

**AMENDED
SERVICE PLAN
FOR
PURGATORY
METROPOLITAN DISTRICT
(FORMERLY PURGATORY WATER AND SANITATION DISTRICT)**

**LA PLATA COUNTY
COLORADO**

KKBNA

Incorporated
Consulting Engineers

July 1982

AMENDED
SERVICE PLAN
FOR
PURGATORY
METROPOLITAN DISTRICT
(FORMERLY PURGATORY WATER AND SANITATION DISTRICT)

LA PLATA COUNTY
COLORADO

Prepared by: KKBNA, Inc., Consulting Engineers
Boettcher & Company, Investment Bankers

July 1982

STATE OF COLORADO)
) ss.
COUNTY OF LA PLATA)

IN RE AMENDMENT TO SERVICE PLAN OF)
PURGATORY METROPOLITAN DISTRICT,)
FORMERLY THE PURGATORY WATER AND)
SANITATION DISTRICT,)
COUNTY OF LA PLATA, COLORADO)

TO THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF
LA PLATA AND STATE OF COLORADO:

The Petitioners and Proponents of the proposed Amended Service Plan for the Purgatory Metropolitan District, La Plata County, Colorado, the Board of Directors of the Purgatory Metropolitan District, pursuant to the provisions of the "Special District Control Act," Title 32, Article 1, Part 2, C.R.S. 1973, as amended, respectfully petition the Board of County Commissioners of the County of La Plata, State of Colorado, for a Resolution of Approval with respect to said Amended Service Plan for said District.

In support of said Petition, your Petitioners state:

1. That on the 8th day of April, 1968, the County Commissioners of La Plata County approved the service plan of the Purgatory Water and Sanitation District.

2. That the electors of the District did subsequently approve the organization of the District and that the Purgatory Water and Sanitation District was duly created by Order of the District Court of the Sixth Judicial District entered July 8, 1969.

3. That on March 23, 1982, by resolution of the Board of Directors, the Purgatory Water and Sanitation District was converted to the Purgatory Metropolitan District, with the following powers: water, sanitation, street improvements, safety protection, mosquito control, parks, recreation, and television relay and translation.

4. That, by Order of the District Court for the Sixth Judicial District entered June 11, 1982 said conversion was approved.

5. That on the _____ day of _____, 1982, there was filed with the Board of County Commissioners of La Plata County an Amended Service Plan for said District.

6. That such Amended Service Plan fully complies with the provisions of the "Special District Control Act" as to all the information required to be contained therein.

7. That Petitioners have also accompanied the Amended Service Plan with the maximum processing fee required by law in the amount of \$100.00., as provided in § 32-1-207 C.R.S. 1973 (as amended).

WHEREFORE, Petitioners pray that this Honorable Board will enter such orders as may be necessary or proper to:

1. Set a date not more than thirty (30) days from July 26, 1982, for a public hearing on the Amended Service Plan.

2. Provide written notice of the date, time and location of the hearing to the Purgatory Metropolitan District and to the governing body of any municipality or district which has levied an ad valorem tax within the next preceding tax year and which has boundaries within a radius of three (3) miles of the Purgatory Metropolitan District.

3. Make publication of the date, time, location and purpose of the hearing in the Durango Herald, a newspaper of general circulation within the District, on the following dates: August 2nd, 9th, and 16th, 1982. Such notice shall be in the following form:

STATE OF COLORADO, COUNTY OF LA PLATA

NOTICE OF HEARING

IN RE AMENDED SERVICE PLAN OF PURGATORY METROPOLITAN
DISTRICT, LA PLATA COUNTY, COLORADO

PUBLIC NOTICE IS HEREBY GIVEN that there were filed with the County Clerk and Recorder of La Plata County, Colorado, an amended Service Plan and related documents for the Purgatory Metropolitan District. The amended Service Plan and related documents are now on file in the office of the Clerk and Recorder and are available for public inspection.

NOTICE IS FURTHER GIVEN that, by Order of the County Commissioners of La Plata County, Colorado, a public hearing on said Service Plan and related documents will be held at the La Plata County Courthouse, Commissioners Hearing Room, Durango, Colorado, at _____ o'clock ____ .M., on _____, the _____ day of _____, 1982.

The purpose of the Hearing shall be to consider amendments to the Service Plan of the Purgatory Metropolitan District originally approved by the Board of County Commissioners on April 8, 1968 as the Purgatory Water and Sanitation District and form a basis for adopting a Resolution approving, conditionally approving or disapproving the amended Service Plan.

The District Service Plan has been modified to reflect the current program of the District, including amendments to the District's financial projections, and to expand the services of the District to include park and recreation, transportation, street improvements, traffic and safety protection, mosquito control, television relay and translation, and transportation services. Because of the extent of the proposed amendments to the Service Plan, the District has chosen to rewrite and resubmit the amended Service Plan of the District in its entirety. It is, therefore, the District's intent that this amended Service Plan, following County approval, be substituted for the original Service Plan.

The Purgatory Metropolitan District is located entirely within La Plata County, Colorado, and is described as follows:

The NW1/4 of the SE1/4, the NE1/4 of the SW1/4, and the W1/2 of the SW1/4, all in Section 24, Township 39 North, Range 9 West of the New Mexico Principal Meridian, (La Plata County, Colorado)

THIS NOTICE GIVEN BY ORDER of the Board of County Commissioners of La Plata County, Colorado this 26th day of July, 1982.

County Clerk and Recorder
La Plata County, Colorado

(S E A L)

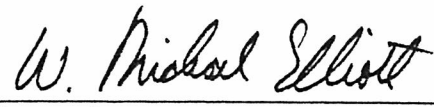
4. Deliver this Amended Service Plan to the Clerk and Recorder for delivery to the Planning Commission which shall study said Plan and present its recommendation for approval or disapproval to the Board.

5. Following the public hearing, issue a Resolution approving the Amended Service Plan.

PURGATORY METROPOLITAN DISTRICT

By: 
President

ATTEST:


Secretary
Asst SECRETARY

**Incorporated
Consulting Engineers**

7456 West Fifth Avenue
Denver Colorado 80226
303 232 6050

Founders

Milo S. Ketchum
Special consultant

E. Vernon Konkel
(1923-1970)

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Donavon D. Nickel
David E. Austin

A. J. Ryan
(1908-1967)

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Donald C. Weber
Leroy E. Tobler
John K. Bright
Charles D. Keyes

William B. O'Neal
Neil F. Dunbar
Robert D. Scarrow
Howard B. Browning
James R. Davis
Martin S. Oidford

Associate Principals

C. James Erickson
Larry R. Sward
David D. Gillaspie
James B. Adkins

Roger H. Kaness
Robert G. Henderson
William R. Hamilton
John W. Maas
Roger H. Smades

July 16, 1982

Board of Directors
Purgatory Metropolitan District
P.O. Box 666
Durango, CO 81301

Gentlemen:

Attached is the Amended Service Plan for the Purgatory Metropolitan District. Included are development projections, master plans of known facilities, and financial analyses to support the feasibility of the District's expanded powers.

As allowed under Colorado law for metropolitan districts, several public services are programmed: expansion of the water and sanitary sewer systems; street improvements and safety protection; public park and recreation facilities; transportation systems; television relay and transmission; and mosquito control.

At 1982 costs, over \$8.7 million of capital improvements are estimated to be required, phased over 11 years. Income required to support these facilities will be derived from ad valorem tax, capital investment fees, service charges, and user fees. According to the projections in this Plan, the amounts of income compared to expenditures indicate a financially viable District.

Yours truly,

Howard B. Browning

Howard B. Browning, P.E.
Principal

HBB/nd

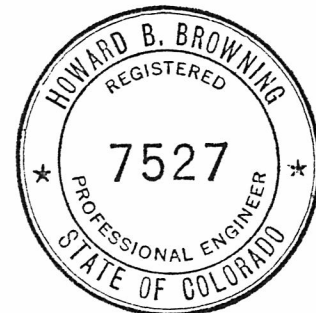


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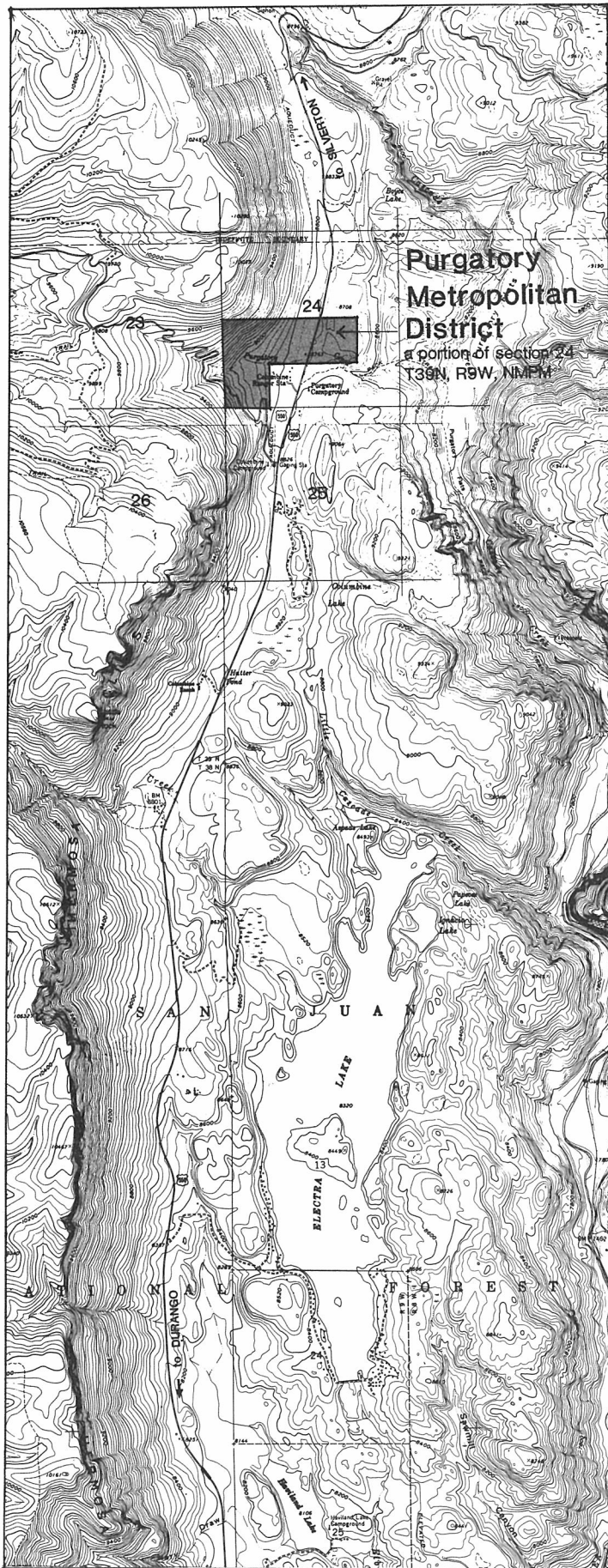
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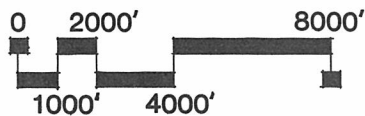


**PURGATORY
METROPOLITAN
DISTRICT**

LA PLATA COUNTY

COLORADO

vicinity map



north

KKBNA
Incorporated
Consulting Engineers

SECTION I
INTRODUCTION

ORIGINAL & AMENDED SERVICE PLANS

On April 8, 1968, the Service Plan for Organization of the Purgatory Water & Sanitation District was approved by the County Commissioners of La Plata County. That plan provided for the organization of a Water and Sanitation District to serve the area to be developed as the Purgatory Ski Area. Subsequent to County approval of the Plan, the Purgatory Water and Sanitation District was formed (pursuant to provisions of Colorado Revised Statutes 1963, as amended) by Order and Decree of the District Court of the Sixth Judicial District (La Plata County, Colorado) on July 8, 1969. The purposes of the District were:

"(a)To provide a complete water supply, treatment, storage, transmission, and distribution system ---;

(b)To provide a complete sanitary sewage collection, transmission, treatment, and disposal system and service ---."

The Purgatory Water and Sanitation District has been in continual operation since that time.

The Board of Directors of the District has determined that it is in the District's best interest to convert the District to a metropolitan district under provisions of the "Special District Control Act," Title 32 "Metropolitan Districts," 1973 Colorado Revised Statutes, and thus expand the District's powers and ability to serve its residents. The District must, therefore, revise the District's original Service Plan, including its services and financial projections. It is the District's intent that this Amended Service Plan, following approval by the Commissioners of La Plata County, be substituted for the original Service Plan.

CONVERSION TO A METROPOLITAN DISTRICT

By resolution of the Board of Directors adopted March 25, 1982, and approved by Order of Court entered June 11, 1982, the Purgatory Water and Sanitation District was converted to a metropolitan district to be known as The Purgatory Metropolitan District. Section 32-1-1006(2), C.R.S. 1973 (as amended, 1981) authorizes the conversion of a water and sanitation district into a metropolitan district upon the filing of a resolution of the board of directors with the District Court which has jurisdiction over the district and the entry of the judge's Order thereon.

By converting to a metropolitan district, the Purgatory Water and Sanitation District added to its water and sanitation powers the following authorities: street improvements, safety protection, park and recreation, television relay and translation, and mosquito control. The District will not, at this time, exercise the authorities of a fire protection district, as there is an existing fire protection district providing services to the District. However, should fire protection services no longer be provided at some future time, the District would seek a court order permitting it to exercise fire protection powers.

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

ADDITION OF THE TRANSPORTATION POWER

The statutes of the State of Colorado permit a metropolitan district to add to its other powers the power to establish, maintain, and operate a public transportation system except where the metropolitan district is located in a city or a county which is also authorized to provide a public transportation system (for example, the Regional Transportation District in the Denver metropolitan area). However, in order to add this additional power, the question of the authorization of the power must be submitted to a vote of the electors of the district. On June 21, 1982, by resolution of the Board, the Purgatory Metropolitan District determined to submit to the electors of the District the question of adding the transportation power at an election to be held July 13, 1982. The addition of the transportation power is also subject to the approval of this Amended Service Plan by the County Commissioners of La Plata County.

RELATION TO OTHER MUNICIPALITIES AND DISTRICTS

At this time, the area of the Purgatory Metropolitan District is wholly within the boundaries of the Hermosa Cliffs Fire Protection District. No other municipal or quasi-municipal corporations are within or adjacent to the District. The Animas La Plata Water District's boundary is located over three miles from the Purgatory Metropolitan District. At this time, it has no service facilities in place. Expansion of that District's area to serve the Purgatory Metropolitan District is infeasible at this time, both physically and financially.

AREA OF THE DISTRICT

The original Purgatory Water and Sanitation District, and the new Purgatory Metropolitan District, consist of 160 acres at the Purgatory Ski Area adjacent to U.S. Highway 550, 25 miles north of Durango, Colorado. Refer to the Vicinity Map for location of the District.

NEED FOR SERVICES

The District has previously provided only water and sanitary sewer services. Additional services which the District may now provide are parks and recreation, safety protection, street improvements, television relay and translation, mosquito control, and transportation. These new services are not presently provided and there are no existing municipal or quasi-municipal corporations able to provide these services in a reasonable time and on a comparable basis. Inclusion of these new services will assure that the area continues to develop in an orderly manner, that amenities and services will be

maintained, and development will become and remain a substantial aesthetic and economic asset of the County.

The District was originally formed to, and as converted to a metropolitan district continues to, service a major portion of the Purgatory Ski Area and related developments with water and sanitary sewer service. The Purgatory Ski Area is located in the mountainous area of the San Juan National Forest. Originally constructed in early 1965, the water and sewer facilities were placed in operation later that year. At the time of the formation of the District, improvements in place consisted of:

1. Access road from US Highway 550
2. 600 car parking lot
3. Lodge with food and beverage service
4. 13 miles of ski trails
5. 6,200 ft. double chair lift, 750 ft. Pomalift, and 300 ft. rope tow
6. Maintenance building and ski patrol facility
7. Rental shop
8. Mobile home office

Since that date, significant development has taken place, including lodging expansion to over 200 accommodation units (hotel and condominium), additional lifts, and roadways. From the small number of skier visits during its initial season, the Purgatory Ski Area has grown to an estimated 6000 peak day skier visits in 1981-82. In 1979, a new and expanded 30-year permit from the Forest Service was granted. As the Purgatory Ski Area has expanded and (pursuant to the Purgatory P.U.D. Sketch Plan approved 1981, and Phase I Preliminary Plan approved May, 1982) will continue to do so, the Purgatory Metropolitan District is obligated to grow in both services and facilities. The projected growth requires an expansion of the present water and sewer facilities. As this development is projected to occur within the District's boundaries, The Purgatory Metropolitan District is legally authorized and is in the best position, as compared to any other existing municipal or quasi-municipal corporation, to provide the necessary water and sewer facilities to the expanded development in a reasonable time and on a financially feasible basis.

This plan sets forth, among other things, the projected population growth, the projected assessed valuation, and the economic feasibility of the new and expanded services of the District.

SERVICES OUTSIDE THE DISTRICT

Since the District has raw water available in excess of its needs (see Appendix A), it is anticipated that there will be water and sanitary sewer service provided on a contractual basis, as approved by the Board of Directors, outside the boundaries of the District. The terms and conditions of such service will be set so that this service is not a burden to the residents within the District. The same design criteria will apply as inside the District.

EXPANDED SERVICES

Water System

The existing public water supply system, owned and operated by the District, will be expanded to serve the proposed development and such users outside the District as the District may contract to serve. Integral to the system is the provision of fire protection at the flows and pressures consistent with the requirements of the Hermosa Cliffs Fire Protection District. Included are well improvements, pumping facilities, storage tanks, expansions of the distribution system, fire hydrants, and other system appurtenances.

Sewer System

As with the water system, the sewage system will also be expanded. Included are additional collection laterals, interceptors, and outfalls. The existing sewage treatment facilities will be enlarged to treat additional flows.

NEW SERVICES

Street Improvements and Safety Protection

The District proposes to construct an access road, internal circulation streets and pedestrian malls on easements dedicated to the public and/or District. The uncovered pedestrian malls, to the extent financed by the District, will constitute street and/or safety improvements within the parameter of the District's powers. These street improvements will become District responsibility for maintenance and snow removal. Ancillary to the street improvements will be drainage facilities, landscaping along roadways, as well as traffic and safety controls and devices.

Other

In addition to the preceding services, the Purgatory Metropolitan District is empowered to secure the following services for the District:

1. Public park and recreation
2. Transportation
3. Television relay and translation
4. Mosquito control

FINANCING

It is the intention of the Board of Directors of the District to proceed with the enumerated services on a phased basis to coincide with, if not precede, the needs of development within the District.

Should development within the District not proceed as projected, certain phases of the expansion of facilities and development of services will be

delayed in order not to jeopardize the ability of the District to satisfy its existing obligations.

The District will have four main sources of income:

- * Service charges: Periodic billing to water and sewer customers, to pay for operation and maintenance of these utilities and to repay a portion of the debt service.
- * Capital investment fees: Payment for the privilege of receiving service from the District to repay a portion of the debt service and cost of construction of the water system, sanitary sewer system, street improvements, park and recreational facilities, and other District facilities, as described below.
- * User fees: Costs paid by the persons enjoying the benefit of park and recreation facilities, the transportation system, and television relay and translation facilities; thus paying for operation and maintenance of these services, as described below. It is not anticipated these fees will be used to repay portions of the debt service, but they could be so used if required.
- * Ad valorem tax: A mill levy placed on privately owned property within the District, to repay a portion of the debt service plus the costs of operating and maintaining of District facilities.

The District anticipates adopting a resolution which will establish the basis for charging these fees. At the current time, it is contemplated that user fees will be charged as services are actually consumed by residents of the District based upon the level of consumption, and the capital investment fee will be charged one or more times based on the capital infrastructure needs of the District. Such fees, to the extent charged, will comply with applicable provisions of the Special District Act, including limitations on availability of service charges.

It is incumbent upon the District to set the amounts of the income sources so that they are well balanced and provide income to service all debt requirements, as well as to meet the operation and maintenance expenses of the District. The Board of Directors will determine, in the best interests of the District, the initial and future schedules of fees, charges and ad valorem taxes.

The Board of Directors will determine, in the best interests of the entire District, the specific areas to be improved and the extent of improvements to be constructed. These phased construction plans must be flexible, providing a basic program guide to orderly development of the facilities. The proposed phasing shown in the following sections of this Plan is based on various assumptions regarding the progress of development, with costs based on 1982 dollar estimates. These cost estimates must be adjusted for inflation in the year of construction.

The District currently intends to offer only water and sanitary sewer services outside its boundaries. The District's Board of Directors will set the policies and fees for such service.

WATER AND SEWER BONDS OUTSTANDING

The Purgatory Water and Sanitation District has issued general obligation water and sewer bonds in the principal amount of \$280,000.00. These bonds were issued by the Purgatory Water and Sanitation District in two series: Series I, dated August 1, 1969, in the total amount of \$140,000.00, of which \$70,000.00 were issued for sanitary sewer purposes, and \$70,000 were issued for water purposes. This bond issue will be fully retired in 1984. Series II, dated October 1, 1971, is in the total amount of \$140,000.00, of which \$95,000.00 were issued for water purposes and \$45,000.00 for sanitary sewer purposes. This bond issue will be fully retired on October 1, 1989.

On September 1, 1973, the Purgatory Water and Sanitation District issued \$278,000.00 refunding bonds, refunding both Series I and Series II. These bonds bear interest at a net effective interest rate of 6-1/2% and will be fully retired on September 1, 1987. The proceeds from these bonds were invested in federal securities in order to meet the bond principal and interest payments due on the Series I and Series II bonds. Therefore, the Purgatory Metropolitan District needs only levy a mill levy sufficient to pay the principal and interest on the refunding bonds. The amount of these bonds outstanding as of January 1, 1982 is \$145,000.00.

SECTION II
DEVELOPMENT OF AREA SERVED BY DISTRICT

LAND USE

The Purgatory Metropolitan District encompasses 160 acres of land, more particularly described in Appendix A and shown on the enclosed maps. Property within the District is used for open space, recreation, residential, municipal service area, and commercial purposes.

SUMMARY OF ZONED LAND USES

<u>Land Uses</u>	<u>Acres</u>
Residential/Commercial	78
Residential, Single Family	2
Recreation	42
Roads	12
Open Space	24
Municipal Service Area	2
TOTAL	<u>160 Acres</u>

POPULATION

Presently, the estimated maximum population of the District, with visitors, is 3640 persons. Peak day attendance at the ski area reaches 6000 currently and is projected to be 10,000, including a probable service staff and non-skiing visitor population of 725 persons. Because of the nature of the Purgatory Ski Area, services must be based not on the population of the District, but on the total of resident population and visitors. Current full-time population of the District is 52.

Estimates of peak day population at the ski area show:

	<u>Destination Skiers</u>	<u>Day Skiers</u>	<u>Total</u>
1982	860	5,140	6,000
1983	900	5,760	6,720
1984	1,100	6,416	7,526
1985	1,410	7,020	8,430
1986	1,710	7,731	9,441
1987	2,010	7,990	10,000
1988	2,310	7,690	10,000
1989	2,610	7,390	10,000
1990	2,910	7,090	10,000
1991	3,210	6,790	10,000
1992	3,510	6,490	10,000
1993	3,810	6,190	10,000
1994	4,110	5,890	10,000
1995	4,460	5,540	10,000

ASSESSED VALUATION

The land and improvements in the Purgatory Metropolitan District have a current assessed valuation of \$2,105,000. This has increased from \$111,725 at the time of formation of the Purgatory Water and Sanitation District.

Conservatively, the assessments provided in the following tables are based on 30% of 1973 valuation (with subsequent improvements). This basis is used in future projections. The development is expected to proceed according to the developers' projections for moderate growth. The following figures have been derived in conjunction with the La Plata County Assessor and current estimates of development. They are based on the following assessed valuations.

<u>Type of Development</u>	<u>Assessed Valuation</u>
Condominium Unit	\$18,200
Lodge Unit	\$ 9,500
Commercial per square foot	\$ 18

In the table below, development is shown for year of construction. However, assessment is made the year following, with tax collected the next year. This delay is reflected in the Projected Cash Flow Schedule shown in Section VII, page 25.

<u>YEAR</u>	<u>CONDO (D.U.)</u>	<u>LODGE (D.U.)</u>	<u>TOWN- HOUSE (D.U.)</u>	<u>COMMER- CIAL (SQ. FT.)</u>	<u>ASSESSED VALUATION (\$1000)</u>
1982					2,105
1983	25			23,000	2,105
1984	50			25,000	2,974
1985	60			14,000	4,604
1986	40	25		11,000	6,468
1987	55	25		24,000	7,901
1988	55	100	12	40,000	10,092
1989	55		16		13,297
1990	35		22		15,170
1991	70	75			16,561
1992	25		22		18,817
1993---					20,026
	<u>470</u>	<u>225</u>	<u>75</u>	<u>137,000</u>	

SECTION III
STREET IMPROVEMENTS AND SAFETY PROTECTION FACILITIES

Refer to Figure 3 "Existing Facilities" and Figure 4 "Proposed Facilities" for details.

DESIGN CRITERIA

Streets

A more efficient access road, pedestrian malls that will also be utilized for service and emergency vehicles, as well as internal circulation roads serving the residential units, are critical to the development of the base village and supporting facilities. Presently the section of US 550 and sections of existing roadways within the District are on public-type rights-of-way. Future new streets and other improvements will be located on rights-of-way, which will be dedicated at no cost to the District by the developer and upon which the District will have the right to construct, operate and maintain such improvements. The District may also maintain improvements constructed on existing public rights-of-way.

The pedestrian malls will be constructed with high quality materials intended to enhance the natural mountain environment. Internal circulation roads, intended to carry lower traffic volumes, will be reviewed and constructed according to County standards where required. Construction will be in accordance with the standards of the American Association of State Highway and Transportation Officials (AASHTO).

The access road, connecting with US Highway 550, will be four lanes and 48 feet wide. Pedestrian malls will vary in width to provide a more interesting shopping experience while at the same time allowing adequate space for service and emergency vehicles. Internal circulation roads are proposed to be two lanes and 24 feet wide. Careful attention in design will be given to intersection characteristics, grades, and other features to facilitate maximized vehicular traffic movements and access to adjacent developments and parking. Inherent in the designs will be the provision for adequate snow removal and storage, as well as emergency vehicle access.

Drainage

Preliminary drainage analyses have been completed for the District and will be supplemented with detailed hydraulics and hydrology at the time of final design. Purgatory Creek flows through the village area, defining the major drainage basin. In accordance with Soil Conservation Service guidelines, Purgatory Creek drainage structures will be sized for the 100-year frequency storm flow, road culverts for 25-year, and other pipes and inlets for 10-year. This entire system of boxes, pipes, inlets, channels, and swales will be located on easements granted to the District by the developer at no cost, and subject to District operation and

maintenance. Other drainage facilities located on or adjacent to private property will not be part of the District's responsibilities.

Lighting, Traffic Control Devices

The safety protection power gives the District the authority to provide traffic control devices along the streets. The specifics of these facilities will be determined at the time of final design and as the need occurs. Traffic control devices may include signing, striping, signalization, and channelization. The District will be responsible for the operation and maintenance of those facilities that are ancillary to streets which are maintained by the District. Applicable standards of the Illuminating Engineers Society (IES) and Institute of Traffic Engineers (ITE) will be followed.

SECTION IV
WATER SYSTEM

Refer to Figure 3 "Existing Facilities" and Figure 4 "Proposed Facilities" for details.

AVAILABILITY OF WATER

The District will improve upon, and expand, its existing water system to serve the needs of development within the District. Leonard Rice Consulting Water Engineers, Inc., water engineers for the District, have determined that the District presently has 414 acre feet of water available for diversion (Appendix B). They have also determined that for full development of the District, that 289 acre feet (43 acre feet consumptive use) is required. The use of 100 gallons per capita per day by destination skiers and 15 gpd for day skiers is conservative. Experience in other like developments has shown that these figures are the maximum demand that can be anticipated.

SERVICES OUTSIDE DISTRICT

Since the District has raw water available in excess of its needs, it is anticipated that there will be water and sanitary sewer service provided on a contractual basis, as approved by the Board of Directors, outside the boundaries of the District. The terms and conditions of such service will be set so that this service is not a burden to the residents and property owners within the District. Extensions of lines and the construction or expansion of central facilities required to serve outside District customers will be at the expense of these customers. The same design criteria will apply as inside the District.

DESIGN CRITERIA

The preliminary designs presented in this Plan are prepared according to accepted engineering practice, and reflect the following requirements:

1. Supply, treatment, storage, and distribution facilities will be constructed in accordance with the Colorado Department of Health's regulations, resulting in reliable, continuing, year-round service.
2. Adequate supplies are available and will be developed to provide projected water requirements. A projection of 3.2 persons per dwelling unit is used for planning of facilities.
3. Facilities will be designed for phased construction, paralleling actual needs.
4. Water for fire protection will be available to all developed areas of the District according to the requirements of the Hermosa Cliffs Fire Protection District.

EXISTING FACILITIES

Since the organization of the original District, improvements have been made as summarized below.

Supply

Two wells (PWSW Wells 1 and 4) with pumps in service and a capacity of 400 gpm have been drilled and equipped. Other wells and reservoirs have been decreed for augmentation, as described in Appendix B. Other than chlorination, treatment is not currently required. Continual monitoring maintains water quality consistent with State standards.

Distribution

The following distribution lines have been constructed:

Water Line 1 - 1298 ft.+

Water Line 2 - 1770 ft.+

Water Line 3 - 394 ft.+

A 100,000 gallon water storage tank with chlorine disinfection facilities.

PROPOSED FACILITIES

Improvements will be based on the design criteria detailed above and are proposed to include the following:

Supply

Two additional wells are proposed to be drilled and equipped, one well to serve as back-up and alternate source, and one well to supplement existing wells. These wells are currently decreed in the District's augmentation plan.

Distribution

The following distribution facilities will be constructed to fully utilize the water presently available to the District.

Tank for operational storage and fire demand.

Pressure reducing valves to split the development into two pressure zones, offering reasonable pressures relating to the 500 ft. vertical relief encountered.

Booster stations to upgrade pumping at existing wells and provide proper lift into the higher zone tank.

Mains, with 6 in. diameter minimum and fire hydrants at 600 ft. approximate spacing, to serve new development and replace lines to be abandoned, where required.

Service outside the District may require the construction of additional storage and pumping facilities and/or the expansion of capacities. This will be at the cost of these users.

SECTION V
SEWER SYSTEM

Refer to Figure 3 "Existing Facilities" and Figure 4 "Proposed Facilities" for details.

TREATMENT CAPACITY

Expansion and improvement of both the collection system and wastewater treatment plant will be required for the District to serve the projected development. Treatment plant capacity is gauged as day skiers at 15 gpd, destination skiers (residents) at 60 gpd. 3.2 persons per dwelling unit is used for planning the facilities. Experience in other ski and resort areas has indicated that of a conservative 100 gallons per capita per day water demand, only a conservative estimate of 60 gallons per capita per day will reach the plant. The difference is accounted for in process water, irrigation, and consumptive use. Lines will be sized based on projected quantities of discharge derived from water usage. To meet the new flows, the existing treatment plant will be incrementally expanded to an anticipated capacity of 1,000,000 gallons per day.

SERVICES OUTSIDE DISTRICT

It is anticipated the District will provide sewer service to those customers outside the District to whom the District supplies water. The terms and methods of such service will be set so that this service is not a burden to the residents within the District. Line extensions will be at the cost of these customers. The same design criteria will apply as inside the District.

DESIGN CRITERIA

Preliminary designs in this Plan are in accordance with accepted engineering practices and reflect the following requirements:

1. Collection and treatment facilities will be constructed in accordance with the Colorado Department of Health and the La Plata County Health Department's requirements.
2. Treatment facilities will be designed to be aesthetically acceptable even during maximum load conditions and adverse weather. Noise and odor will be controlled.
3. The treatment facilities will be designed to produce an effluent that will permit maintenance of the stream standards as determined by the Colorado Water Quality Control Commission. The stream standards presently in effect will require secondary treatment. Indications from the Commission are that these standards will not change in the next three years.

EXISTING FACILITIES

Currently in place is an operating sanitary sewerage system consisting of improvements summarized below.

Collection

The following collection lines have been constructed by the District:

Sewer Line 1 - 1811 ft.+
Sewer Line 2 - 670 ft.+
Outfall Main - 1660 ft.+

Treatment

The wastewater treatment plant consists of the following facilities:

80,000 gallon per day sewage treatment plant
690 ft.+ effluent outfall
2 acre polishing pond, approximately 5 ft. deep

The treatment facility, located on the east side of US 550, consists of an aerated reactor, followed by a facultative lagoon and non-aerated polishing pond. Although apparently designed as a batch reactor system, the plant operates more as a completely mixed activated sludge system without solids recycle. The plant appears to be in generally good condition. It has a rated capacity of 80,000 gpd, and can peak to 120,000 gpd for a short term. Existing average and peak flows are at approximately these amounts and the plant is operating at capacity. The plant presently discharges only at periods of high surface water runoff and discharges to an unnamed side drainage to Purgatory Creek below the water storage reservoir.

PROPOSED FACILITIES

Improvements will be constructed to service proposed development and will include the following:

Collection

5000 ft.+ of new mains will be constructed within the boundaries of the District. These mains will be 8" diameter minimum and hydraulically sized and located for adequate service to the District customers.

Treatment

Expansion of existing 80,000 gpd plant will be accomplished in two stages of 270,000 gpd and 650,000 gpd respectively, thus reaching a 1 MGD rated capacity. Mechanical treatment is proposed. The aerated facultative lagoon and polishing pond will be retained. Effluent will be treated to a secondary level and discharged, as it is presently, to an unnamed side

drainage to Purgatory Creek. If the Colorado Water Quality Control Commission should establish different stream standards for Purgatory Creek and its tributaries in the future, tertiary treatment might be required at the wastewater treatment plant. The bond issues proposed in Appendix A do not contemplate the cost of constructing a tertiary treatment plant. If the Water Quality Control Commission should require tertiary treatment, it is anticipated that the District would ask its electors to authorize additional debt, issue revenue bonds, or take such other legal action as would provide the requisite financing.

The La Plata County "208" Plan, by the San Juan Basin Regional Commission, lists the Purgatory Metropolitan District's wastewater treatment facility in its inventory and the proposed expansion is consistent with this plan, which is the long-range water quality management plan for the area.

SECTION VI
OTHER SERVICES

The District will provide parks and recreation facilities as needed to serve the residents and property owners of the District. The envisioned facilities will include eight tennis courts, a recreation complex, pedestrian trails, and bike and jogging paths in and around the village area. The recreation complex is planned to include an indoor-outdoor pool, racquetball courts, an exercise gym, and sauna and whirlpool facilities. Neither the cost to operate the facilities, nor the anticipated user fees, have been recorded in the financial projections, as it is anticipated that user fees will be set to directly offset operating costs. The District will not initiate or assume any skiing related recreation functions.

Transportation facilities will consist of, initially, a shuttle bus system with associated on-off loading terminals and supporting parking areas. The Board of Directors may revise the type and extent of service from time to time to meet the needs of the property owners of the District.

Television relay and translation, planned for future implementation, will be constructed, operated and maintained in accordance with the requirements of the Federal Communications Commission. Such service may include cable service to individual customers, safety protection and fire protection.

As mosquito control may become necessary, the District will provide this service, consistent with the requirements of the La Plata County Health Department. Rules and controls of the Environmental Protection Agency regarding pesticides will be followed.

SECTION VII
FINANCE

EXPENDITURES

The following cost data is based on preliminary facilities designs and other information currently available. Costs are in 1982 dollars as it is impossible to predict future prices with any accuracy. At the time improvements are constructed, the District may have to adjust the amount of bonds actually issued, or other financing means, in order to cover increased costs. The amount of bonds authorized by the electors of the District will be sufficient to permit the District to issue additional bonds.

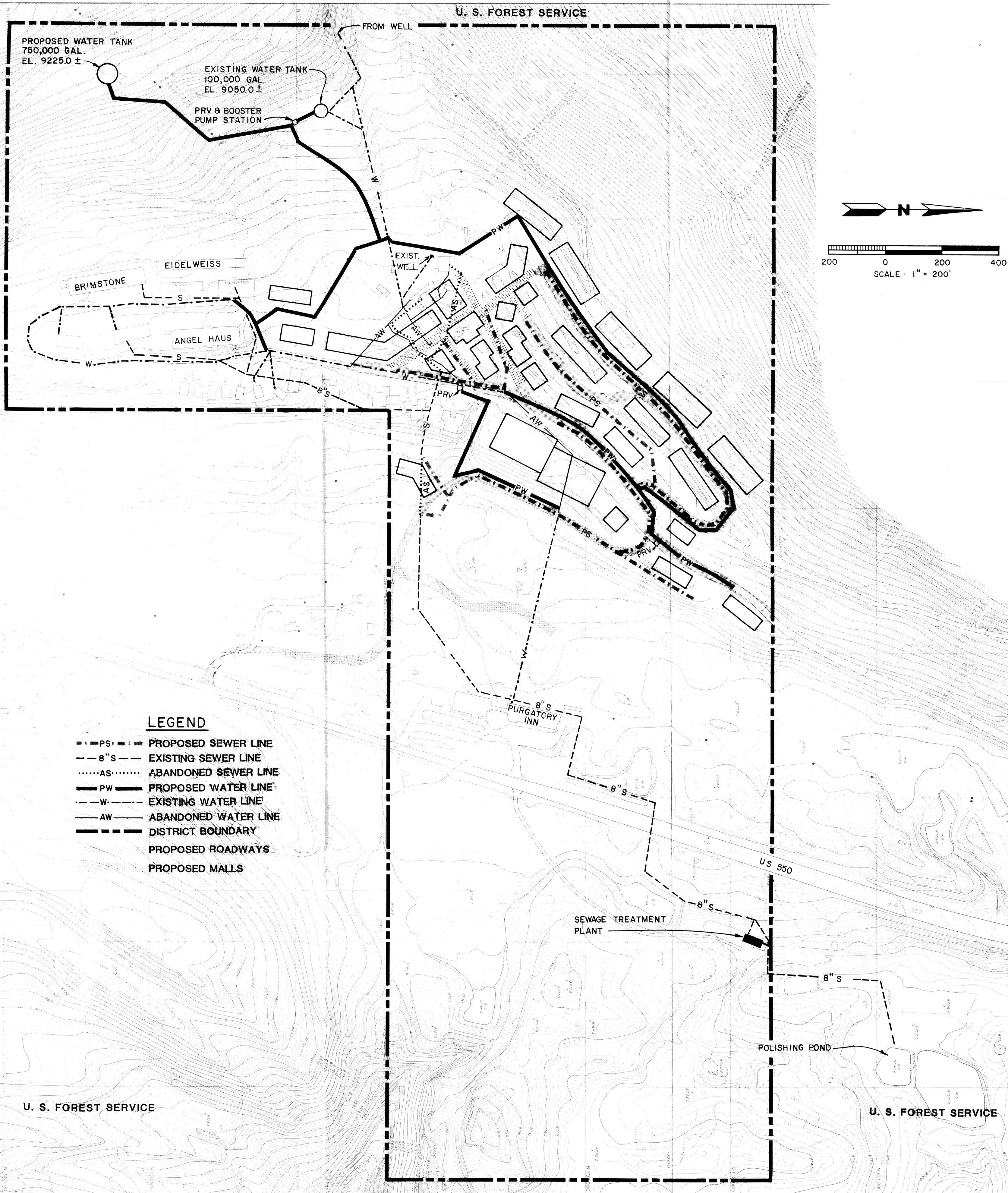
Capital Improvements

Included with the following capital cost estimates is a contingency factor of 20% to reflect legal, administrative, engineering, and construction change costs. Cost of land and rights-of-way are excluded as it is anticipated that required lands and easements will be furnished without cost to the District. Costs for transportation facilities have not been included as it is not yet determined whether the District will wish to incur major capital costs in acquisition of a system. The District may acquire busses at no or little cost from the developer, and in that event, will operate a transportation system. If low cost acquisition is not possible, the District will wait to acquire the system until sufficient capital is available.

Similarly, costs for television relay and translation have not yet been included. This service will not be provided until the District has available the necessary capital to do so.

It is the District's intent that acquisition of transportation and television relay and translation facilities will not affect the District's ability to repay its bonded indebtedness, as outlined in this service plan, and to meet its obligations with regard to operation and maintenance of the water, sewer, streets, and park and recreation facilities.

PURGATORY METROPOLITAN DISTRICT PROPOSED DEVELOPMENT



**PURGATORY METROPOLITAN DISTRICT
AMENDED SERVICE PLAN
PROPOSED FACILITIES**

**FIGURE
4**

CAPITAL IMPROVEMENTS
(\$1000)

<u>YEAR</u>	<u>STREETS & RELATED</u>		<u>WATER &</u>	<u>PARKS &</u>	<u>OTHER* &</u>	<u>TOTAL</u>
	<u>RD/DRAIN</u>	<u>L'SCAPE</u>	<u>SEWER</u>	<u>REC</u>	<u>ADMIN**</u>	
1982	420.7	23.1			123.8	567.6
1983	223.1	217.7	1138.3	55.0	347.0	1981.1
1984	8.2	136.8	92.4	55.0	79.7	372.1
1985	4.4	88.7	46.2		74.2	213.5
1986	639.1	306.2	711.7	55.0	374.5	2086.5
1987	27.0	216.7	51.2	55.0	64.2	414.1
1988		231.9	11.6		42.2	285.7
1989			28.6	1100.0	45.5	1174.1
1990	99.8		64.8		63.0	227.6
1991	149.6		590.2		68.5	808.3
1992	187.0		50.3		77.3	314.6
1993	187.0		50.3		77.3	314.6
	<u>1945.9</u>	<u>1221.1</u>	<u>2835.6</u>	<u>1320.0</u>	<u>1437.2</u>	<u>8759.8</u>

* Includes mosquito control, which is expected to be minimal.

** Includes engineering, survey, legal and administration.

These capital improvements will be funded through a combination of bond proceeds, and capital investment fees, and other monies available to the District. The Projected Cash Flow Schedule (page 25) details the funding of these capital improvements.

Operation and Maintenance

The District will incur the following estimated operation and maintenance costs for the water system, sewer system, streets, mosquito control and traffic safety facilities. Included in the estimated expenses are administration, repair, replacement, utilities, equipment, supplies, personnel services, contract services, consultants' services, legal services, and accounting services. Meters, service lines, and tap costs are assumed to be borne by the developer.

Estimates of these costs are:

1982 - \$ 43,000	1988 - \$350,000
1983 - \$ 65,000	1989 - \$400,000
1984 - \$120,000	1990 - \$450,000
1985 - \$170,000	1991 - \$500,000
1986 - \$250,000	1992 - \$500,000
1987 - \$300,000	1993 - \$500,000

The operation and maintenance costs of the park and recreation facilities, transportation, and television relay and translation facilities will be

met through user fees. Expense estimates have, therefore, not been developed.

BOND SALE PROCEEDS

At this time, it is proposed that general obligation bonds be authorized in the total amount of \$14,500,000 for the following purposes: for a water system - \$3,000,000; for a sewer system - \$2,500,000; for street improvements - \$6,000,000; for safety protection - \$500,000; for parks and recreational facilities - \$2,500,000. These bonds will finance the capital construction and will be issued as required to meet the program of improvements.

Bond issues proposed are as follows. The size of these issues may be increased if the cost of construction and acquisition of facilities is increased.

1982	\$ 700,000
1983	2,800,000
1986	<u>3,000,000</u>
Total	\$6,500,000

The difference between the total bonds anticipated to be sold and the bond amounts authorized is necessary to allow for inflation and contingencies.

INCOME

The following identify the primary income sources for the District. Should unforeseen expenditures be required, the mill levy, fees and charges, including availability of service charges, will be adjusted by the Board of Directors in order to meet increased costs.

Mill Levy

The mill levy must satisfy the income requirements not met by fees and charges in order to retire the bonds and pay operation and maintenance costs. This tax, as set yearly by the District Board of Directors, may vary according to the District needs. Based on the assumptions included in this service plan, the mill levy is proposed as 20 mills for 1982; 25 mills thereafter. (See the Projected Cash Flow Schedule, page 25.) Presently the District mill levy is 20 mills; 13.765 mills for debt service and 6.235 mills for operation and maintenance.

Capital Investment Fees

The District intends to establish a capital investment fee to be charged on a per unit basis. This fee is a privilege of service fee for receiving the multiple services provided by the Metropolitan District, including water and sewer, streets, parks and recreation. It is proposed that the initial capital investment fee be \$5,500 for each residential unit. Through its rules and regulations the District will establish an equivalent unit schedule for other types of uses.

The District reserves the right to charge additional capital investment fees when required to meet additional capital development costs of the District.

Water and Sewer Capital Investment Fee - Outside District

Because users outside the District will not benefit from the street improvement, park and recreation facilities, and any other capital improvements constructed by the District, except water and sewer facilities, a reduced capital investment fee will be charged. It is anticipated that the initial water and sewer (combined) capital investment fee for outside District users will be \$4,500, which shall be the proportionate share of costs of improvements other than lines. In addition, all extensions of water and sewer mains to serve outside the District will be at the sole cost of outside users.

Present Fees and Charges

The Purgatory Water and Sanitation District, before converting to a metropolitan district, had established a combined sewer and water tap fee of \$5,500. The District does not anticipate charging water and sewer tap fees in the future and will include a proportionate share of that cost in the capital investment fee. The flat rate sewer and water service fee is presently \$24.00 per month per single family residential unit. Where units have meters, the water service portion of the fee (12.00) is \$5.00 per month and \$1.00/1,000 gallons of actual use. It is the District's intent that, in the future, water service to all units will be metered.

Water and Sewer Service Charges

It is proposed that a combined water and sewer service charge within the District be \$24 per month for 1982-83; \$30 per month for 1984-87; and \$36 per month thereafter. However, the Board reserves the right to adjust these charges to meet the income needs of the District. Outside District service charges are proposed to be \$61 per month in 1985 and thereafter.

Although the District intends to meter all water usage and to charge on the basis of water actually used, for purposes of the financing plan a flat rate has been assumed based on experience in the equivalency between most probable water usage per period of time and cost of service provided. The Proposed Cash Flow Schedule (page 25) shows the anticipated revenues. These are anticipated to exceed the operation and maintenance costs as projected on page 19. The excess will be used to supplement the mill levy revenues in the payment of bond principal or interest.

The District may sell water, where it is surplus to domestic needs, for other purposes such as irrigation and snow-making. Individual rates for, and approval of, these sales will be established by the Board of Directors as these sales occur.

Other User Fees

Certain services provided by the District can be self financing and the expense/revenues therefore have not been included in the Projected Cash Flow Schedule (page 25). These are park and recreation user fees, transportation ridership charges and television relay and translation user fees. Unlike the other service charges previously discussed, these services will not be expected to supplement bond principal and interest payment requirements. The principal and interest payment for these services will be paid from the mill levy.

Capitalized Interest

Interest income from bond proceeds invested prior to their expenditure or held as a reserve fund is included in the Projected Cash Flow Schedule. The projected interest rate is 13.5% on the first issue and 13% on the remaining issues.

Cashflow Analysis

The table below portrays the combined debt of the District, including the existing debt. In voting on the issuance of general obligation bonds, the electors of the District will be asked to authorize a maximum interest rate of 16%, with a maximum 3% early redemption premium.

EXAMPLE COMBINED DEBT SERVICE

YEAR	(1) <u>PRINCIPAL</u>	(2) <u>INTEREST</u>	(3) <u>TOTAL DEBT SERVICE</u>
1983	\$ 20,000	\$ 284,625	\$ 304,625
1984	30,000	465,325	495,325
1985	35,000	463,025	498,025
1986	35,000	655,075	690,075
1987	45,000	847,125	892,125
1988	40,000	843,200	883,200
1989	50,000	837,900	887,900
1990	80,000	831,300	911,300
1991	110,000	820,775	930,775
1992	130,000	806,325	936,325
1993	165,000	789,275	954,275
1994	245,000	767,650	1,012,650
1995	280,000	735,600	1,015,600
1996	315,000	698,975	1,013,975
1997	360,000	657,775	1,017,775
1998	405,000	610,675	1,015,675
1999	455,000	557,700	1,012,700
2000	520,000	498,175	1,018,175
2001	595,000	430,150	1,025,150
2002	675,000	352,300	1,027,300
2003	595,000	264,550	859,550
2004	675,000	187,200	862,200
2005	765,000	99,450	864,450

- (1) Includes 1973 outstanding debt and three proposed issues.
- (2) 1973 issue interest rate is 6.5%; 1982 issue interest rate @ 13.5%, subsequent issues @ 13%.
- (3) Year ending 12/31.

The Projected Cash Flow Schedule demonstrates a realistic projection for income and expenses of the District over the life of the proposed indebtedness, using the following assumptions. Reference also Boettcher & Company's June 16, 1982 financial feasibility letter, Appendix C.

1. Projected assessed valuations as shown in Section II.
2. Combined debt service presented in above table.
3. Twenty year bond issues.
4. Mill Levy: 1982 - 20 mills; 1983 to 2006 - 25 mills
5. Services Charges Inside the District: 1982-1983 - \$24/month/EQR; 1984-1987 - \$30/month/EQR; 1988-2006 - \$36/month/EQR
6. Service Charges Outside the District: \$61/month/EQR
7. Inside District Tap Fees: \$5,500 per EQR
Outside District Tap Fees: \$4,500 per EQR
8. Interest Earnings: Annual interest rate 11% - \$100,000 considered for working capital use not included.

9. These projections show a cumulative surplus throughout the 25-year projection period.

PURGATORY METROPOLITAN DISTRICT
PROJECTED CASH FLOW SCHEDULE

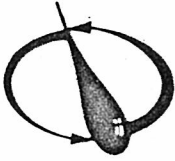
YEAR	PROJECTED ASSESSED VALUE	TAX REVENUES	SERVICE CHARGE		CAPITAL INVESTMENT FEES		NET BOND PROCEEDS	CAPITALIZED INTEREST	FUND BALANCE INTEREST EARNINGS	OPERATING EXPENSES	PROJECT DEVELOPMENT COSTS	DEBT SERVICE	YEARLY SURPLUS/ (DEFICIT)	CUMULATIVE SURPLUS
			INSIDE DISTRICT	OUTSIDE DISTRICT	INSIDE DISTRICT	OUTSIDE DISTRICT								
1982	2,104,760	42,094	43,281		213,400		476,000	189,000	29,528	43,000	567,600	71,962	67,813	67,813
1983	2,104,760	52,619	62,562		495,000		1,932,000	728,000	54,471	65,000	1,981,100	304,625	667,438	735,251
1984	2,104,760	52,619	92,170		568,700	67,500			43,930	120,000	372,100	495,325	(225,665)	509,586
1985	2,973,760	74,344	124,570	6,480	568,700	90,000			43,930	170,000	213,500	498,025	23,499	533,085
1986	4,603,760	115,094	161,794	19,170	462,550	225,000			102,814	250,000	2,086,500	690,075	909,847	1,442,932
1987	6,467,760	161,694	192,070	46,170	642,950	225,000	2,070,000	780,000	129,114	300,000	414,100	892,125	(209,227)	1,233,705
1988	7,901,240	197,531	280,985	83,045	913,000	225,000			134,644	350,000	285,700	883,200	315,305	1,549,010
1989	10,091,760	252,294	352,697	119,920	583,000	225,000			109,291	400,000	1,174,100	887,900	(820,798)	728,212
1990	13,296,760	322,419	398,489	156,795	451,000	225,000			67,167	450,000	227,600	911,300	31,970	760,182
1991	15,169,760	379,244	433,913	193,670	728,750	225,000			57,303	500,000	808,300	930,775	(221,195)	538,987
1992	16,560,760	414,019	491,153	230,540	396,000	225,000			49,608	500,000	314,600	936,324	54,401	593,388
1993	18,817,200	470,430	522,250	267,420	308,000	225,000			55,605	500,000		954,275	79,830	673,218
1994	20,026,240	500,656	546,449	304,295					54,185	500,000			(107,065)	566,153
1995	21,306,240	532,656	578,849	341,170					47,816	500,000		1,012,650	(15,109)	551,044
1996	22,000,000	550,000	575,000	340,000					45,821	500,000		1,013,975	(23,154)	527,090
1997	22,000,000	550,000	575,000	340,000					43,065	500,000		1,017,775	(29,710)	498,180
1998	22,000,000	550,000	575,000	340,000					39,913	500,000		1,015,675	(30,762)	467,418
1999	22,000,000	550,000	575,000	340,000					36,692	500,000		1,012,700	(31,008)	436,410
2000	22,000,000	550,000	575,000	340,000					32,980	500,000		1,018,175	(40,195)	396,215
2001	22,000,000	550,000	575,000	340,000					28,176	500,000		1,025,150	(51,974)	344,241
2002	22,000,000	550,000	575,000	340,000					22,340	500,000		1,027,300	(59,960)	284,281
2003	22,000,000	550,000	575,000	340,000					24,971	500,000		859,550	110,421	394,702
2004	22,000,000	550,000	575,000	340,000					36,970	500,000		862,200	119,760	514,462
2005	22,000,000	550,000	575,000	340,000					50,021	500,000		864,450	130,571	645,033
2006	22,000,000	550,000	575,000	340,000					111,929	500,000		0	1,056,929	1,701,962

APPENDICES

APPENDIX A

LEGAL DESCRIPTION OF DISTRICT

The northwest one-quarter of the southeast one-quarter, the northeast one-quarter of the southwest one-quarter, and the west one-half of the southwest one-quarter, Section 24, Township 39 North, Range 9 West, New Mexico Principal Meridian, La Plata County, Colorado.



Leonard Rice Consulting Water Engineers, Inc.

(303) 455-9589 / 2695 Alcott Street / Denver, Colorado 80211

Leonard Rice
Leslie H. Botham

Gordon W. Fassett

May 26, 1982

Mr. Bob Hill, Manager
Purgatory Water & Sanitation District
Box 666
Durango, Colorado 81301

RE: Water Supply and Water Requirements

Dear Bob:

This letter is a summary of the water supply available to the Purgatory Water & Sanitation District and the diversion and consumptive use requirements of the District based on current water planning criteria and development projections. The planning criteria, water rights status and development projections are set forth in greater detail in our letter to the District dated January 28, 1982.

Water Supply

The following table summarizes the water supplies presently and potentially available to the District.

SUMMARY OF WATER SUPPLY

Source	Decreed Amount	Physical Capacity	Annual Supply	
			Existing (af)	Future (af)
1. PWSD Well #1 (15890-F)	60 gpm abs. 85 gpm cond.	100 gpm	94 (14 h/d,	0 365 d/y)
2. PWSD Well #4 (17774-F/15862-F)	320 af Permitted	200 gpm	320	0
3. PWSD Well #6	Undeclared Incl. in Augmentation Plan	70 gpm Estimated yield	0 414	66 66

The District has a decreed Augmentation Plan (Case 80CW135) which includes other sources that have not been developed, and has filed applications for water rights currently pending



in Water Court. In addition, there are rights available to the Durango Ski Corporation which are not included in the above tabulation. These additional rights provide the source of augmentation water for the consumptive use of the wells.

Water Requirements

The January 28, 1982 water planning criteria and development projections result in the following diversion and consumptive use water requirements for residential and commercial purposes.

SUMMARY OF WATER REQUIREMENTS

<u>Year</u>	<u>Residential/Commercial</u>	
	<u>Diversion</u> (af)	<u>Consumptive</u> Use @ 15% (af)
1983	98	15
1985	130	19
1990	213	32
1995	289	43

Summary

The January 28, 1982 water planning criteria are based on a population of 3.1 persons per unit, an average occupancy rate of 49.2 percent and a diversion requirement of 100 gallons per capita per day. This equates to an average annual diversion requirement of 0.17 acre-feet per unit for residential purposes. Applying these criteria to the water available and projected demands produces the following information regarding the number of units that can be supplied.

Existing Annual Supply	414 acre-feet
Projected 1995 Annual Diversion Requirement	<u>289</u> acre-feet
Balance	125 acre-feet
Units Supplied @ 0.17 af/unit	735 Units
Estimated Future Supply From Well No. 6	66 acre-feet
Units Supplied @ 0.17 af/unit	388 Units
Total Additional Units (735+388)	1,123 Units
Total Augmentation Requirements @ 15%	72 acre-feet

PURGATORY SKI AREA SKIER PROJECTIONS

(Revised 1/28/82)

Year (1)	Total Skier Days (2)	Destination 2/Unit (3)	Units 4/Unit (4)	Total Destination Skiers (5)	Day Skiers (6)
1982	6,000	50	190	860	5,140
1983	6,720	50	215	960	5,760
1984	7,526	75	240	1,110	6,416
1985	8,430	125	290	1,410	7,020
1986	9,441	175	340	1,710	7,731
1987	10,000	225	390	2,010	7,990
1988	10,000	275	440	2,310	7,690
1989	10,000	325	490	2,610	7,390
1990	10,000	375	540	2,910	7,090
1991	10,000	425	590	3,210	6,790
1992	10,000	475	640	3,510	6,490
1993	10,000	525	690	3,810	6,190
1994	10,000	575	740	4,110	5,890
1995	10,000	650	790	4,460	5,540

NOTES:

Col. (2) 6,000 increased at 12% per year to 14,000

Col. (3) 75 in 1984 increased at 50 per year to 1994,
then by 75 to 1995

Col. (4) 240 in 1984 increased at 50 per year

Col. (5) Col. (3) x 2 + Col. 4 (x) 5

Col. (6) Col. (2) - Col. (5)



Mr. Bob Hill
May 26, 1982
Page 3

It is important to note that the 0.17 acre-feet per unit diversion demand is for residential use and does not include commercial development, golf course or open space irrigation, snowmaking or other non-residential uses. The total augmentation demand can be supplied by releases from the Duncan and Purgatory Inn Reservoirs, when completed.

If you have any questions on the above information, please do not hesitate to call us.

Very truly yours,

LEONARD RICE CONSULTING WATER ENGINEERS, INC.

Leonard Rice
President.

LR/sw
551PUR01

cc. Mr. Tim Buzzard
Mr. Dick Peterson
Mr. Wayne Schroeder



PURGATORY WATER PLANNING CRITERIA

(Revised 1/28/82)

I. Existing (1981-82) Conditions

- A. Peak skier days = 6,000
- B. Total units = 240
 - 1. 50 at 2 persons per unit
 - 2. 190 at 4 persons per unit

II. Phasing

- A. Increase peak skier days by 12% per year to 10,000
- B. Add 25 units @ 4 p/u in 1983 and 50 units (25 @ 2 p/u and 25 @ 4 p/u) in 1984. Starting with 1985, add 100 units per year (50 @ 2 p/u and 50 @ 4 p/u) to 1994, then add 75 units at 2 p/u and 50 units at 4 p/u to a total of 1,440 units.
- C. Subtract unit population from skier days to determine day skiers.

III. Occupancy

<u>Month</u>	<u>Occupancy</u> <u>%</u>	<u>Month</u>	<u>Occupancy</u> <u>%</u>
January	80	July	50
February	80	August	50
March	50	September	30
April	40	October	30
May	30	November	30
June	40	December	80

IV. Summer Visitors

- A. July - August - 2,000
- B. May, June, September - 1,200
- C. April, October, November - 600

V. Water Requirements

- A. Destination skiers, residents 100 gpcd
- B. Day skiers 15 gpcd
- C. Commercial - included in VA
- D. Consumptive use 15%
- E. Irrigation - Dependent on area irrigated which has not been determined. Expected to be nominal.



PURGATORY SKI AREA WATER REQUIREMENTS

Year: 1983 Total Skier Days: 6,720 Destination Skiers: 960 Day Skiers: 5,760

Month (1)	Destination/Resident Occupancy % at 100 gpcd (2)	Number at 100 gpcd (3)	Day Skiers Visitors at 15 gpcd (4)	Residential/Commercial Water Requirements C.U. @ 15% Diversion (af) (5)	(af) (6)
January	80	768	5,760	15.52	2.33
February	80	768	5,760	14.02	2.10
March	50	480	5,760	12.78	1.92
April	40	384	600	4.36	.65
May	30	288	1,200	4.45	.67
June	40	384	1,200	5.19	.78
July	50	480	2,000	7.42	1.11
August	50	480	2,000	7.42	1.11
September	30	288	1,200	4.31	.65
October	30	288	600	3.60	.54
November	30	288	600	3.48	.52
December	80	768	5,760	15.52	2.33
TOTAL				98.07	14.71

551PUR01
January, 1982

Table 2

PURGATORY SKI AREA WATER REQUIREMENTS

Year: 1985 Total Skier Days: 8,430 Destination Skiers: 1,410 Day Skiers: 7,020

Month (1)	Destination/Resident Occupancy		Day Skiers Visitors at 15 gpcd (4)	Residential/Commercial Water Requirements	
	% (2)	Number at 100 gpcd (3)		Division (af) (5)	C.U. @ 15% (af) (6)
January	80	1,128	7,020	20.75	3.11
February	80	1,128	7,020	18.74	2.81
March	50	705	7,020	16.72	2.51
April	40	564	600	6.02	.90
May	30	423	1,200	5.74	.86
June	40	564	1,200	6.85	1.03
July	50	705	2,000	9.56	1.43
August	50	705	2,000	9.56	1.43
September	30	423	1,200	5.55	.83
October	30	423	600	4.88	.73
November	30	423	600	4.72	.71
December	80	1,128	7,020	20.75	3.11
TOTAL				129.84	19.46

551PUR01
January, 1982

Table 3

PURGATORY SKI AREA WATER REQUIREMENTS

Year: 1990 Total Skier Days: 10,000 Destination Skiers: 2,910 Day Skiers: 7,090

Month (1)	Destination/Resident		Day Skiers Visitors at 15 gpcd (4)	Residential/Commercial Water Requirements	
	Occupancy % (2)	Number at 100 gpcd (3)		Division (af) (5)	C.U. @ 15% (af) (6)
January	80	2,328	7,090	32.26	4.84
February	80	2,328	7,090	29.14	4.37
March	50	1,455	7,090	23.96	3.59
April	40	1,164	600	11.54	1.73
May	30	873	1,200	10.02	1.50
June	40	1,164	1,200	12.37	1.86
July	50	1,455	2,000	16.69	2.50
August	50	1,455	2,000	16.69	2.50
September	30	873	1,200	9.69	1.45
October	30	873	600	9.16	1.37
November	30	873	600	8.86	1.33
December	80	2,328	7,090	32.26	4.84
TOTAL				212.64	31.88

551PUR01
January, 1982

Table 4

PURGATORY SKI AREA WATER REQUIREMENTS

Year: 1995 Total Skier Days: 10,000 Destination Skiers: 4,460 Day Skiers: 5,540

Month (1)	Destination/Resident		Day Skiers Visitors at 15 gpcd (4)	Residential/Commercial Water Requirements	
	Occupancy % (2)	Number at 100 gpcd (3)		Division (af) (5)	C.U. @ 15% (af) (6)
January	80	3,568	5,540	41.84	6.28
February	80	3,568	5,540	37.79	5.67
March	50	2,230	5,540	29.12	4.37
April	40	1,784	600	17.25	2.59
May	30	1,338	1,200	14.44	2.17
June	40	1,784	1,200	18.08	2.71
July	50	2,230	2,000	24.07	3.61
August	50	2,230	2,000	24.07	3.61
September	30	1,338	1,200	13.97	2.10
October	30	1,338	600	13.58	2.04
November	30	1,338	600	13.15	1.97
December	80	3,568	5,540	41.84	6.28
TOTAL				289.20	43.40

551PUR01
January, 1982



APPENDIX C

Wall Street of the Rockies
Boettcher & Company
Investment Bankers Since 1910

828 Seventeenth Street
Denver, Colorado 80202
(303) 628-8000

June 16, 1982

Board of County Commissioners
La Plata County, Colorado

RE: Purgatory Metropolitan District Amended Service Plan

Members of the Board:

We have examined the Amended Service Plan for the Purgatory Metropolitan District. It is our opinion, the projected revenues from ad valorem taxes based on projected assessed valuations, from tap fees, plant investment fees, and service charges, and from service charges and contract assessments for provision of services outside the districts boundaries appear to be reasonable and comparable to similar historical and projected revenues of other such districts in the State of Colorado. Further, the financial feasibility demonstration of such projected revenues to cover the projected operating costs and debt service requirements set forth in this service plan also appears reasonable and comparable to other such districts within Colorado which are financially viable at this time.

Sincerely,



Stephen B. Clark
Special Partner

slr

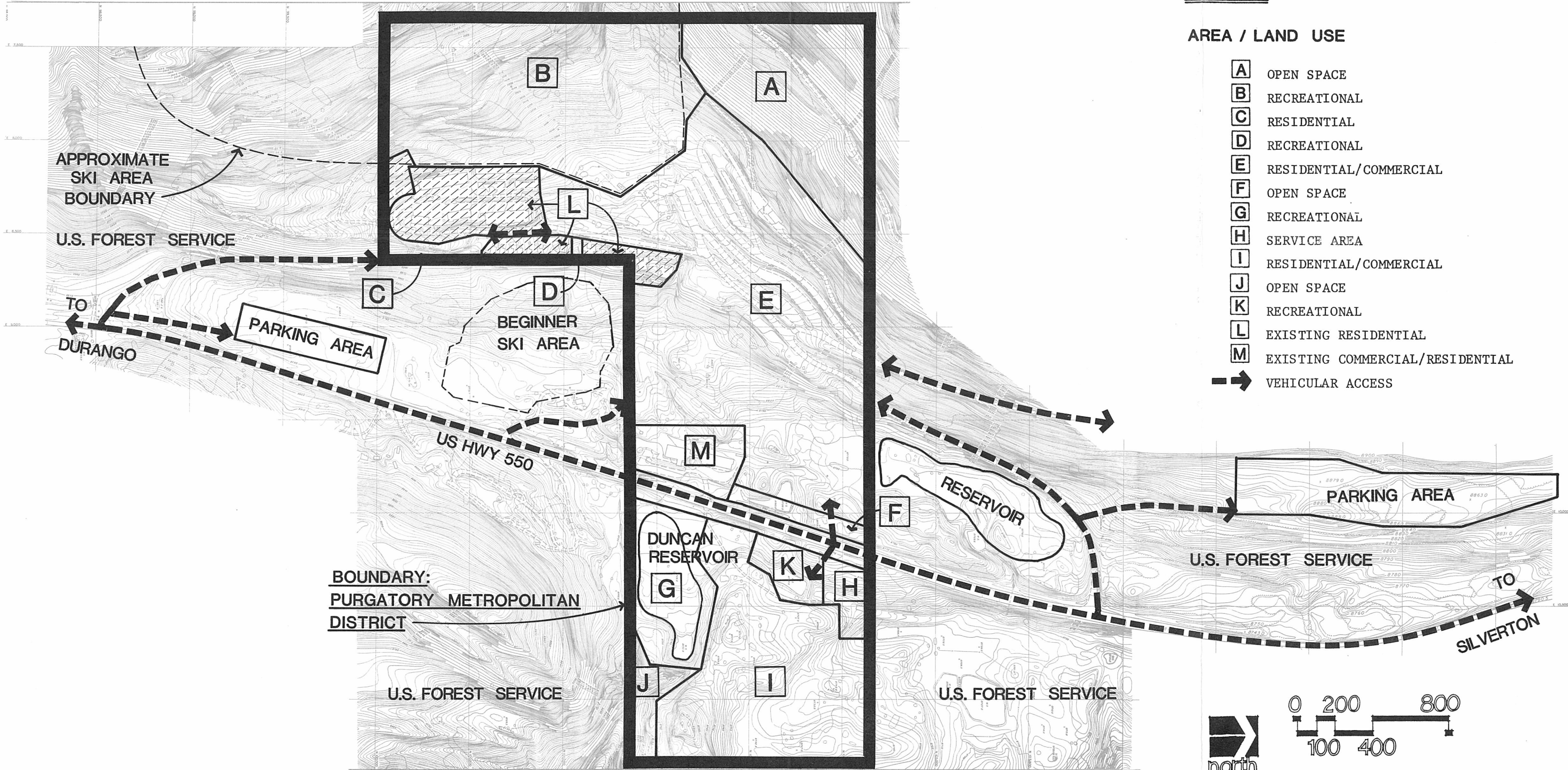
PURGATORY METROPOLITAN DISTRICT

LAND USE PLAN

LEGEND:

AREA / LAND USE

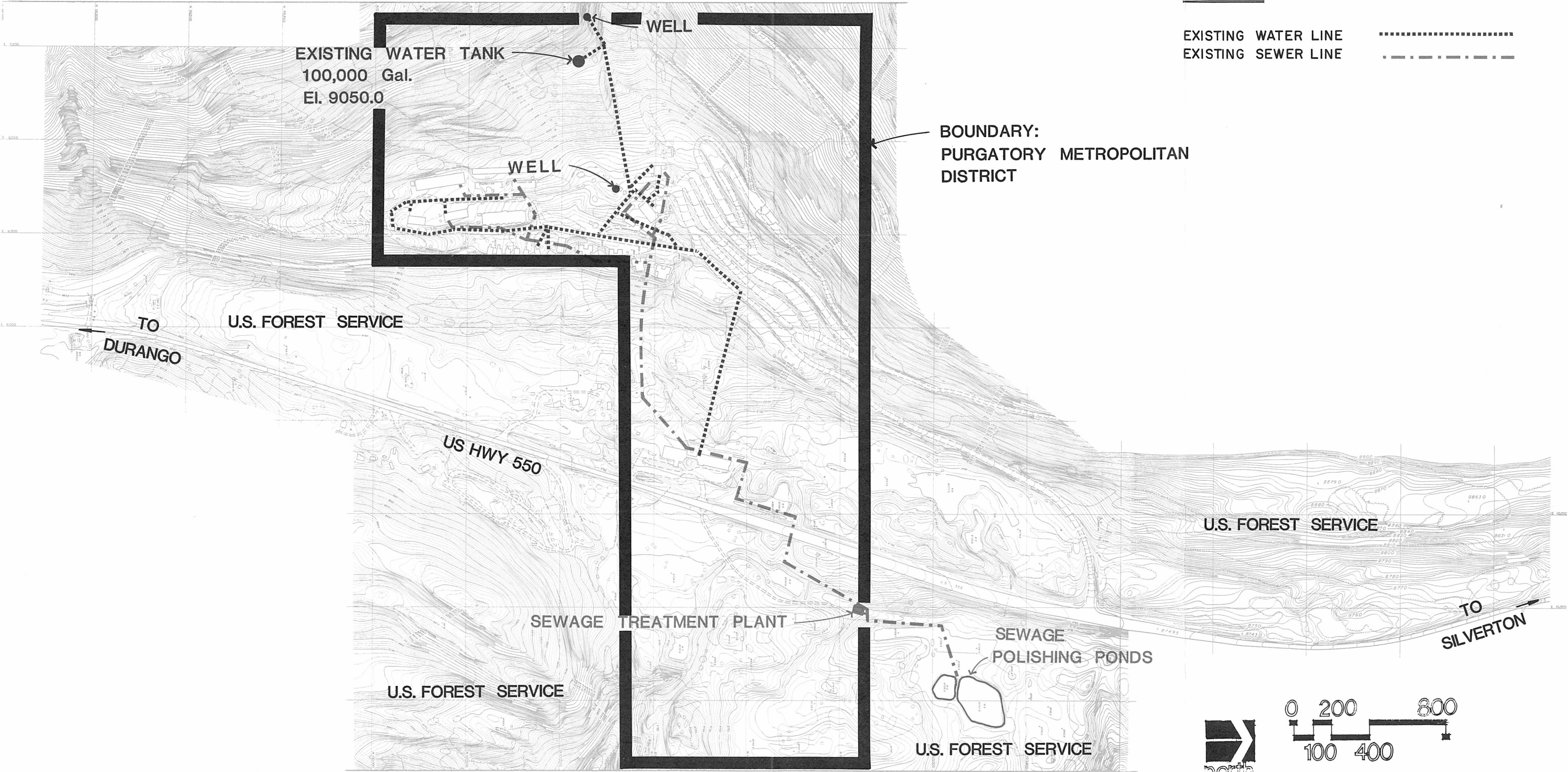
- A** OPEN SPACE
- B** RECREATIONAL
- C** RESIDENTIAL
- D** RECREATIONAL
- E** RESIDENTIAL/COMMERCIAL
- F** OPEN SPACE
- G** RECREATIONAL
- H** SERVICE AREA
- I** RESIDENTIAL/COMMERCIAL
- J** OPEN SPACE
- K** RECREATIONAL
- L** EXISTING RESIDENTIAL
- M** EXISTING COMMERCIAL/RESIDENTIAL
- >** VEHICULAR ACCESS



PURGATORY METROPOLITAN DISTRICT

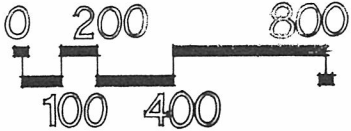
Figure 3

EXISTING FACILITIES PLAN



LEGEND:

- EXISTING WATER LINE (dotted line)
- EXISTING SEWER LINE - - - - - (dashed line)



KKBNA
Incorporated
Consulting Engineers