEMBER 31, 2002

CURRENT ASSETS:		
PETTY CASH	$ 100.00	
CASH IN BANK-CHECKING	11,212.70	
SAVINGS ACCOUT-PLR ESCROW	29,049.98	
ACCTS/REC., CUSTOMERS	23,863.11	
ACCTS/REC., CASCADE TOWN CO.	2,308.29	
INVENTORY	5,898.11	
TOTAL CURRENT ASSETS		$ 72,432.19
PROPERTY AND EQUIPMENT **		
STRUCTURES AND IMPROVEMENTS	$ 17,672.96	
STORAGE TANK CONTROL SYSTEM	1,872.38	
UTIL. PLANT, OUT OF SERVICE	24,195.82	
SUPPLY MAINS., VALVES, METERS	4,240.44	
TOOLS & SHOP EQUIPMENT	2,753.88	
ENGR. PLANT & DISTRIBUTION	280.00	
PIPELINE REPLACEMENTS	273,239.45	
PUMPING PLANT	2,165.08	
HYDRANTS & STANDPIPES	1,800.15	
OTHER EQUIPMENT	19,371.11	
OFFICE EQUIPMENT	6,659.63	
VEHICLES	14,000.00	
WATER TREATMENT EQUIPMENT	15,236.98	
DISTRIBUTION RESERVOIRS	17,276.00	
TRANSMISSION AND DISTRIBUTION	167,062.86	
SERVICE LINES	878.10	
METERS/BOXES/INSTALLATION	7,912.09	
PIPELINE SURVEYING	5,674.80	
TOTAL PROPERTY AND EQUIPMENT		$582,291.73
OTHER ASSETS:		
PREPAID INSURANCE	$2,749.73	
CURR. YEAR FEDERAL TAX EST.	1,599.00	
TOTAL OTHER ASSETS		$ 4,348.73
TOTAL ASSETS:		$659,072.65

** Accumulated depreciation not shown


25,000
GAL. TANK
12" INFLOW LINE
FROM CSU
U.S. RTE 24
FROM MOTHER'S
REST



N

0' 400' 800'

SCALE: 1" = 800'

2-IN WATER

4-IN WATER

6-IN WATER

HYDRANT

VALVE

CONSULTANTS, INC.
545 East Pikes Peak Ave. Suite 300
Colorado Springs, Colorado 80903
(719) 227-0072

FIGURE 2.
EXISTING CASCADE WATER SYSTEM
CASCADE WATER COMPANY

Project No.:	XXX
Scale:	1"=800'
Date:	4/16/04
Design:	SCB
Drawn:	SCB
Check:	JPM
Revisions:	

FIG. 2

Cascade-2000-jda.dwg (1:2) (11X17) (4/16/04)

EXHIBIT F

CAPITAL IMPROVEMENT PLAN

CASCADE WATER COMPANY

CAPITAL IMPROVEMENT PLAN

April, 2004

Prepared for:

Cascade Public Service Company
545 East Pikes Peak, Suite 207
Colorado Springs, CO 80903

Prepared by:

JDS-Hydro Consultants, Inc
545 East Pike's Peak, Suite 300
Colorado Springs, CO

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INTRODUCTION

SECTION 1 STUDY AREA, LAND USE & POPULATION
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Figure 1 – Study Area
1.2 Land Use
1.3 Population
1.4 Growth Potential

SECTION 2 PROJECTION OF WATER NEEDS
2.1 Analysis of Existing Water Demands
Table 1 – Existing Water Demands for the Cascade Public Service Company
2.2 Historical Water User Characteristics
2.3 Growth and Development
Table 2 – Future Water Demands for the Cascade Public Service Company

SECTION 3 EVALUATION OF EXISTING SYSTEM
3.1 Water Distribution System
Table 3 – Projected Costs for Upgrade and Replacements in Distribution System
Figure 2. Existing Cascade Water System
3.2 Water Quality and Treatment
3.3 Expansion of Service Area
3.4 Sufficiency of Water Rights

SECTION 4 SUMMARY OF ANTICIPATED IMPROVEMENTS

4.1 Summary of Anticipated Improvements
Table 4 – Summary of Costs

APPENDICES

Appendix A- Analysis of Existing Use and User Characteristics
Appendix B- Breakdown of Costs for 0.25 MGD Water Treatment Facility
Appendix C- Breakdown of Costs for Expansion Facilities

INTRODUCTION

The area of El Paso County known as Cascade is an unincorporated community along Colorado State Highway 24 that is a mix of residential and tourist related commercial business. The area is served potable water through the Cascade Public Service Company. The Company owns and operates potable storage, pumping, and distribution facilities to serve the customer base. Current source of supply is a direct connection to the Colorado Springs Utilities system which supplies treated bulk water. The Water Company has a substantial asset in the form of senior water rights on Fountain Creek which are currently held by CSU as collateral to secure payment for treated water delivery.

Under consideration is the conversion of the private water company to a quasi-municipal agency for the purpose of transferring ownership of the system from private to public ownership. This would create the opportunity to upgrade and expand the system for the purpose of creating greater local control and better water supply.

This report presents the results of an analysis of the water system, current deficiencies, needed upgrades and considers the potential for the water system to rely on its own water rights; treat and deliver that water, thus terminating the bulk water agreement with CSU.

SECTION 1 STUDY AREA, LAND USE & POPULATION

1.1 *Study Area*: The areas studied include the lands shown on the attached drawing entitled Figure 1. Figure 1 also shows the proposed District service areas. The overall area includes roughly 1200 acres.

1.2 *Land Use:* Along Highway 24 are several tourism related commercial businesses. These include restaurants and a relatively large amusement park. Adjacent to the commercial strip are residential homes. Only one third of the study area is developed. Much of the study area is in relatively steep mountainous terrain and is suitable for large estate style residential lots or open space.

1.3 *Population:* The current residential population within the study area is approximately 839 persons. Current water tap count is approximately 350 single family equivalent taps (ET).

1.4 *Growth Potential:* Additional growth within the study area will be limited to the aforementioned estate style lots and minimal infill. Most of the undeveloped land is owned by a single land-owner who is in the process of developing the area as described. The primary growth areas will be on the north-east side of the highway.

Figure 1

SECTION 2 PROJECTION OF WATER NEEDS

2.1 *Analysis of Existing Water Demands:* Records of water use include the years 2002 and 2003, which are excellent test years for existing water use, since these years represent a very dry weather period and consequently result in substantial use. The basis for the use records are bulk meter readings taken at the CSU meter for the District. Appendix A is a spreadsheet analysis of existing use, and the corresponding system demand characteristics. Table 1 below is a summary of the existing system characteristics

Table 1
Existing Water Demands for the Cascade Public Service Company

Use Characteristic	Demand
Average Daily Demand	96,930 gallons/day
Maximum Daily Demand	177,425 gallons/day
Peak Hourly Demand	182 gallons/minute
Total Approximate Capita	839 persons
Total Number of Equivalent Taps	350 Equiv. Taps (ET)
Average Daily Use per ET	277 gallons/ET
Total Annual Water Requirement *	119 Acre-Feet

* Total Annual Water requirements includes a 10% safety factor

2.2 *Historical Water User Characteristics:* The above Table 1, outlines the water demands and user characteristics within the existing water system. The basis for this analysis is included as Appendix A. There have been upgrades and replacements in the distribution system in late 2002 and 2003 which appear to have significant impacts on the overall use of the system. A 11 % decrease was experienced from 2002 to 2003 and an additional decrease of 6 % appears in the partial year analysis for 2004. These substantial decreases are not a function of number of users. Additionally, weather comparison does not indicate a

substantial change in potential watering situations. We believe that the upgrade and replacement of lines has had significant impact on losses and use. Additionally there is a reduction in the amount of water used to prevent freezing. (In the past, the operator has allowed water to run throughout winter periods because of fear of freezing due to inadequate line depth).

Section 3.1 is a discussion of the water distribution system and further discusses areas within the distribution system that potentially require some upgrade. Section 3.1 also outlines an approach to resolving problems within the distribution system which are expected to reduce maintenance due to line breaks but also reduce line losses to the extent that user characteristics may be affected. It is very evident from the recent flow data that the unit use characteristics are decreasing with time and repairs.

2.3 *Growth and Development:* Although most of the existing areas served are somewhat developed, it is anticipated that some growth will occur in the higher areas away from Highway 24. Discussions with the developer anticipate that approximately 80 estate style lots will be developed in the upcoming 5 to 10 years. Additionally some infill is expected to occur within the system.

Based on anticipated development and some infill, planning for an additional 100 residential lots within the study area is being projected.

By extrapolating existing user characteristics, we can project the following ultimate water needs for planning purposes:

Table 2
Future Water Demands for the Cascade Water Company

Use Characteristic	Demand
Average Daily Demand	124,625gallons/day
Maximum Daily Demand	206,877 gallons/day
Peak Hourly Demand	215 gallons/minute
Total Approximate Capita	1080 persons
Total Number of Equivalent Taps	450 Equiv. Taps (ET)
Average Daily Use per ET	277 gallons/ET
Total Annual Water Requirement *	140 Acre-Feet

* Total Annual Water requirements includes a 10% safety factor

SECTION 3 EVALUATION OF EXISTING SYSTEM AND PROPOSED UPGRADES

3.1 *Water Distribution System:* The Cascade system consists of roughly 10 miles of pipeline. Pressures within the system range from 30 psi up to 125 psi in some areas. Figure 2. is a map of the Existing Cascade Water System. Most of the system is older than 30 years and some parts are in excess of 60 years in age. All of the older pipe is metallic including cast iron and galvanized steel. Given the pressures and age of the system, there are some concerns with the older lines, especially the smaller diameter galvanized pipe. Over the last several years, the water company has replaced some lines as necessary.

These older lines also have accumulated some precipitates which have created water discoloration after breaks in older lines.

There are some deficiencies within the distribution system that should be further identified and prioritized for repairs or replacements using ultrasonic leak detection. Although we cannot predict if lines leak, where, and to what extent, we suggest the following approach to repair and replacement.

1. Categorize the lines in terms of leakage potential. The operations staff has held meetings with an excavator familiar with the system and identified 10 areas of highest concern. Additionally, we have reviewed these areas and find similar concerns. Our concerns are based on three factors:

   - *Pipe material-* In our opinion, the galvanized pipe is most suspect material.
   - *Pressure-* The farther south and lower in elevation, the lines are subject to greater pressures. Obviously the greater the pressure in the water lines, the greater the chance for problems and/or leakage.
   - *Long service lines.* In many cases, the company suffers potential leakage because individual water meters are at the end of long services lines, near the point of use. Any problems would not result in water billings that would encourage a user to correct service line leakage. Some long suspect service lines should be converted to mains for maintenance by the Company. Likewise there are some situations that the individual meters should be relocating closer to the property line.

2. Once a priority list is established, an ultrasonic testing agency should be employed to perform leak detection in these areas and help refine the location and nature of leakage.

Table 3. is a suggested budget for upgrade and replacement of the existing water distribution system.

Figure 2,

Table 3.
Projected Costs for Upgrade and Replacements in Distribution System

Item	*Budget*
Ultrasonic Leak Detection	$4,000
Conversion of Service Lines/Meter Relocation	$75,000
Line Replacement/Repair	$ 234,000
TOTAL DISTRIBUTION UPGRADE BUDGET	***$315,300***

3.2 *Water Quality and Treatment:* The Cascade system includes no treatment as all treatment is currently provided by Colorado Springs Utilities. However, the desire is to utilize Cascade's existing water rights, and provide treatment within the Cascade system.

The existing Cascade water rights are located on the Fountain Creek Tributary west of the Cascade area. This water source was used for many years prior to connection to CSU in 1990. Background water quality is excellent except for the potential for elevated fluoride levels. Water treatment will be primarily focused on the reduction of the fluoride levels.

Treatment is expected to include sedimentation, standard filtration, and disinfection using sodium hypochlorite. Reverse Osmosis is expected to be utilized for partial flow treatment for fluoride levels. It is desired that fluoride levels be reduced to less than 2.0 mg/l, but further reduction is unnecessary. Water treatment plant sizing will be 0.250 MGD to provide for existing needs and ultimate buildout within the service area.

It is expected that the cost of conversion of source of supply from CSU to the local supply with treatment will be roughly $695,000. Appendix B is a breakdown of those anticipated costs.

3.3 *Expansion of Service Area:* As discussed in Section 2.3, additional growth is expected on the upper slopes east and west of the existing Cascade system. A sketch plan of the growth area and conceptual layout of expected facilities is included as Appendix C. Gains in elevation are substantial and will require two

pressure zones to provide adequate service. Two small pumping facilities will be required.

A small pumping unit will be constructed at the existing 150,000 gallon water tank. This unit will include two 10 Hp pumps which will alternate in use. The pumping units will be high head units and will serve elevations of up to approximately 8040. The second unit will be located at some point at an approximate elevation of 8040 to 8100. This unit will require very small underground equalizing storage. The pumping facility will include two 7.5 Hp pumps to feed the uppermost pressure zone which will include homes of up to 8300 feet in elevation. A second ground storage tank will be added at an elevation of 8400 at some point consistent with final planning of the growth area.

Distribution piping will be necessary along roadways as platted for the development. Appendix D is a breakdown of the associated costs with expanding the service area. However, this estimate does not include distribution piping associated with the development. Total costs for pumping and storage facilities for the growth area is $276,000.

3.4 *Sufficiency of Water Rights:* The water rights owned by the Cascade Water Company and presently held by the City of Colorado Springs are: Priority No. 2 originally decreed February 15, 1882 in District Court, El Paso County, with an appropriation date of March 20, 1861 with an interest of .3533 cfs; Priority No. 33 decreed February 5, 1882 with an interest of 1.7 cfs; and a contractual water right from City of Colorado Springs of 0.4 cfs. The point of diversion for Cascade Water Company's water rights is at Mother's Rest in Cascade Canyon with an alternate point of diversion higher on the stream, at the City of Colorado Springs Lincoln Ditch Diversion. The quantity of water available in Cascade Creek by reason of the forgoing water rights is substantially in excess of the needs of the current and future customers of the Cascade Water Company.

SECTION 4 SUMMARY OF ANITICIPATED IMPROVEMENTS

3.1 *Improvements:* Improvements within the water system fall under three general categories. First upgrades within the existing distribution system; second conversion of the Cascade system to dependency on its own water right; and third, expansion of the system to serve additional lands.

A summary of those costs is as follows:

Table 4.
Summary of Costs

1. Upgrades to Existing System	$315,300
2. Conversion to Cascade water Source (Treatment Facilities)	$695,000
3. Expansion of Service Area	$276,000
Total	**$1,286,300**

Appendix

Appendix A. Cascade Water System
User Characteristic Analysis

Year	Month	Gallons	2002 Average Gal/Day	2003 Average Gal/Day	Percent 2003/2002	2004 Average Gal/Day	Percent 2004/2003
2002	January	2864250	92395	87090	94%	78906	0.91
	February	2611200	93257	85530	92%	76940	0.90
	March	2946719	95055	85874	90%	87311	1.02
	April	2747740	91591	86039	94%		
	May	3682655	118795	106481	90%		
	June	4452361	148412	105432	71%		
	July	4439460	143208	139050	97%		
	August	3860212	124523	96517	78%		
	September	3422500	114083	99734	87%		
	October	2910564	93889	98735	105%		
	November	2761149	92038	85819	93%		
	December	2971570	95857	86865	91%		
	Average 2002	**39670380**	**108686**	**96930**	**89%**		**94%**
2003	January	2699804	87090				
	February	2394851	85530				
	March	2662086	85874				
	April	2581179	86039				
	May	3300898	106481				
	June	3162947	105432				
	July	4310548	139050				
	August	2992013	96517				
	September	2992013	99734				
	October	3060798	98735				
	November	2574557	85819				
	December	2692808	86865				
	Average 2003		**96930**				
2004	January	2446074	78906				
	February	2154327	76940				
	March	2706636	87311				
	April						

User Characteristics

2003 Average Daily Flow **96,930 gal/day**

Highest Days

6-Jul-03	167271
4-Jul-02	176919
30-Jun-02	180750

Maximum Daily Flow **174,980 gal/day**

MDF/ADF **1.81**

Peak Hourly Flow * **182 gal/min**

* Assumes 1.5 PHU/MDD ratio

Average Flow/Tap **276.94** **gal/day-tap**

Annual Water Need * **119** **Acre Feet**
* includes 10% safety factor

Projections

	Total Taps	Average Daily Flow	Maximum Daily Flow	Peak Hour
plus 50	400	110,778	183,891	192
plus 100	450	124,625	206,877	215
plus 150	500	138,472	229,864	239

Appendix B. Preliminary Cost Estimate
Client: Cascade Water Company
Project: 0.25 MGD Water Plant w/Flouride Treatment

	ITEM	UNIT	QUANTITY	UNIT COST	ITEM TOTAL
Intake System					
1	Excavation	LF	1	$3,500.00	$3,500
2	Concrete	CY	55	$600.00	$33,000
3	Misc Piping	LS	1	$2,500.00	$2,500
4	Misc Metals	LS	1	$5,000.00	$5,000
5	Intake Structure	LS	1	$7,500.00	$7,500
6	4 Inch Pipeline	LF	1,850	$15.00	$27,750
7	Unused	LS	0	$0.00	$0
8	Unused	LS	0	$0.00	$0
9	Unused	LS	0	$0.00	$0
	Subtotal				***$79,250***
Treatment Plant					
10	Excavation/Earthwork	LS	1	$5,000.00	$5,000
11	Superstructure 24' X 30'	SF	720	$190.00	$136,800
12	Tri-MiteTreatment Package	LS	1	$70,000.00	$70,000
13	Primary R-O Treatment Package	LS	1	$62,000.00	$62,000
14	Desalinization	LS	1	$40,000.00	$40,000
15	Electrical	LS	1	$40,000.00	$40,000
16	I/C	LS	1	$30,000.00	$30,000
17	Pumping	LS	1	$2,000.00	$2,000
18	Mechanical	LS	1	$7,500.00	$7,500
19	Misc Metals	LS	1	$5,000.00	$5,000
20	Chemical Feed Systems	LS	3	$5,000.00	$15,000
21	Unused	LS	0	$0.00	$0
22	Unused	LS	0	$0.00	$0
	Subtotal				***$413,300***
Disinfection/Waste					
23	24 Inch Pipe	LS	180	$90.00	$16,200
24	Pumping	LS	1	$7,500.00	$7,500
25	Brine Storage	CY	240	$200.00	$48,000
26	Unused	LS	0	$0.00	$0
27	Unused	LS	0	$0.00	$0
	Subtotal				***$71,700***
	CONSTRUCTION SUBTOTAL				***$564,250***
	CONSTRUCTION CONTINGENCY				***$56,425***
	CONSTRUCTION TOTAL				***$620,675***
	ADMIN., LEGAL, ENGR @ 12%				***$74,481***
	PROJECT TOTAL				***$695,156***

Since the Engineer has no control over the cost of labor, materials or equipment, or over the Contractor's method of determining prices, or over competitive bidding or market conditions, his opinions of probable construction cost provided for herein are made on the basis of his experience and qualifications. These opinions represent his best judgement as a design professional familiar with the construction industry. However, the Engineer cannot and does not guarantee that proposals, bids, or the construction cost will not vary from opinions of probable cost prepared by him.

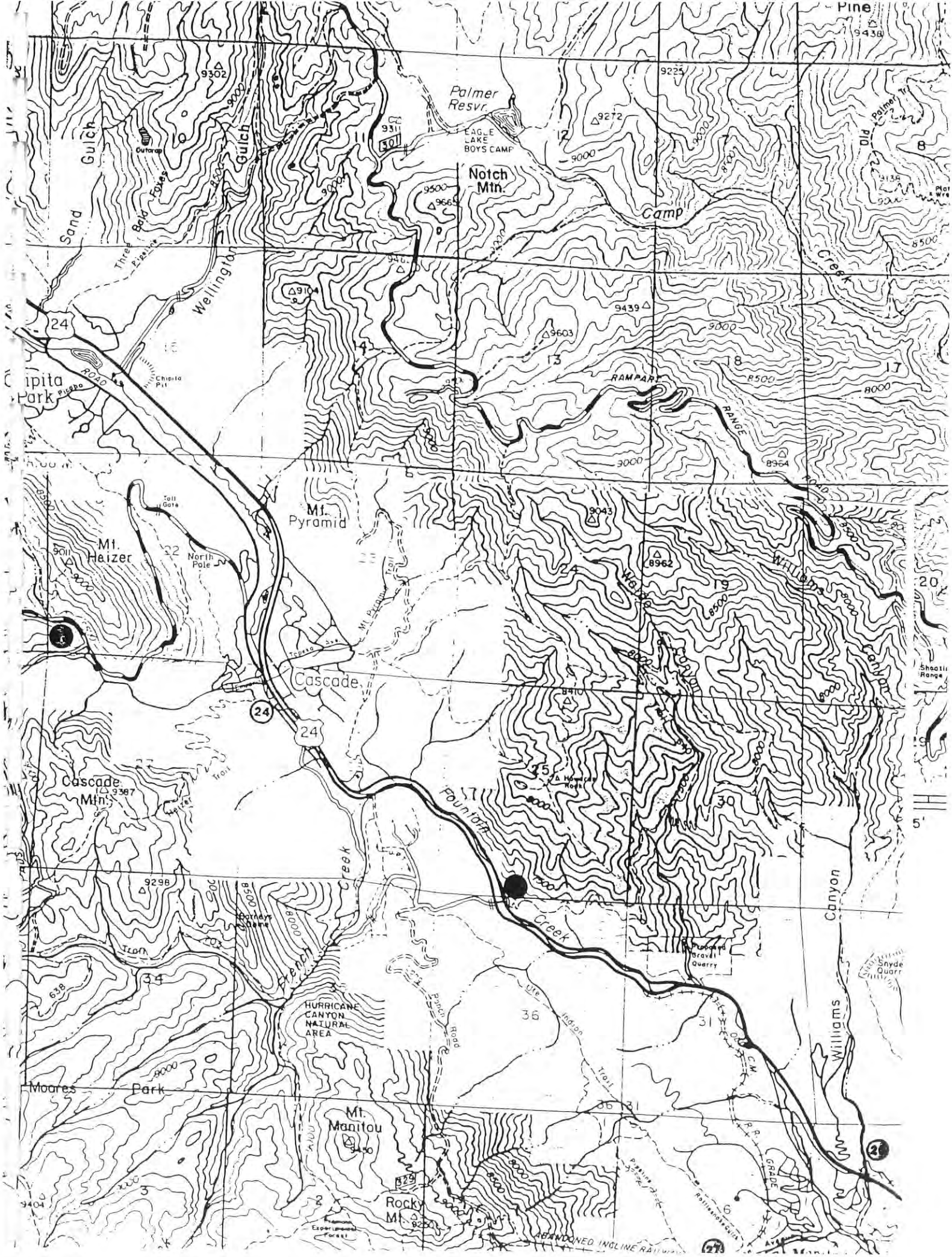
Appendix C. Preliminary Cost Estimate
Client: Cascade Water Company
Project: Upper Pressure System Transfer Units/Tank

	ITEM	UNIT	QUANTITY	UNIT COST	ITEM TOTAL
Pump System at Lower Tank					
1	Excavation	LF	1	$3,500.00	$3,500
2	Vault	LS	1	$23,000.00	$23,000
3	Pumping System (2 - 10 HP Units)	LS	1	$12,500.00	$12,500
4	Electrical	LS	1	$5,000.00	$5,000
5	SCADA	LS	1	$7,500.00	$7,500
6	Yard Piping	LS	1	$5,300.00	$5,300
7	Unused	LS	0	$0.00	$0
8	Unused	LS	0	$0.00	$0
	Subtotal				***$56,800***
Mid-Point Pump System					
9	Excavation	LF	1	$4,100.00	$4,100
10	Vault	LS	1	$21,000.00	$21,000
11	Pumping System (2 - 7.5 HP Units)	LS	1	$11,500.00	$11,500
12	Electrical	LS	1	$5,000.00	$5,000
13	SCADA	LS	1	$7,500.00	$7,500
14	Yard Piping	LS	1	$5,300.00	$5,300
15	Equalizing Tank	LS	1	$13,000.00	$13,000
16	Installation	LS	1	$5,200.00	$5,200
17	PRV Bypass System	LS	1	$5,800.00	$5,800
18	Unused	LS	0	$0.00	$0
19	Unused	LS	0	$0.00	$0
	Subtotal				***$78,400***
Upper Tank					
20	Yard Piping	LS	1	$7,500.00	$7,500
21	50,000 Gal tank	LS	1	$59,000.00	$59,000
22	SCADA	LS	1	$7,500.00	$7,500
23	Earthwork	LS	1	$15,000.00	$15,000
24	Unused	LS	0	$0.00	$0
25	Unused	LS	0	$0.00	$0
	Subtotal				***$89,000***
	CONSTRUCTION SUBTOTAL				***$224,200***
	CONSTRUCTION CONTINGENCY				***$22,420***
	CONSTRUCTION TOTAL				***$246,620***
	ADMIN., LEGAL, ENGR @ 12%				***$29,594***
	PROJECT TOTAL				***$276,214***

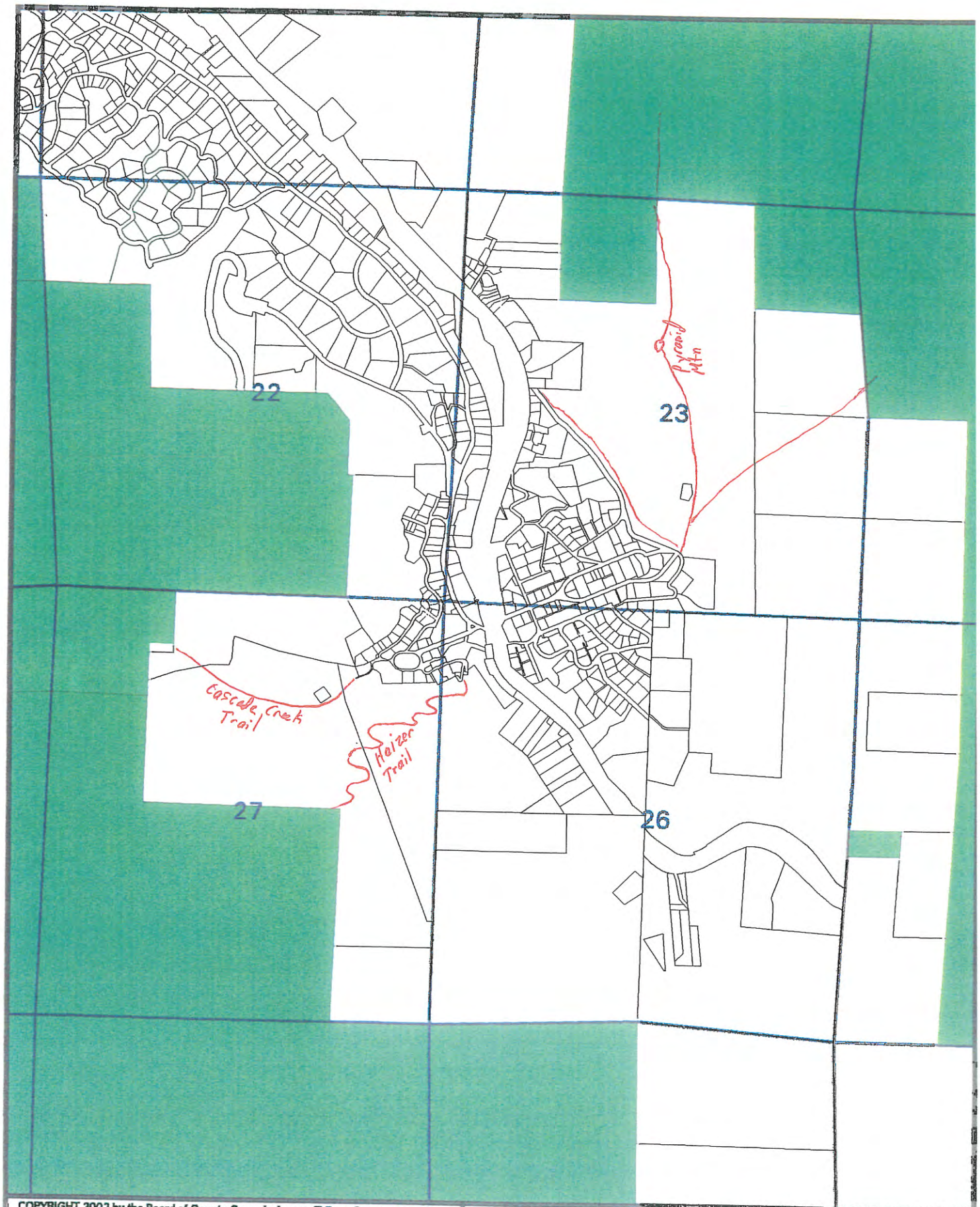
Since the Engineer has no control over the cost of labor, materials or equipment, or over the Contractor's method of determining prices, or over competitive bidding or market conditions, his opinions of probable construction cost provided for herein are made on the basis of his experience and qualifications. These opinions represent his best judgement as a design professional familiar with the construction industry. However, the Engineer cannot and does not guarantee that proposals, bids, or the construction cost will not vary from opinions of probable cost prepared by him.

EXHIBIT G

TRAILS



Pine
Palmer Resvr.
EAGLE LAKE BOYS CAMP
Notch Mtn.
Camp
Creek
Sand Gulch
Three Bald Foxes
Wellington Gulch
Outcrop
Chipita Park
Chipita Pit
RAMPART RANGE ROAD
Mt. Pyramid
Mt. Heizer
North Pole
Toll Gate
Cascade
Cascade Mtn.
Fountain Creek
French Creek
Williams Canyon
Proposed Gravel Quarry
Snyde Quarr
HURRICANE CANYON NATURAL AREA
Moores Park
Mt. Manitou
Rocky Mt.
ABANDONED INCLINE RAILWAY



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Scale: 1"=1600ft

DATE: March 31, 2004

asrpitrone NONAME

EXHIBIT H

WATER RIGHTS ANALYSIS

Total Yield to Cascade Town Water Rights (acre-feet)

er Year	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTAL
994		21.0	21.7	21.7	19.6	21.7	21.0	326.9	176.1	21.7	21.7	21.0	
995	21.7	21.0	21.7	21.7	19.6	21.7	21.0	296.4	497.1	375.2	69.7	26.3	1,413.3
996	21.7	21.0	21.7	21.7	20.3	21.7	21.0	21.7	21.0	87.7	36.2	53.5	369.3
997	21.7	21.0	21.7	21.7	19.6	21.7	21.0	391.5	458.1	131.0	111.6	26.5	1,267.3
998	21.7	21.0	21.7	21.7	19.6	21.7	52.7	380.9	86.1	34.8	110.6	32.9	825.4
999	21.7	21.0	21.7	21.7	19.6	21.7	44.2	496.9	328.1	61.5	339.3	47.2	1,444.8
00	21.7	21.0	21.7	21.7	20.3	21.7	82.1	183.0	32.1	21.7	21.7	21.0	490.0
01	21.7	21.0	21.7	21.7	19.6	21.7	21.0	77.8	21.0	21.7	21.7	21.0	311.8
02	21.7	21.0	21.7	21.7	19.6	21.7	21.0	21.7	21.0	21.7	21.7	21.0	255.8
03	21.7	21.0	21.7	21.7	19.6	21.7	21.0	21.7	21.0	21.7	21.7	20.3	255.1
ge:	21.7	21.0	21.7	21.7	19.8	21.7	32.6	221.8	166.2	79.9	77.6	29.1	737.0
um:	21.7	21.0	21.7	21.7	19.6	21.7	21.0	21.7	21.0	21.7	21.7	20.3	255.1
ium:	21.7	21.0	21.7	21.7	20.3	21.7	82.1	496.9	497.1	375.2	339.3	53.5	1,444.8

Ute Pass WTP Deliveries to Cascade Town (acre-feet)

Water Year	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTAL
1994		6.7	7.3	8.0	6.5	6.7	5.8	7.3	10.5	10.7	8.8	7.6	
1995	7.4	5.9	5.9	6.0	5.7	6.3	6.4	7.5	10.3	14.2	9.1	7.1	91.7
1996	7.5	6.3	7.3	6.7	6.4	6.2	5.4	8.7	8.0	8.4	7.8	6.2	84.7
1997	6.8	6.1	6.1	5.9	7.0	9.7	5.3	6.6	9.4	11.2	8.8	8.3	90.3
1998	8.1	7.5	7.1	6.9	5.8	8.7	6.6	10.9	11.1	11.3	9.4	9.9	103.3
1999	7.4	6.4	6.4	7.3	7.2	8.0	7.6	8.7	9.7	11.4	9.8	10.0	99.9
2000	8.1	8.9	8.4	7.9	6.5	6.4	6.1	10.1	11.5	14.6	13.6	9.0	111.0
2001	6.9	6.8	7.6	8.9	8.4	8.7	8.0	10.1	12.4	12.1	10.3	9.7	110.0
2002	8.9	8.5	9.1	8.8	8.0	9.0	8.4	11.3	13.7	13.6	11.8	10.5	121.8
2003	8.9	8.5	9.1	8.3	7.4	8.2	7.9	10.3	9.7	13.2	14.0	9.2	114.7
verage:	7.8	7.2	7.4	7.5	6.9	7.7	6.7	9.1	10.6	12.1	10.4	8.8	103.1
linimum:	6.8	5.9	5.9	5.9	5.7	6.2	5.3	6.6	8.0	8.4	7.8	6.2	84.7
laximum:	8.9	8.9	9.1	8.9	8.4	9.0	8.4	11.3	13.7	14.6	14.0	10.5	121.8

Yield in Excess of Town Demands (acre-feet)

Water Year	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTAL
1994		14.3	14.5	13.7	13.1	15.0	15.2	319.6	165.6	11.0	12.9	13.4	
1995	14.4	15.1	15.8	15.7	13.9	15.5	14.6	288.9	486.8	361.0	60.6	19.2	1,321.5
1996	14.2	14.8	14.4	15.0	13.9	15.6	15.6	13.0	13.0	79.3	28.4	47.3	284.6
1997	14.9	14.9	15.6	15.8	12.6	13.1	15.7	384.9	448.7	119.8	102.8	18.2	1,176.9
1998	13.6	13.5	14.6	14.8	13.8	13.0	46.1	370.0	75.0	23.4	101.2	22.9	722.1
1999	14.4	14.6	15.3	14.4	12.4	13.8	36.6	488.2	318.4	50.1	329.5	37.2	1,344.9
2000	13.6	12.1	13.3	13.8	13.8	15.4	76.1	172.9	20.5	7.2	8.2	12.0	378.9
2001	14.8	14.3	14.1	12.8	11.2	13.0	13.1	67.7	8.6	9.6	11.4	11.3	201.9
2002	12.8	12.5	12.6	12.9	11.6	12.7	12.6	10.4	7.4	8.1	9.9	10.5	134.0
2003	12.8	12.5	12.5	13.4	12.3	13.6	13.1	11.4	11.3	8.5	7.7	11.1	140.3
verage:	13.9	13.9	14.3	14.2	12.9	14.1	25.9	212.7	155.5	67.8	67.2	20.3	633.9
linimum:	12.8	12.1	12.6	12.8	11.2	12.7	12.6	10.4	7.4	7.2	7.7	10.5	134.0
laximum:	14.9	15.1	15.8	15.8	13.9	15.6	76.1	488.2	486.8	361.0	329.5	47.3	1,344.9

Source: Hydrosphere Resource Consultants, January 7, 2004; prepared for Cascade Town Company

EXHIBIT I

PROFILE OF GENERAL DEMOGRAPHIC CHARACTERISTICS

Table DP-1. Profile of General Demographic Characteristics: 2000

Geographic Area: Cascade-Chipita Park CDP, Colorado

[For information on confidentiality protection, nonsampling error, and definitions, see text]

Subject	Number	Percent
Total population	**1,709**	**100.0**
SEX AND AGE		
Male	884	51.7
Female	825	48.3
Under 5 years	66	3.9
5 to 9 years	100	5.9
10 to 14 years	146	8.5
15 to 19 years	128	7.5
20 to 24 years	43	2.5
25 to 34 years	157	9.2
35 to 44 years	316	18.5
45 to 54 years	376	22.0
55 to 59 years	104	6.1
60 to 64 years	75	4.4
65 to 74 years	122	7.1
75 to 84 years	68	4.0
85 years and over	8	0.5
Median age (years)	42.3	(X)
18 years and over	1,292	75.6
Male	647	37.9
Female	645	37.7
21 years and over	1,260	73.7
62 years and over	241	14.1
65 years and over	198	11.6
Male	101	5.9
Female	97	5.7
RACE		
One race	1,687	98.7
White	1,622	94.9
Black or African American	10	0.6
American Indian and Alaska Native	14	0.8
Asian	8	0.5
Asian Indian	-	-
Chinese	1	0.1
Filipino	3	0.2
Japanese	1	0.1
Korean	-	-
Vietnamese	3	0.2
Other Asian [1]	-	-
Native Hawaiian and Other Pacific Islander	2	0.1
Native Hawaiian	-	-
Guamanian or Chamorro	2	0.1
Samoan	-	-
Other Pacific Islander [2]	-	-
Some other race	31	1.8
Two or more races	22	1.3
Race alone or in combination with one or more other races: [3]		
White	1,643	96.1
Black or African American	11	0.6
American Indian and Alaska Native	29	1.7
Asian	8	0.5
Native Hawaiian and Other Pacific Islander	4	0.2
Some other race	36	2.1

Subject	Number	Percent
HISPANIC OR LATINO AND RACE		
Total population	**1,709**	**100.0**
Hispanic or Latino (of any race)	51	3.0
Mexican	30	1.8
Puerto Rican	5	0.3
Cuban	-	-
Other Hispanic or Latino	16	0.9
Not Hispanic or Latino	1,658	97.0
White alone	1,605	93.9
RELATIONSHIP		
Total population	**1,709**	**100.0**
In households	1,662	97.2
Householder	713	41.7
Spouse	405	23.7
Child	414	24.2
Own child under 18 years	349	20.4
Other relatives	36	2.1
Under 18 years	17	1.0
Nonrelatives	94	5.5
Unmarried partner	41	2.4
In group quarters	47	2.8
Institutionalized population	47	2.8
Noninstitutionalized population	-	-
HOUSEHOLD BY TYPE		
Total households	**713**	**100.0**
Family households (families)	479	67.2
With own children under 18 years	202	28.3
Married-couple family	405	56.8
With own children under 18 years	153	21.5
Female householder, no husband present	50	7.0
With own children under 18 years	31	4.3
Nonfamily households	234	32.8
Householder living alone	184	25.8
Householder 65 years and over	48	6.7
Households with individuals under 18 years	214	30.0
Households with individuals 65 years and over	147	20.6
Average household size	2.33	(X)
Average family size	2.78	(X)
HOUSING OCCUPANCY		
Total housing units	**869**	**100.0**
Occupied housing units	713	82.0
Vacant housing units	156	18.0
For seasonal, recreational, or occasional use	128	14.7
Homeowner vacancy rate (percent)	0.9	(X)
Rental vacancy rate (percent)	7.1	(X)
HOUSING TENURE		
Occupied housing units	**713**	**100.0**
Owner-occupied housing units	569	79.8
Renter-occupied housing units	144	20.2
Average household size of owner-occupied units	2.36	(X)
Average household size of renter-occupied units	2.21	(X)

- Represents zero or rounds to zero. (X) Not applicable.

[1] Other Asian alone, or two or more Asian categories.

[2] Other Pacific Islander alone, or two or more Native Hawaiian and Other Pacific Islander categories.

[3] In combination with one or more of the other races listed. The six numbers may add to more than the total population and the six percentages may add to more than 100 percent because individuals may report more than one race.

Source: U.S. Census Bureau, Census 2000.

Table DP-2. Profile of Selected Social Characteristics: 2000

Geographic area: Cascade-Chipita Park CDP, Colorado

[Data based on a sample. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see text]

Subject	Number	Percent
SCHOOL ENROLLMENT		
Population 3 years and over enrolled in school	**447**	**100.0**
Nursery school, preschool	18	4.0
Kindergarten	8	1.8
Elementary school (grades 1-8)	200	44.7
High school (grades 9-12)	133	29.8
College or graduate school	88	19.7
EDUCATIONAL ATTAINMENT		
Population 25 years and over	**1,229**	**100.0**
Less than 9th grade	2	0.2
9th to 12th grade, no diploma	60	4.9
High school graduate (includes equivalency)	268	21.8
Some college, no degree	373	30.3
Associate degree	94	7.6
Bachelor's degree	238	19.4
Graduate or professional degree	194	15.8
Percent high school graduate or higher	95.0	(X)
Percent bachelor's degree or higher	35.2	(X)
MARITAL STATUS		
Population 15 years and over	**1,448**	**100.0**
Never married	302	20.9
Now married, except separated	881	60.8
Separated	13	0.9
Widowed	38	2.6
Female	17	1.2
Divorced	214	14.8
Female	114	7.9
GRANDPARENTS AS CAREGIVERS		
Grandparent living in household with one or more own grandchildren under 18 years	**31**	**100.0**
Grandparent responsible for grandchildren	31	100.0
VETERAN STATUS		
Civilian population 18 years and over	**1,320**	**100.0**
Civilian veterans	256	19.4
DISABILITY STATUS OF THE CIVILIAN NONINSTITUTIONALIZED POPULATION		
Population 5 to 20 years	**351**	**100.0**
With a disability	19	5.4
Population 21 to 64 years	**1,093**	**100.0**
With a disability	128	11.7
Percent employed	61.7	(X)
No disability	965	88.3
Percent employed	83.1	(X)
Population 65 years and over	**168**	**100.0**
With a disability	53	31.5
RESIDENCE IN 1995		
Population 5 years and over	**1,671**	**100.0**
Same house in 1995	976	58.4
Different house in the U.S. in 1995	685	41.0
Same county	318	19.0
Different county	367	22.0
Same state	124	7.4
Different state	243	14.5
Elsewhere in 1995	10	0.6

Subject	Number	Percent
NATIVITY AND PLACE OF BIRTH		
Total population	**1,745**	**100.0**
Native	1,717	98.4
Born in United States	1,703	97.6
State of residence	505	28.9
Different state	1,198	68.7
Born outside United States	14	0.8
Foreign born	28	1.6
Entered 1990 to March 2000	7	0.4
Naturalized citizen	19	1.1
Not a citizen	9	0.5
REGION OF BIRTH OF FOREIGN BORN		
Total (excluding born at sea)	**28**	**100.0**
Europe	14	50.0
Asia	7	25.0
Africa	7	25.0
Oceania	-	-
Latin America	-	-
Northern America	-	-
LANGUAGE SPOKEN AT HOME		
Population 5 years and over	**1,671**	**100.0**
English only	1,580	94.6
Language other than English	91	5.4
Speak English less than "very well"	5	0.3
Spanish	31	1.9
Speak English less than "very well"	-	-
Other Indo-European languages	55	3.3
Speak English less than "very well"	-	-
Asian and Pacific Island languages	5	0.3
Speak English less than "very well"	5	0.3
ANCESTRY (single or multiple)		
Total population	**1,745**	**100.0**
Total ancestries reported	*2,068*	*118.5*
Arab	-	-
Czech[1]	54	3.1
Danish	6	0.3
Dutch	66	3.8
English	319	18.3
French (except Basque)[1]	54	3.1
French Canadian[1]	5	0.3
German	528	30.3
Greek	-	-
Hungarian	12	0.7
Irish[1]	364	20.9
Italian	142	8.1
Lithuanian	9	0.5
Norwegian	52	3.0
Polish	36	2.1
Portuguese	-	-
Russian	27	1.5
Scotch-Irish	60	3.4
Scottish	35	2.0
Slovak	-	-
Subsaharan African	-	-
Swedish	43	2.5
Swiss	13	0.7
Ukrainian	-	-
United States or American	23	1.3
Welsh	27	1.5
West Indian (excluding Hispanic groups)	-	-
Other ancestries	193	11.1

-Represents zero or rounds to zero. (X) Not applicable.

[1]The data represent a combination of two ancestries shown separately in Summary File 3. Czech includes Czechoslovakian. French includes Alsatian. French Canadian includes Acadian/Cajun. Irish includes Celtic.

Source: U.S. Bureau of the Census, Census 2000.

Table DP-3. Profile of Selected Economic Characteristics: 2000

Geographic area: Cascade-Chipita Park CDP, Colorado

[Data based on a sample. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see text]

Subject	Number	Percent
EMPLOYMENT STATUS		
Population 16 years and over	**1,400**	**100.0**
In labor force	1,020	72.9
Civilian labor force	1,012	72.3
Employed	984	70.3
Unemployed	28	2.0
Percent of civilian labor force	2.8	(X)
Armed Forces	8	0.6
Not in labor force	380	27.1
Females 16 years and over	**656**	**100.0**
In labor force	436	66.5
Civilian labor force	436	66.5
Employed	414	63.1
Own children under 6 years	**76**	**100.0**
All parents in family in labor force	33	43.4
COMMUTING TO WORK		
Workers 16 years and over	**967**	**100.0**
Car, truck, or van - - drove alone	710	73.4
Car, truck, or van - - carpooled	141	14.6
Public transportation (including taxicab)	-	-
Walked	21	2.2
Other means	8	0.8
Worked at home	87	9.0
Mean travel time to work (minutes)[1]	27.1	(X)
Employed civilian population 16 years and over	**984**	**100.0**
OCCUPATION		
Management, professional, and related occupations	373	37.9
Service occupations	139	14.1
Sales and office occupations	246	25.0
Farming, fishing, and forestry occupations	-	-
Construction, extraction, and maintenance occupations	129	13.1
Production, transportation, and material moving occupations	97	9.9
INDUSTRY		
Agriculture, forestry, fishing and hunting, and mining	-	-
Construction	114	11.6
Manufacturing	103	10.5
Wholesale trade	27	2.7
Retail trade	82	8.3
Transportation and warehousing, and utilities	64	6.5
Information	30	3.0
Finance, insurance, real estate, and rental and leasing	41	4.2
Professional, scientific, management, administrative, and waste management services	141	14.3
Educational, health and social services	141	14.3
Arts, entertainment, recreation, accommodation and food services	98	10.0
Other services (except public administration)	96	9.8
Public administration	47	4.8
CLASS OF WORKER		
Private wage and salary workers	663	67.4
Government workers	158	16.1
Self-employed workers in own not incorporated business	163	16.6
Unpaid family workers	-	-

Subject	Number	Percent
INCOME IN 1999		
Households	**747**	**100.0**
Less than $10,000	22	2.9
$10,000 to $14,999	35	4.7
$15,000 to $24,999	94	12.6
$25,000 to $34,999	79	10.6
$35,000 to $49,999	164	22.0
$50,000 to $74,999	177	23.7
$75,000 to $99,999	94	12.6
$100,000 to $149,999	49	6.6
$150,000 to $199,999	23	3.1
$200,000 or more	10	1.3
Median household income (dollars)	48,719	(X)
With earnings	677	90.6
Mean earnings (dollars)[1]	50,319	(X)
With Social Security income	148	19.8
Mean Social Security income (dollars)[1]	11,088	(X)
With Supplemental Security Income	13	1.7
Mean Supplemental Security Income (dollars)[1]	2,685	(X)
With public assistance income	18	2.4
Mean public assistance income (dollars)[1]	2,378	(X)
With retirement income	127	17.0
Mean retirement income (dollars)[1]	18,900	(X)
Families	**506**	**100.0**
Less than $10,000	-	-
$10,000 to $14,999	16	3.2
$15,000 to $24,999	67	13.2
$25,000 to $34,999	43	8.5
$35,000 to $49,999	107	21.1
$50,000 to $74,999	128	25.3
$75,000 to $99,999	80	15.8
$100,000 to $149,999	41	8.1
$150,000 to $199,999	18	3.6
$200,000 or more	6	1.2
Median family income (dollars)	58,393	(X)
Per capita income (dollars)[1]	25,073	(X)
Median earnings (dollars):		
Male full-time, year-round workers	35,034	(X)
Female full-time, year-round workers	30,647	(X)

Subject	Number below poverty level	Percent below poverty level
POVERTY STATUS IN 1999		
Families	**6**	**1.2**
With related children under 18 years	-	-
With related children under 5 years	-	-
Families with female householder, no husband present	-	-
With related children under 18 years	-	-
With related children under 5 years	-	-
Individuals	**65**	**3.8**
18 years and over	60	4.5
65 years and over	-	-
Related children under 18 years	-	-
Related children 5 to 17 years	-	-
Unrelated individuals 15 years and over	52	15.6

-Represents zero or rounds to zero. (X) Not applicable.

[1]If the denominator of a mean value or per capita value is less than 30, then that value is calculated using a rounded aggregate in the numerator. See text.

Source: U.S. Bureau of the Census, Census 2000.

Table DP-4. Profile of Selected Housing Characteristics: 2000

Geographic area: Cascade-Chipita Park CDP, Colorado

[Data based on a sample. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see text]

Subject	Number	Percent
Total housing units	**890**	**100.0**
UNITS IN STRUCTURE		
1-unit, detached	779	87.5
1-unit, attached	14	1.6
2 units	31	3.5
3 or 4 units	38	4.3
5 to 9 units	4	0.4
10 to 19 units	-	-
20 or more units	-	-
Mobile home	14	1.6
Boat, RV, van, etc	10	1.1
YEAR STRUCTURE BUILT		
1999 to March 2000	7	0.8
1995 to 1998	27	3.0
1990 to 1994	34	3.8
1980 to 1989	79	8.9
1970 to 1979	164	18.4
1960 to 1969	155	17.4
1940 to 1959	311	34.9
1939 or earlier	113	12.7
ROOMS		
1 room	-	-
2 rooms	29	3.3
3 rooms	40	4.5
4 rooms	130	14.6
5 rooms	144	16.2
6 rooms	185	20.8
7 rooms	124	13.9
8 rooms	113	12.7
9 or more rooms	125	14.0
Median (rooms)	6.1	(X)
Occupied housing units	**737**	**100.0**
YEAR HOUSEHOLDER MOVED INTO UNIT		
1999 to March 2000	112	15.2
1995 to 1998	169	22.9
1990 to 1994	210	28.5
1980 to 1989	117	15.9
1970 to 1979	78	10.6
1969 or earlier	51	6.9
VEHICLES AVAILABLE		
None	4	0.5
1	217	29.4
2	304	41.2
3 or more	212	28.8
HOUSE HEATING FUEL		
Utility gas	576	78.2
Bottled, tank, or LP gas	96	13.0
Electricity	65	8.8
Fuel oil, kerosene, etc	-	-
Coal or coke	-	-
Wood	-	-
Solar energy	-	-
Other fuel	-	-
No fuel used	-	-
SELECTED CHARACTERISTICS		
Lacking complete plumbing facilities	6	0.8
Lacking complete kitchen facilities	-	-
No telephone service	18	2.4

Subject	Number	Percent
OCCUPANTS PER ROOM		
Occupied housing units	**737**	**100.0**
1.00 or less	736	99.9
1.01 to 1.50	1	0.1
1.51 or more	-	-
Specified owner-occupied units	**474**	**100.0**
VALUE		
Less than $50,000	11	2.3
$50,000 to $99,999	18	3.8
$100,000 to $149,999	119	25.1
$150,000 to $199,999	162	34.2
$200,000 to $299,999	108	22.8
$300,000 to $499,999	50	10.5
$500,000 to $999,999	6	1.3
$1,000,000 or more	-	-
Median (dollars)	172,500	(X)
MORTGAGE STATUS AND SELECTED MONTHLY OWNER COSTS		
With a mortgage	346	73.0
Less than $300	-	-
$300 to $499	11	2.3
$500 to $699	15	3.2
$700 to $999	91	19.2
$1,000 to $1,499	123	25.9
$1,500 to $1,999	80	16.9
$2,000 or more	26	5.5
Median (dollars)	1,257	(X)
Not mortgaged	128	27.0
Median (dollars)	270	(X)
SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME IN 1999		
Less than 15.0 percent	159	33.5
15.0 to 19.9 percent	71	15.0
20.0 to 24.9 percent	91	19.2
25.0 to 29.9 percent	8	1.7
30.0 to 34.9 percent	50	10.5
35.0 percent or more	95	20.0
Not computed	-	-
Specified renter-occupied units	**164**	**100.0**
GROSS RENT		
Less than $200	-	-
$200 to $299	2	1.2
$300 to $499	18	11.0
$500 to $749	69	42.1
$750 to $999	37	22.6
$1,000 to $1,499	15	9.1
$1,500 or more	-	-
No cash rent	23	14.0
Median (dollars)	625	(X)
GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME IN 1999		
Less than 15.0 percent	34	20.7
15.0 to 19.9 percent	19	11.6
20.0 to 24.9 percent	17	10.4
25.0 to 29.9 percent	34	20.7
30.0 to 34.9 percent	2	1.2
35.0 percent or more	35	21.3
Not computed	23	14.0

-Represents zero or rounds to zero. (X) Not applicable.

Source: U.S. Bureau of the Census, Census 2000.

EXHIBIT J

DISTRICT NO. 1 O&M COSTS

CASCADE METROPOLITAN DISTRICT #1
OPERATION & MAINTENANCE COSTS

1. Utilizing City Water:

Purchased water (including CSU water contract)	$ 94,272
Accounting & Audit	7,319
Insurance	6,333
Utilities/telephone	6,387
Customer Billing/Bad Debts/Bank Charges	3,189
Repair and maintenance	7,890
Operational Labor	29,455
Administration/Office Supplies & Expense	58,516
Legal/Professional Expense	486
Dues, Publications, Seminars & Travel Expense	1,869
Vehicle Expense	1,021
Miscellaneous Expense	1,000
Capital Reserve	40,000
TOTAL	$257,737

2. Projected-Utilizing Cascade Creek Water & Own Treatment Plant:

Accounting & Audit	7,319
Insurance	6,333
Utilities/telephone	6,387
Customer Billing/Bad Debts/Bank Charges	3,189
Repair and maintenance	7,890
Operational Labor	29,455
Administration/Office Supplies & Expense	58,516
Legal/Professional Expense	486
Dues, Publications, Seminars & Travel Expense	1,869
Vehicle Expense	1,021
Treatment Plant Operation Costs/Labor	36,000
Miscellaneous Expense	1,000
Capital Reserve	40,000
TOTAL	$199,465

3. Trails and Open Space:

For purposes of estimating, the costs of maintaining the trails and open space tracts are assumed to be the equivalent to the amount of lottery funds received by the district.

EXHIBIT K

DISTRICT NO. 2 O&M COSTS

Cascade Metropolitan District #2
Operation and Maintenance Costs

YEAR	Water System (Paid to District #1)	Roads	Drainage	Trails/ Open Space	Total
2004	0	0	0	0	0
2005	1,500	30,000	5,000	0	36,500
2006	4,500	30,000	5,000	78	39,578
2007	7,500	30,000	5,000	155	42,655
2008	10,500	30,000	5,000	233	45,733
2009	13,500	30,000	5,000	310	48,810
2010	16,500	30,000	5,000	388	51,888
2011	19,500	30,000	5,000	465	54,965
2012	22,500	30,000	5,000	543	58,043
2013	25,500	30,000	5,000	621	61,121
2014	28,500	30,000	5,000	698	64,198
2015	31,500	30,000	5,000	776	67,276
2016	34,500	30,000	5,000	853	70,353
2017	36,000	30,000	5,000	931	71,931

Assumptions:

1. Used current average cost per home for Cascade Public Service Company water system ($600)
2. Used $20,000/year for snow removal and maintenance, plus $10,000/year capital reserve
3. Used $5,000/year for cleanout and repair.
4. Five new homes per year.

Cascade Metropolitan District #2
Operation and Maintenance Costs

YEAR	Water System (Paid to District #1)	Roads	Drainage	Trails/ Open Space	Total
2004	0	0	0	0	0
2005	3,000	30,000	5,000	0	38,000
2006	9,000	30,000	5,000	155	44,155
2007	15,000	30,000	5,000	310	50,310
2008	21,000	30,000	5,000	465	56,465
2009	27,000	30,000	5,000	620	62,620
2010	36,000	30,000	5,000	775	71,775
2011	36,000	30,000	5,000	930	71,930
2012	36,000	30,000	5,000	930	71,930
2013	36,000	30,000	5,000	930	71,930
2014	36,000	30,000	5,000	930	71,930

Assumptions:

1. Used current average cost per home for Cascade Public Service Company water system ($600)
2. Used $20,000/year for snow removal and maintenance, plus $10,000/year capital reserve
3. Used $5,000/year for cleanout and repair.
4. Ten new homes per year

Cascade Metropolitan District #2
Operation and Maintenance Costs

YEAR	Water System (Paid to District #1)	Roads	Drainage	Trails/ Open Space	Total
2004	0	0	0	0	0
2005	2,400	30,000	5,000	0	37,400
2006	7,200	30,000	5,000	124	42,324
2007	12,000	30,000	5,000	248	47,248
2008	16,800	30,000	5,000	372	52,172
2009	21,600	30,000	5,000	496	57,096
2010	26,400	30,000	5,000	620	62,020
2011	31,200	30,000	5,000	744	66,944
2012	36,000	30,000	5,000	868	71,868
2013	40,800	30,000	5,000	992	76,792
2014	45,600	30,000	5,000	1,116	81,716
2015	48,000	30,000	5,000	1,240	84,240

Assumptions:

1. Used current average cost per home for Cascade Public Service Company water system ($600)
2. Used $20,000/year for snow removal and maintenance, plus $10,000/year capital reserve
3. Used $5,000/year for cleanout and repair.
4. Eight new homes per year

Cascade Metropolitan District #2
Operation and Maintenance Costs

YEAR	Water System (Paid to District #1)	Roads	Drainage	Trails/ Open Space	Total
2004	0	0	0	0	0
2005	4,800	30,000	5,000	0	39,800
2006	14,400	30,000	5,000	124	49,524
2007	24,000	30,000	5,000	248	59,248
2008	33,600	30,000	5,000	372	68,972
2009	43,200	30,000	5,000	496	78,696
2010	52,800	30,000	5,000	620	88,420
2011	62,400	30,000	5,000	744	98,144
2012	72,000	30,000	5,000	868	107,868
2013	76,800	30,000	5,000	992	112,792
2014	81,600	30,000	5,000	1,116	117,716
2015	86,400	30,000	5,000	1,240	122,640

Assumptions:

1. Used current average cost per home for Cascade Public Service Company water system ($600)
2. Used $20,000/year for snow removal and maintenance, plus $10,000/year capital reserve
3. Used $5,000/year for cleanout and repair.
4. Eight new homes per year on land shown within service area & eight new homes for seven years on additional potential large parcel located within 2 miles from District #2

EXHIBIT L

STATEMENT OF REVENUE AND EXPENSES FOR CPSC

CASCADE PUBLIC SERVICE COMPANY
CONSOLIDATED STATEMENT OF REVENUE AND EXPENSES
2002/2003

Income:

Water sales	$206,325
Late payment charges	1,253
Reconnect fees	35
Surcharge income	42,621
Tap fees	21,646
Interest income	123
Total Income:	$272,003

Operating Costs:

Purchased water (including CSU water contract)	$ 94,272
Accounting & Audit	7,319
Insurance	6,333
Utilities/telephone	6,387
Customer Billing/Bad Debts/Bank Charges	3,189
Repair and maintenance	7,890
Operational Labor	29,455
Administration/Office Supplies & Expense	58,516
Legal/Professional Expense	486
Taxes	8,747
Dues, Publications, Seminars & Travel Expense	1,869
Vehicle Expense	1,021
Total Operating Costs:	$225,484
Net Income:	$ 46,519

EXHIBIT M

FINANCIAL PLAN ANALYSIS – DISTRICT NO. 1 – REMAIN ON CITY WATER

Remaining on City Water

YEAR	Tap Fees	Utility Revenue	Utility Revenue from District #2	Lottery Funds	Total Net Revenue	O & M Costs	Funds Avail. Annually	Cummulative Funds Avail.
2004	32,400	253,900	0	0	286,300	257,737	28,563	28,563
2005	70,000	257,500	3,000	0	330,500	257,737	72,763	101,326
2006	70,000	261,100	9,000	311	340,411	258,048	82,363	183,689
2007	10,000	261,700	15,000	622	287,322	258,359	28,963	212,652
2008	10,000	262,300	21,000	933	294,233	258,670	35,563	248,215
2009	10,000	262,900	27,000	1,244	301,144	258,981	42,163	290,378
2010	10,000	263,500	33,000	1,555	308,055	259,292	48,763	339,141
2011	10,000	264,100	33,000	1,866	308,966	259,603	49,363	388,504
2012	10,000	264,700	33,000	2,177	309,877	259,914	49,963	438,467
2013	10,000	265,300	33,000	2,488	310,788	260,225	50,563	489,030
2014	10,000	265,900	33,000	2,799	311,699	260,536	51,163	540,193

Assumptions:

1. Zero inflation in values, revenues, and costs.
2. Tap fees paid at building permit stage.
3. Utility fees remain the same: $6.39/1000 gallons; $8.55 pipeline replacement fund; $17.79 meter charge
4. Six new houses per year for 3 years in Pikes Peak Mountain Estates ($5400 tap fee in 2004 & $10,000 thereafter)
5. Ten additional taps for infull areas over next ten years.
6. Lottery funds assumed to be $6.00 per person with 20 homes including into District per year starting in 2005 (2.58 persons per household)
7. Remain on City of Colorado Springs Water

EXHIBIT N

FINANCIAL PLAN ANALYSIS – DISTRICT NO. 1 – NEW TREATMENT PLANT

Cascade Metropolitan District #1
with New Treatment Plant

YEAR	Tap Fees	Utility Revenue	Utility Revenue from District #2	Lottery Funds	Total Net Revenue	O & M Costs	Funds Avail. Annually	Cummulative Funds Avail.
2004	32,400	253,900	0	0	286,300	199,465	86,835	86,835
2005	70,000	257,500	3,000	0	330,500	199,465	131,035	217,870
2006	70,000	261,100	9,000	311	340,411	199,776	140,635	358,505
2007	10,000	261,700	15,000	622	287,322	200,087	87,235	445,740
2008	10,000	262,300	21,000	933	294,233	200,398	93,835	539,575
2009	10,000	262,900	27,000	1,244	301,144	200,709	100,435	640,010
2010	10,000	263,500	33,000	1,555	308,055	201,020	107,035	747,045
2011	10,000	264,100	33,000	1,866	308,966	201,331	107,635	854,680
2012	10,000	264,700	33,000	2,177	309,877	201,642	108,235	962,915
2013	10,000	265,300	33,000	2,488	310,788	201,953	108,835	1,071,750
2014	10,000	265,900	33,000	2,799	311,699	202,264	109,435	1,181,185

Assumptions:

1. Zero inflation in values, revenues, and costs.
2. Tap fees paid at building permit stage.
3. Utility fees remain the same: $6.39/1000 gallons; $8.55 pipeline replacement fund; $17.79 meter charge
4. Six new houses per year for 3 years in Pikes Peak Mountain Estates ($5400 tap fee in 2004 & $10,000 thereafter)
5. Ten additional taps for infull areas over ten years.
6. Lottery funds assumed to be $6.00 per person with 20 homes including into District per year starting in 2005 (2.58 persons per household)
7. Utilizing Cascade's water rights with new treatment plant

EXHIBIT O

FINANCIAL PLAN ANALYSIS – DISTRICT NO. 2

FINANCIAL PLAN ANALYSIS
Cascade Metropolitan District #2
Five New Homes Per Year Over Twelve Years

YEAR	# Units Built	Cummul. Assess. Valuation 8%	Total Tax Revenue 20 mills	Fire Protection (2 mills)	Tap Fees $15,000	Utility Revenue	Lottery Funds	Spec. own tax- 5%	Total Net Revenue	O & M Costs	Funds Avail. Annually	Cummul. Funds Avail.
2004	0	90,240	0	0	0	0	0	0	0	0	0	0
2005	5	90,240	1,805	180	75,000	1,500	0	90	78,395	36,500	41,895	41,895
2006	5	450,240	9,005	900	75,000	4,500	78	450	89,033	39,578	49,455	91,350
2007	5	810,240	16,205	1,620	75,000	7,500	155	810	99,670	42,655	57,015	148,365
2008	5	1,170,240	23,405	2,340	75,000	10,500	233	1,170	110,308	45,733	64,575	212,940
2009	5	1,530,240	30,605	3,060	75,000	13,500	310	1,530	120,945	48,810	72,135	285,075
2010	5	1,890,240	37,805	3,780	75,000	16,500	388	1,890	131,583	51,888	79,695	364,770
2011	5	2,250,240	45,005	4,500	75,000	19,500	465	2,250	142,220	54,965	87,255	452,025
2012	5	2,610,240	52,205	5,220	75,000	22,500	543	2,610	152,858	58,043	94,815	546,840
2013	5	2,970,240	59,405	5,940	75,000	25,500	621	2,970	163,496	61,121	102,375	649,215
2014	5	3,330,240	66,605	6,660	75,000	28,500	698	3,330	174,133	64,198	109,935	759,150
2015	5	3,670,240	73,405	7,340	75,000	31,500	776	3,670	184,351	67,276	117,075	876,225
2016	5	4,050,240	81,005	8,100	75,000	34,500	853	4,050	195,408	70,353	125,055	1,001,280
2017	0	4,050,240	81,005	8,100	0	36,000	931	4,050	121,986	71,931	50,055	1,051,336

Assumptions:

1. Zero inflation in values, revenues, and costs.
2. Mill levy at 10 mills with Gallagher adjustments. No 2004 revenues due to late organization.
3. Tap fees paid at building permit stage; $15,000 per tap
4. Average home sale price at $900,000
5. Utility fees remain the same: $6.39/1000 gal.; $8.55 pipeline replacement fund; $17.79 meter charge ($600 per year per house)
6. Current assessed value: $90,240
7. The two mills for fire protection will be passed on to the Cascade Fire Protection District.

FINANCIAL PLAN ANALYSIS
Cascade Metropolitan District #2
Ten New Homes Per Year Over Six Years

YEAR	# Units Built	Cummul. Assess. Valuation 8%	Total Tax Revenue 20 mills	Fire Protection (2 mills)	Tap Fees $15,000	Utility Revenue	Lottery Funds	Spec. own tax- 5%	Total Net Revenue	O & M Costs	Funds Avail. Annually	Cummul. Funds Avail.
2004	0	90,240	0	0	0	0	0	0	0	0	0	0
2005	10	90,240	1,805	180	150,000	3,000	0	90	154,895	38,000	116,895	116,895
2006	10	810,240	16,205	1,620	150,000	9,000	155	810	176,170	44,155	132,015	248,910
2007	10	1,530,240	30,605	3,060	150,000	15,000	310	1,530	197,445	50,310	147,135	396,045
2008	10	2,250,240	45,005	4,500	150,000	21,000	465	2,250	218,720	56,465	162,255	558,300
2009	10	2,970,240	59,405	5,940	150,000	27,000	620	2,970	239,995	62,620	177,375	735,675
2010	10	3,690,240	73,805	7,380	150,000	33,000	775	3,690	261,270	71,775	189,495	925,170
2011	0	4,410,240	88,205	8,820	0	36,000	930	4,410	129,545	71,930	57,615	982,785
2012	0	4,410,240	88,205	8,820	0	36,000	930	4,410	129,545	71,930	57,615	1,040,400
2013	0	4,410,240	88,205	8,820	0	36,000	930	4,410	129,545	71,930	57,615	1,098,015
2014	0	4,410,240	88,205	8,820	0	36,000	930	4,410	129,545	71,930	57,615	1,155,630

Assumptions:

1. Zero inflation in values, revenues, and costs.
2. Mill levy at 10 mills with Gallagher adjustments. No 2004 revenues due to late organization.
3. Tap fees at building permit stage; $15,000 per tap
4. Average home sale price at $900,000
5. Utility fees remain the same: $6.39/1000 gal.; $8.55 pipeline replacement fund; $17.79 meter charge ($600 per year per house)
6. Current assessed value: $90,240
7. The two mills for fire protection will be passed through to the Cascade Fire Protection District.

FINANCIAL PLAN ANALYSIS
Cascade Metropolitan District #2
Eight New Homes Per Year Over Ten Years

YEAR	# Units Built	Cummul. Assess. Valuation 8%	Total Tax Revenue 20 mills	Fire Protection (2 mills)	Tap Fees $15,000	Utility Revenue	Lottery Funds	Spec. own tax- 5%	Total Net Revenue	O & M Costs	Funds Avail. Annually	Cummul. Funds Avail.
2004	0	90,240	0	0	0	0	0	0	0	0	0	0
2005	8	90,240	1,805	180	120,000	2,400	0	90	124,295	37,400	86,895	86,895
2006	8	666,240	13,325	1,332	120,000	7,200	124	666	141,315	42,324	98,991	185,886
2007	8	1,242,240	24,845	2,484	120,000	12,000	248	1,242	158,335	47,248	111,087	296,973
2008	8	1,818,240	36,365	3,636	120,000	16,800	372	1,818	175,355	52,172	123,183	420,156
2009	8	2,394,240	47,885	4,788	120,000	21,600	496	2,394	192,375	57,096	135,279	555,435
2010	8	2,970,240	59,405	5,940	120,000	26,400	620	2,970	209,395	62,020	147,375	702,810
2011	8	3,546,240	70,925	7,092	120,000	31,200	744	3,546	226,415	66,944	159,471	862,281
2012	8	4,122,240	82,445	8,244	120,000	36,000	868	4,122	243,435	71,868	171,567	1,033,848
2013	8	4,698,240	93,965	9,396	120,000	40,800	992	4,698	260,455	76,792	183,663	1,217,511
2014	8	5,274,240	105,485	10,548	120,000	45,600	1,116	5,274	277,475	81,716	195,759	1,413,270
2015	0	5,850,240	117,005	11,700	0	48,000	1,240	5,850	172,095	84,240	87,855	1,501,125
2016	0	5,850,240	117,005	11,700	0	48,000	1,240	5,850	172,095	84,240	87,855	1,588,980
2017	0	5,850,240	117,005	11,700	0	48,000	1,240	5,850	172,095	84,240	87,855	1,676,836

Assumptions:

1. Zero inflation in values, revenues, and costs.
2. Mill levy at 10 mills with Gallagher adjustments. No 2004 revenues due to late organization.
3. Tap fees paid at building permit stage; $15,000 per tap
4. Average home sale price at $900,000
5. Utility fees remain the same: $6.39/1000 gal.; $8.55 pipeline replacement fund; $17.79 meter charge ($600 per year per house)
6. Current assessed value: $90,240
7. The two mills for fire protection will be passed on to the Cascade Fire Protection District.
8. Includes land shown within service area.

FINANCIAL PLAN ANALYSIS
Cascade Metropolitan District #2
Including New Homes on 360 Acres Parcel To The North

YEAR	# Units Built	Cummul. Assess. Valuation 8%	Total Tax Revenue 20 mills	Fire Protection (2 mills)	Tap Fees $15,000	Utility Revenue	Lottery Funds	Spec. own tax- 5%	Total Net Revenue	O & M Costs	Funds Avail. Annually	Cummul. Funds Avail.
2004	0	90,240	0	0	0	0	0	0	0	0	0	0
2005	16	90,240	1,805	180	240,000	4,800	0	90	246,695	39,800	206,895	206,895
2006	16	1,242,240	24,845	2,484	240,000	14,400	248	1,242	280,735	49,524	231,211	438,106
2007	16	2,394,240	47,885	4,788	240,000	24,000	496	2,394	314,775	59,248	255,527	693,633
2008	16	3,546,240	70,925	7,092	240,000	33,600	744	3,546	348,815	68,972	279,843	973,476
2009	16	4,698,240	93,965	9,396	240,000	43,200	992	4,698	382,855	78,696	304,159	1,277,635
2010	16	5,850,240	117,005	11,700	240,000	52,800	1,240	5,850	416,895	88,420	328,475	1,606,110
2011	16	7,002,240	140,045	14,004	240,000	62,400	1,488	7,002	450,935	98,144	352,791	1,958,901
2012	8	8,154,240	163,085	16,308	120,000	72,000	1,736	8,154	364,975	107,868	257,107	2,216,008
2013	8	8,730,240	174,605	17,460	120,000	76,800	1,860	8,730	381,995	112,792	269,203	2,485,211
2014	8	9,306,240	186,125	18,612	120,000	81,600	1,984	9,306	399,015	117,716	281,299	2,766,510
2015	0	9,882,240	197,645	19,764	0	86,400	2,108	9,882	296,035	122,640	173,395	2,939,905
2016	0	9,882,240	197,645	19,764	0	86,400	2,108	9,882	296,035	122,640	173,395	3,113,300
2017	0	9,882,240	197,645	19,764	0	86,400	2,108	9,882	296,035	122,640	173,395	3,286,696

Assumptions:

1. Zero inflation in values, revenues, and costs.
2. Mill levy at 10 mills with Gallagher adjustments. No 2004 revenues due to late organization.
3. Tap fees paid at building permit stage; $15,000 per tap
4. Average home sale price at $900,000
5. Utility fees remain the same: $6.39/1000 gal.; $8.55 pipeline replacement fund; $17.79 meter charge ($600 per year per house)
6. Current assessed value: $90,240
7. The two mills for fire protection will be passed on to the Cascade Fire Protection District.
8. Includes land shown within service area and includes additional potential large tract located within 2 miles of District #2

EXHIBIT P

ESTIMATED DEBT SERVICE SCHEDULE – DISTRICT NO. 2

DEBT SERVICE
CASCADE METROPOLITAN DISTRICT #2
SERIES 2005 REVENUE BONDS

Date:	02/01/05
Amount:	$975,000
Rate	7.50%
Term:	23 Years
Interest Only:	3 Years

Period Ending	Principal	Interest	Debt Service	Annual Debt Service
2/1/2005				
6/1/2005		24,375.00	24,375.00	
12/1/2005		36,562.50	36,562.50	60,937.50
6/1/2006		36,562.50	36,562.50	
12/1/2006		36,562.50	36,562.50	73,125.00
6/1/2007		36,562.50	36,562.50	
12/1/2007		36,562.50	36,562.50	73,125.00
6/1/2008		36,562.50	36,562.50	
12/1/2008	24,375.00	36,562.50	60,937.50	97,500.00
6/1/2009	24,375.00	35,648.44	60,023.44	
12/1/2009	24,375.00	34,734.38	59,109.38	119,132.81
6/1/2010	24,375.00	33,820.32	58,195.32	
12/1/2010	24,375.00	32,906.26	57,281.26	115,476.58
6/1/2011	24,375.00	31,992.20	56,367.20	
12/1/2011	24,375.00	31,078.14	55,453.14	111,820.34
6/1/2012	24,375.00	30,164.08	54,539.08	
12/1/2012	24,375.00	29,250.02	53,625.02	108,164.10
6/1/2013	24,375.00	28,335.96	52,710.96	
12/1/2013	24,375.00	27,421.90	51,796.90	104,507.86
6/1/2014	24,375.00	26,507.84	50,882.84	
12/1/2014	24,375.00	25,593.78	49,968.78	100,851.62
6/1/2015	24,375.00	24,679.72	49,054.72	
12/1/2015	24,375.00	23,765.66	48,140.66	97,195.38
6/1/2016	24,375.00	22,851.60	47,226.60	
12/1/2016	24,375.00	21,937.54	46,312.54	93,539.14
6/1/2017	24,375.00	21,023.48	45,398.48	
12/1/2017	24,375.00	20,109.42	44,484.42	89,882.90
6/1/2018	24,375.00	19,195.36	43,570.36	
12/1/2018	24,375.00	18,281.30	42,656.30	86,226.66
6/1/2019	24,375.00	17,367.24	41,742.24	
12/1/2019	24,375.00	16,453.18	40,828.18	82,570.42
6/1/2020	24,375.00	15,539.12	39,914.12	
12/1/2020	24,375.00	14,625.06	39,000.06	78,914.18
6/1/2021	24,375.00	13,711.00	38,086.00	
12/1/2021	24,375.00	12,796.94	37,171.94	75,257.94
6/1/2022	24,375.00	11,882.88	36,257.88	
12/1/2022	24,375.00	10,968.82	35,343.82	71,601.70

CASCADE METROPOLITAN DISTRICT #2
SERIES 2005 REVENUE BONDS
Page Two

Period Ending		Principal		Interest		Debt Service		Annual Debt Service
6/1/2023		24,375.00		10,054.76		34,429.76		
12/1/2023		24,375.00		9,140.70		33,515.70		67,945.46
6/1/2024		24,375.00		8,226.64		32,601.64		
12/1/2024		24,375.00		7,312.58		31,687.58		64,289.22
6/1/2025		24,375.00		6,398.52		30,773.52		
12/1/2025		24,375.00		5,484.46		29,859.46		60,632.98
6/1/2026		24,375.00		4,570.40		28,945.40		
12/1/2026		24,375.00		3,656.34		28,031.34		56,976.74
6/1/2027		24,375.00		2,742.28		27,117.28		
12/1/2027		24,375.00		1,828.22		26,203.22		53,320.50
6/1/2028		24,375.00		914.16		25,289.16		25,289.16
Totals		975,000.00		993,283.19		1,968,283.19		1,968,283.19

Exhibit 'P'

8/23/2004 Prepared by TDM Consulting, LLC

DEBT SERVICE
CASCADE METROPOLITAN DISTRICT #2
SERIES 2005 REVENUE BONDS

Date:	02/01/05
Amount:	$1,500,000
Rate	7.50%
Term:	23 Years
Interest Only:	3 Years

Period Ending	Principal	Interest	Debt Service	Annual Debt Service
2/1/2005				
6/1/2005		37,500.00	37,500.00	
12/1/2005		56,250.00	56,250.00	93,750.00
6/1/2006		56,250.00	56,250.00	
12/1/2006		56,250.00	56,250.00	112,500.00
6/1/2007		56,250.00	56,250.00	
12/1/2007		56,250.00	56,250.00	112,500.00
6/1/2008		56,250.00	56,250.00	
12/1/2008	37,500.00	56,250.00	93,750.00	150,000.00
6/1/2009	37,500.00	54,843.75	92,343.75	
12/1/2009	37,500.00	53,437.50	90,937.50	183,281.25
6/1/2010	37,500.00	52,031.25	89,531.25	
12/1/2010	37,500.00	50,625.00	88,125.00	177,656.25
6/1/2011	37,500.00	49,218.75	86,718.75	
12/1/2011	37,500.00	47,812.50	85,312.50	172,031.25
6/1/2012	37,500.00	46,406.25	83,906.25	
12/1/2012	37,500.00	45,000.00	82,500.00	166,406.25
6/1/2013	37,500.00	43,593.75	81,093.75	
12/1/2013	37,500.00	42,187.50	79,687.50	160,781.25
6/1/2014	37,500.00	40,781.25	78,281.25	
12/1/2014	37,500.00	39,375.00	76,875.00	155,156.25
6/1/2015	37,500.00	37,968.75	75,468.75	
12/1/2015	37,500.00	36,562.50	74,062.50	149,531.25
6/1/2016	37,500.00	35,156.25	72,656.25	
12/1/2016	37,500.00	33,750.00	71,250.00	143,906.25
6/1/2017	37,500.00	32,343.75	69,843.75	
12/1/2017	37,500.00	30,937.50	68,437.50	138,281.25
6/1/2018	37,500.00	29,531.25	67,031.25	
12/1/2018	37,500.00	28,125.00	65,625.00	132,656.25
6/1/2019	37,500.00	26,718.75	64,218.75	
12/1/2019	37,500.00	25,312.50	62,812.50	127,031.25
6/1/2020	37,500.00	23,906.25	61,406.25	
12/1/2020	37,500.00	22,500.00	60,000.00	121,406.25
6/1/2021	37,500.00	21,093.75	58,593.75	
12/1/2021	37,500.00	19,687.50	57,187.50	115,781.25
6/1/2022	37,500.00	18,281.25	55,781.25	
12/1/2022	37,500.00	16,875.00	54,375.00	110,156.25

BOND DEBT SERVICE
CASCADE METROPOLITAN DISTRICT #2
SERIES 2005 REVENUE BONDS
Page Two

Period Ending		Principal		Interest		Debt Service		Annual Debt Service
6/1/2023		37,500.00		15,468.75		52,968.75		
12/1/2023		37,500.00		14,062.50		51,562.50		104,531.25
6/1/2024		37,500.00		12,656.25		50,156.25		
12/1/2024		37,500.00		11,250.00		48,750.00		98,906.25
6/1/2025		37,500.00		9,843.75		47,343.75		
12/1/2025		37,500.00		8,437.50		45,937.50		93,281.25
6/1/2026		37,500.00		7,031.25		44,531.25		
12/1/2026		37,500.00		5,625.00		43,125.00		87,656.25
6/1/2027		37,500.00		4,218.75		41,718.75		
12/1/2027		37,500.00		2,812.50		40,312.50		82,031.25
6/1/2028		37,500.00		1,406.25		38,906.25		38,906.25
Totals		1,500,000.00		1,528,125.00		3,028,125.00		3,028,125.00

Exhibit 'P'

8/23/2004 Prepared by TDM Consulting, LLC

DEBT SERVICE
CASCADE METROPOLITAN DISTRICT #2
SERIES 2005 REVENUE BONDS

Date:	02/01/05
Amount:	$2,000,000
Rate	7.50%
Term:	23 Years
Interest Only:	3 Years

Period Ending	Principal	Interest	Debt Service	Annual Debt Service
2/1/2005				
6/1/2005		50,000.00	50,000.00	
12/1/2005		75,000.00	75,000.00	125,000.00
6/1/2006		75,000.00	75,000.00	
12/1/2006		75,000.00	75,000.00	150,000.00
6/1/2007		75,000.00	75,000.00	
12/1/2007		75,000.00	75,000.00	150,000.00
6/1/2008		75,000.00	75,000.00	
12/1/2008	50,000.00	75,000.00	125,000.00	200,000.00
6/1/2009	50,000.00	73,125.00	123,125.00	
12/1/2009	50,000.00	71,250.00	121,250.00	244,375.00
6/1/2010	50,000.00	69,375.00	119,375.00	
12/1/2010	50,000.00	67,500.00	117,500.00	236,875.00
6/1/2011	50,000.00	65,625.00	115,625.00	
12/1/2011	50,000.00	63,750.00	113,750.00	229,375.00
6/1/2012	50,000.00	61,875.00	111,875.00	
12/1/2012	50,000.00	60,000.00	110,000.00	221,875.00
6/1/2013	50,000.00	58,125.00	108,125.00	
12/1/2013	50,000.00	56,250.00	106,250.00	214,375.00
6/1/2014	50,000.00	54,375.00	104,375.00	
12/1/2014	50,000.00	52,500.00	102,500.00	206,875.00
6/1/2015	50,000.00	50,625.00	100,625.00	
12/1/2015	50,000.00	48,750.00	98,750.00	199,375.00
6/1/2016	50,000.00	46,875.00	96,875.00	
12/1/2016	50,000.00	45,000.00	95,000.00	191,875.00
6/1/2017	50,000.00	43,125.00	93,125.00	
12/1/2017	50,000.00	41,250.00	91,250.00	184,375.00
6/1/2018	50,000.00	39,375.00	89,375.00	
12/1/2018	50,000.00	37,500.00	87,500.00	176,875.00
6/1/2019	50,000.00	35,625.00	85,625.00	
12/1/2019	50,000.00	33,750.00	83,750.00	169,375.00
6/1/2020	50,000.00	31,875.00	81,875.00	
12/1/2020	50,000.00	30,000.00	80,000.00	161,875.00
6/1/2021	50,000.00	28,125.00	78,125.00	
12/1/2021	50,000.00	26,250.00	76,250.00	154,375.00
6/1/2022	50,000.00	24,375.00	74,375.00	
12/1/2022	50,000.00	22,500.00	72,500.00	146,875.00

BOND DEBT SERVICE
CASCADE METROPOLITAN DISTRICT #2
SERIES 2005 REVENUE BONDS
Page Two

Period Ending	Principal	Interest	Debt Service	Annual Debt Service
6/1/2023	50,000.00	20,625.00	70,625.00	
12/1/2023	50,000.00	18,750.00	68,750.00	139,375.00
6/1/2024	50,000.00	16,875.00	66,875.00	
12/1/2024	50,000.00	15,000.00	65,000.00	131,875.00
6/1/2025	50,000.00	13,125.00	63,125.00	
12/1/2025	50,000.00	11,250.00	61,250.00	124,375.00
6/1/2026	50,000.00	9,375.00	59,375.00	
12/1/2026	50,000.00	7,500.00	57,500.00	116,875.00
6/1/2027	50,000.00	5,625.00	55,625.00	
12/1/2027	50,000.00	3,750.00	53,750.00	109,375.00
6/1/2028	50,000.00	1,875.00	51,875.00	51,875.00
Totals	2,000,000.00	2,037,500.00	4,037,500.00	4,037,500.00

Exhibit 'P'

8/23/2004 Prepared by TDM Consulting, LLC

DEBT SERVICE
CASCADE METROPOLITAN DISTRICT #2
SERIES 2005 REVENUE BONDS

Date:	02/01/05
Amount:	$3,000,000
Rate	7.50%
Term:	23 Years
Interest Only:	3 Years

Period Ending	Principal	Interest	Debt Service	Annual Debt Service
2/1/2005				
6/1/2005		75,000.00	75,000.00	
12/1/2005		112,500.00	112,500.00	187,500.00
6/1/2006		112,500.00	112,500.00	
12/1/2006		112,500.00	112,500.00	225,000.00
6/1/2007		112,500.00	112,500.00	
12/1/2007		112,500.00	112,500.00	225,000.00
6/1/2008		112,500.00	112,500.00	
12/1/2008	75,000.00	112,500.00	187,500.00	300,000.00
6/1/2009	75,000.00	109,687.50	184,687.50	
12/1/2009	75,000.00	106,875.00	181,875.00	366,562.50
6/1/2010	75,000.00	104,062.50	179,062.50	
12/1/2010	75,000.00	101,250.00	176,250.00	355,312.50
6/1/2011	75,000.00	98,437.50	173,437.50	
12/1/2011	75,000.00	95,625.00	170,625.00	344,062.50
6/1/2012	75,000.00	92,812.50	167,812.50	
12/1/2012	75,000.00	90,000.00	165,000.00	332,812.50
6/1/2013	75,000.00	87,187.50	162,187.50	
12/1/2013	75,000.00	84,375.00	159,375.00	321,562.50
6/1/2014	75,000.00	81,562.50	156,562.50	
12/1/2014	75,000.00	78,750.00	153,750.00	310,312.50
6/1/2015	75,000.00	75,937.50	150,937.50	
12/1/2015	75,000.00	73,125.00	148,125.00	299,062.50
6/1/2016	75,000.00	70,312.50	145,312.50	
12/1/2016	75,000.00	67,500.00	142,500.00	287,812.50
6/1/2017	75,000.00	64,687.50	139,687.50	
12/1/2017	75,000.00	61,875.00	136,875.00	276,562.50
6/1/2018	75,000.00	59,062.50	134,062.50	
12/1/2018	75,000.00	56,250.00	131,250.00	265,312.50
6/1/2019	75,000.00	53,437.50	128,437.50	
12/1/2019	75,000.00	50,625.00	125,625.00	254,062.50
6/1/2020	75,000.00	47,812.50	122,812.50	
12/1/2020	75,000.00	45,000.00	120,000.00	242,812.50
6/1/2021	75,000.00	42,187.50	117,187.50	
12/1/2021	75,000.00	39,375.00	114,375.00	231,562.50
6/1/2022	75,000.00	36,562.50	111,562.50	
12/1/2022	75,000.00	33,750.00	108,750.00	220,312.50

BOND DEBT SERVICE
CASCADE METROPOLITAN DISTRICT #2
SERIES 2005 REVENUE BONDS
Page Two

Period Ending	Principal	Interest	Debt Service	Annual Debt Service
6/1/2023	75,000.00	30,937.50	105,937.50	
12/1/2023	75,000.00	28,125.00	103,125.00	209,062.50
6/1/2024	75,000.00	25,312.50	100,312.50	
12/1/2024	75,000.00	22,500.00	97,500.00	197,812.50
6/1/2025	75,000.00	19,687.50	94,687.50	
12/1/2025	75,000.00	16,875.00	91,875.00	186,562.50
6/1/2026	75,000.00	14,062.50	89,062.50	
12/1/2026	75,000.00	11,250.00	86,250.00	175,312.50
6/1/2027	75,000.00	8,437.50	83,437.50	
12/1/2027	75,000.00	5,625.00	80,625.00	164,062.50
6/1/2028	75,000.00	2,812.50	77,812.50	77,812.50
Totals	3,000,000.00	3,056,250.00	6,056,250.00	6,056,250.00

Exhibit 'P'

8/23/2004 Prepared by TDM Consulting, LLC

EXHIBIT Q

MARKET ANALYSIS FOR CASCADE RESORT COMMUNITY

Market Analysis
Cascade Resort Community

El Paso County, Colorado

Prepared by
David Bamberger & Associates

Prepared for
Cascade Resort Community, Inc.

May 4, 2004

Final Report

GENERAL LIMITING CONDITIONS
This report contains information believed to be reliable. No responsibility, however, is assumed for inaccuracies in reporting by any source. Market conditions can change very rapidly. The data and conclusions contained in this report are valid for a short period of time following their publication. Caution should be used in relying on any information contained herein to make important decisions without verifying current market conditions. The forecasts contained in this report represent a reasonable estimate of likely future activity. They are, however, subject to a variety of uncertainties. Consequently, anyone using them should realize their limitations and perform their own independent analysis of the assumptions contained herein. None of the material contained in this report may be used in any type of prospectus for any type of securities offering without prior written authorization.

Peer into the future before it becomes the present

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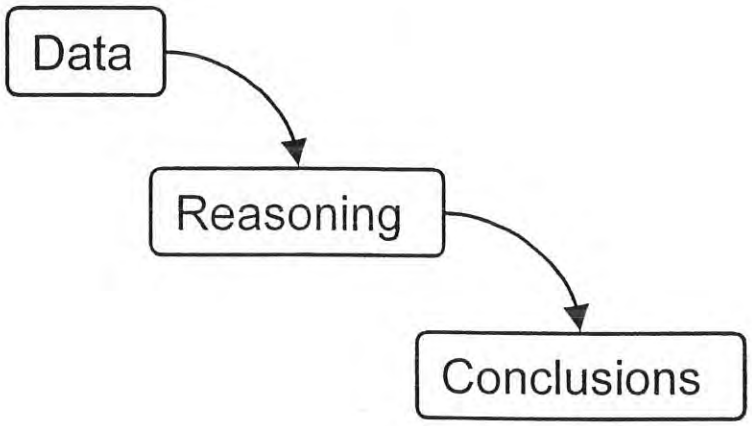
Applied Economics



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INTRODUCTION

Scope of Work

This report presents an analysis of the market, with the specific attention paid to pricing and projections of absorption for approximately 60 single family lots in the Cascade Resort Community. The report was prepared for the developer of the property.

Organization of Report

This report is organized into four major sections. Following the introduction is a discussion of our findings. The third section presents our recommendations and detailed data tables that support our findings are found in the attachments (fourth) section.

Data Sources and Methodology

To support our analysis of the custom lot market we compiled two sets of data:

1. LOT SALES - Custom home lot sales warranty deed closings for the 40 month period 10/01/00 to 1/31/04 with lot sales $90,000, and over. Data includes date of sale, subdivision, buyer, seller, sales price, number of lots and street address. This data was obtained from a commercial data provider. We subjected the raw data to extensive editing to insure the data represented custom lot sales.

2. AVAILABLE LOT INVENTORY - Current developer inventory of custom lots in the Colorado Springs urban area. Data includes project, lot number, size, asking sales price and price per square foot. This data was compiled in a survey we conducted in April, 2004.

Based on our analysis of the data on sales and information compiled, we segmented the custom lot market into:

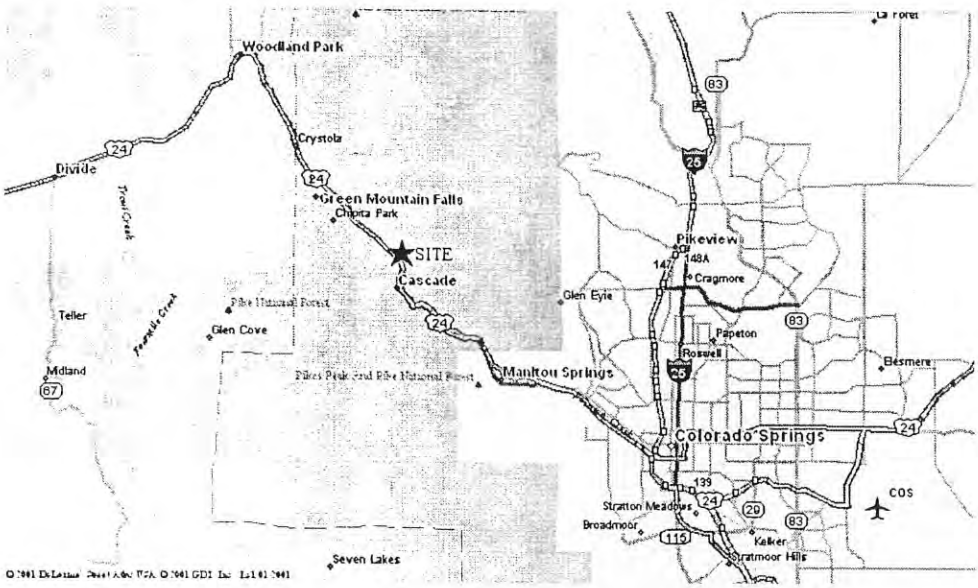
1. Location - Rural / Urban
2. Buyer - Builder / Individual
3. Seller - Developer / Builder / Individual

This approach provided us with a more focused view of the custom lot

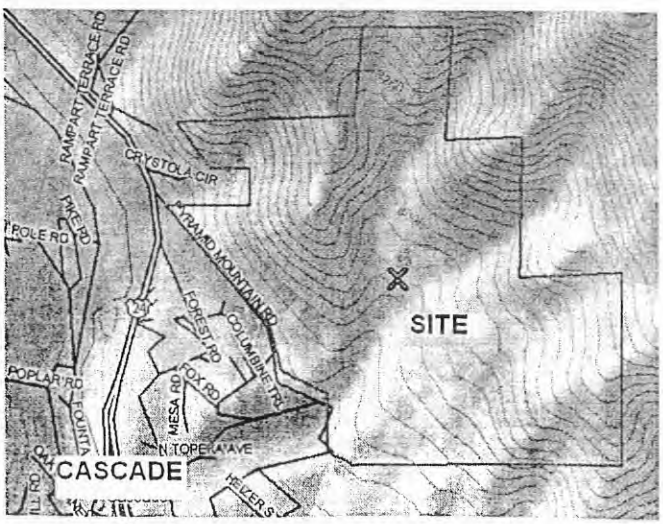
market in which the Cascade Resort Community will be competing.

Location & Project Description

Cascade Resort Community consists of approximately 60 lots on a total of 364 acres. It is located in the town of Cascade. Access to the property is via Pyramid Mountain Road or Topeka Avenue from Highway 24. The project is located in the Manitou School District. Gas and electric service will be provided by Colorado Springs Utilities and water will be provided by the Cascade Metropolitan District. Wastewater will be handled by on-site septic systems. The property is adjacent to national forest land, overlooking Fountain Creek as it runs through Ute Pass. The closest shopping and services of significance are: Woodland Park to the northwest and Manitou Springs and the west side of Colorado Springs to the southeast.

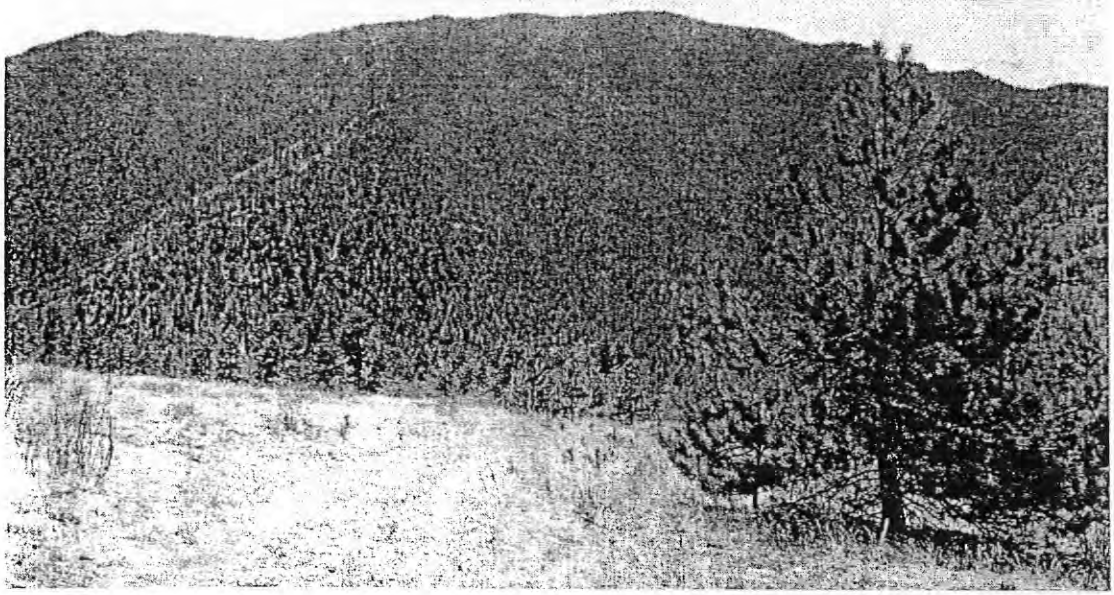


The site is located on the south and southwest facing slope of Ute Pass, northeast of existing development in the town of Cascade. Entry to the site, which will be a gated community, will be off Pyramid Mountain Road. The elevation ranges from a low of 7600 feet to a high of 8400 feet. The lower elevation is comparable



to high elevations among premier properties in Colorado Springs along the foothills. Vegetation on the site is comprised primarily of scrub oak, ponderosa pines, spruce, and aspen. Several ridges and gullies traverse the site providing steep topography in places. Being confined in a valley, much of the site does not lend itself to long vistas. Some building sites, primarily at higher elevations, will have vistas of the top of Cheyenne Mountain to the southeast. Others will catch glimpses of portions of Pikes Peak above timberline. The dominant view is across the valley to the first ridge leading up to Pikes Peak. These views are oriented to the south which should provide homesites with ample solar exposure during the winter months.

Looking South From Base of Site



The development is currently planned as a gated community. Lots will average approximately 2.5 acres each. Plans provide for a total of 51% open space. The idea is that smaller building sites and more common space will promote hiking and other activities throughout the development. We believe that buyers will perceive that lot sizes in the development will effectively total approximately 6 acres in size.

The surrounding neighborhood represents a varied history of development in Cascade and Ute Pass. There are new custom homes with three-car garages, upgraded summer cabins, new stucco facades on older homes, log cabins, and modest homes. The diversity of housing

styles is similar to the upscale neighborhood found in North Cheyenne Canyon which has also gone through an upgrading and rejuvenation over the past 40 years.

The range of housing types found in Cascade and the neighboring communities of Chipita Park and Green Mountain Falls are representative of the demographic and lifestyle diversity found among households in the area. Prizm lifestyle segments include incomes ranging from lower middle to upper[1]. Education levels parallel income and lifestyle traits are quite varied, but generally include some form of outdoor activity in all but the oldest segment.

[1] Prizm lifestyle segments, Claritas, www.Claritas.com

Pricing Recommendations

Absorption is a function of pricing relative to competitive supply and overall market demand for custom lots. While we ultimately feel that prices in excess of $300,000 are achievable at Cascade Resort Community, such pricing is likely to occur at the higher elevations and on the best building sites. It is also likely to occur later in the development.

The $200,000 to $300,000 price range in the custom lot market represents approximately 12% of the total market historically. This equates to approximately 33 lots sold per year in that price range. With 91 lots currently available in the $200,000 to $300,000 range and an additional 110 lots planned in Cascade Resort Community and Cedar Heights,

there will be a 6.1 year supply. The supply will be largely comprised of three distinctively different developments in addition to Cascade Resort Community -- High Forest Ranch, Pinecrest, and Cedar Heights. Assuming Cascade Resort Community achieves a 20% market share in this price range, absorption should approach seven lots per year. To achieve higher absorption, closer to 10 lots per year, more aggressive pricing between $200,000 and $225,000 per year is desirable. In addition, the most costly building sites for home construction will require discounting -- perhaps to prices under $200,000.

The $200,000 to $225,000 pricing scheme is the most desirable for market entry. Depending upon buyer response to this unique offering, lot pricing might quickly increase to the $225,000-$250,000 price range. Premium lots, the best 20% in the development, should be reserved for higher pricing. These lots should be initially listed for more than $250,000 and could increase to over $300,000 within a year, or two. We feel this pricing strategy is the best for maximizing the potential for absorption ranging between six and ten lots per year.