

From: Dickinson - DNR, Wenli <wenli.dickinson@state.co.us>
Sent: Tuesday, September 26, 2023 10:54 AM
To: John McGinn
Cc: ioana.comaniciu@state.co.us; Loren Moreland; Loren Moreland; Andrea Barlow; Blaine Perkins; Marc Whorton (mwhorton@classicconsulting.net); Kari Parsons; Doug Stimple (DouglasS@classichomes.com)
Subject: Re: Subdivision Referral No 30925 Sterling Ranch East Filing No 5

Hi John,

Thank you for your email. It looks like you addressed a lot of our questions. We will respond with an updated letter regarding the Sterling Ranch East Filing No. 5 once we receive the referral from El Paso.

Regards,

Wenli Dickinson, P.E.
Water Resource Engineer



P 303.866.3581 x8206
1313 Sherman St, Suite 821, Denver, CO 80203
wenli.dickinson@state.co.us | dwr.colorado.gov

On Mon, Sep 25, 2023 at 12:08 PM John McGinn <John.McGinn@respec.com> wrote:

Ioana/Wenli:

We reviewed your letter of September 1, 2023 in which you requested 5 clarifications on the above water report. Appendix C has all of the supporting documents for the stated questions, but Appendix C is over 300 pages of nearly twenty documents, so finding certain specifics might be difficult.

1. Discrepancy regarding Supply; We agree that the NNT Dawson water is not included in our system inventory total---The NNT Dawson water referenced is held back for private wells ---at the bottom of Table 3 in the cross-hatching, the 9.32 AF and 5.23 AF are noted as being allocated for the private wells. While we track and acknowledge the NNT Dawson, we do not count that water in our overall system inventory as that water is dedicated for those private wells and will not be available for the central system. I have reattached **Table 3** for reference. Not only do we track the FAWWA inventory by area, we also track by decree, as a double check on our inventory. I am attaching our internal **Table 3 (Expanded)** for your use in double checking against your calculation----my double check also internally tracks the ownership documents. Our typical Appendix C for FAWWA Water Reports has all these

ownership documents in full, but we like to have a one sheet check. Since our expanded Table 3 is somewhat redundant, we don't generally present it in water reports. Hopefully it makes your check easier.

2. The commitment summary is **Appendix F** in the report. Appendix F is also a tracking document for us to total all active commitments. The Appendices to the report are really extensive (and I think F is clear at the back) so I have re-attached it here, for easier review.

3. The Sterling Ranch Metropolitan District is wholly contained within FAWWA and is the largest part of FAWWA. Sterling Ranch East Filing 5 is within Sterling Ranch Metropolitan District. I attached an overall map which is **Appendix A**. Appendix A shows the various districts and areas within the FAWWA service area.

4. The FAWWA Assignment, which transferred the initial water ownership to FAWWA, includes numerous water rights which include 17CW3002 and 18 CW 3002. Rights to 16 CW3095 were not transferred to FAWWA since they are solely allocated to 10 private wells. We only acknowledge 16 CW 3095 as the 10 private well are within the FAWWA service area. The **FAWWA Assignment** document is buried deep in Appendix C of the Report, so I am re-attaching it separately for reference.

5. I have re-attached **The Special Warranty Deed from McCune** to FAWWA which is in Appendix C. This transfers of ownership of 1689-BD,1690-BD, and 1691-BD to FAWWA. The determinations state that the water can be used within Sterling Ranch Metropolitan District. Refer to Appendix A map re-provided here that shows the various areas within FAWWA service area. As can be seen, Sterling Ranch East Filing 5 is within Sterling ranch which is the largest part of FAWWA service area.

I believe that this should cover the above questions. Please feel free to contact me directly, if you have further questions.

John

John McGinn, PE

National Practice Leader Water and Wastewater

RESPEC INC

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Colorado Springs, CO 80919

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Excelling in municipal water and wastewater solutions

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john.mcginn@respec.com

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Table 3
Falcon Area Water and Wastewater Authority
Comprehensive Water Supply Inventory
Current Legal Supply

Update May 20, 2023

Land Formation/Aquifer	Reference Finding/ Determination/ Decree	Tributary Status	Volume	Annual Allocation 100 Year	Annual Allocation 300 Year	Reference Deed	Notes	Sand Thickness	Saturated Specific Yield
			Acre-Feet	A-F/Year	A-F/Year				
On-Site Sterling Water Legal Sources									
Laramie Fox Hills	86-CW-19 08CW113	NT	53,900	539.00	179.67	FAWWA Assignment from SR Water	Under 1410 acres Under 41.44 acres, reduced to 1.44 acres	255	15%
		NT	40	0.40	0.13				
Arapahoe	86-CW-18	NT	57500	575.00	191.67		Under 1410 acres	240	17%
Laramie Fox Hills	91 CW 35	NT	3623	36.23	12.08	Quit Claim	Raygor Water	183	15%
Arapahoe	91 CW 35	NT	4936	49.36	16.45	Quit Claim	Raygor Water	220	15%
Total NT On-Site					400.00				
20 CW 3059 Additional On-Site and Augmented Sterling Water Legal Sources									
Laramie Fox Hills	20CW 3059	NT	2780	27.80	9.27		97.54 acres SR Quarry (Note 5)	190	
Arapahoe	20CW 3059	NNT	4311	43.11	14.37		97.54 acres SR Quarry (Note 5)	260.5	
Denver	20CW 3059	NNT	4556	45.56	15.19	FAWWA Assignment from SR Water - See Bar-X below for Post Pumping Depletions	97.54 acres SR Quarry (Note 5)	295.2	
Denver	08CW113 Aug 20CW 3059	NNT	72893	728.93	242.98		Sterling Ranch 1410 acres		
Arapahoe	08CW113 Aug 20CW 3059	NNT	60	0.60	0.20		Sterling Ranch 41.44 reduced to 1.44 acres		
Total from 20 CW 3059			84600		282.00				
Off site Bar-X Ground Water Sources (Note 4)									
Laramie Fox Hills	93-CW-018/(85 CW 445)	NT	42,700	427.00	142.33		Water purchased in First Tranche from Bar-X	200	15%
			12,500	125.00	41.67		Special Warranty Shamrock/Bar-X Rights	1840 acres	
Arapahoe	93-CW-018/(85 CW 445)	NT	74250	742.50	247.50		Special Warranty Shamrock/Bar-X Rights	260	17%
			4800	48.00	16.00		Water purchased in First Tranche from Bar-X	1840 acres	
Denver	93-CW-018/(85 CW 445)	NT	119900	1199.00	399.67		Special Warranty Shamrock/Bar-X Rights	435	17%
		NT	6100	61	20.3		Water purchased in First Tranche from Bar-X	1840 acres	
		NT	-82167	-821.67	-273.89		Net Set Aside for Sterling Ranch Post Pumping Depletions (20 CW 3059)		
Dawson	93-CW-018	NNT	128800	1288.00	0.00		Need Augmentation Plan	490	20%
Total Net Supply from Bar-X			178,083		593.61				
Shamrock West Ground Water Sources									
Dawson	85 CW131	NNT	49,800	498	0.00	Special Warranty Deed Bar-X Shamrock West	Needs Augmentation		
Denver NNT	85 CW131	NNT	105,700	1057	0.00		Needs Augmentation		
Denver NT	85 CW131	NT	18,700	187	62.33				
Arapahoe NNT	85 CW131	NNT	2,500	25	0.00		Needs Augmentation		
Arapahoe NT	85 CW131	NT	47,400	474	158.00				
Total Shamrock West			66,100	661.00	220.3				
Off site McCune Ground Water Sources (Note 5)									
Laramie Fox Hills	1689-BD	NT	26,300	263.00	87.67	Special Warranty Deed McCune	900.52 acres		
Arapahoe	1690-BD	NT	39800	398.00	132.67		900.52 acres		
Denver	1691-BD	NT	51300	513.00	171.00		900.52 acres 1500 AF Retained		
Total Net Supply McCune			117,400		391.33				
On-Site Retreat Water Legal Sources (Note 1)									
Laramie Fox Hills	17CW3002	NT	6,440				Under 225.97 acres	190	15%
		NT	-612						
LFH (Relinquishment)	18CW3002	NT	-2,796		3,032		PPD Augmenting 29 wells		
			3,032	30.32	10.11				
Arapahoe	17CW3002	NT	9,796	97.96	32.65		Under 225.97 acres	255	17%
			12,828	128.28	42.76				
Augmentation (Dawson NNT) Legal Supply Phase 2 (excluding Lots 11-12), Lots 39-41 of Phase 4,	18CW3002	Aug	2,796	27.96	9.32	29 Single Family Wells (Phase 2 - excluding Lots 11-12); Lots 39, 40 & 41 of Phase 4, & 5]	Replace a min of 4% of pumping		
					9.32				
Augmentation (Dawson NNT) Legal Supply Phase 1	16CW3095	Aug	1567.5	15.68	5.23	10 Single Family Wells (Phase 1)	Replace actual depletions		
					5.23				
Currently Available Off-Site Ground Water Legal Sources									
Augmentation (Dawson NNT) (Phase 2)	18CW3005	Aug	240.0	2.40	0.80	2 Single Family Wells (Phase 2 - Lots 11 & 12)	Replace a min of 34% of pumping		
			240.0	2.4	0.8				

Note 1. The water listed in the hatched area will be used to serve single family wells and is not included in the Total Available for the Central System

Total Current 300-Year Water Supply (AF) **1930.03** Acre-Feet :Legal Water Supply For Falcon Area Water and Wastewater Authority Central System

- FAWWA On-Site Supplies
- FAWWA Off-Site Supplies
- FAWWA Retreat Water Supplies
- Retreat Wells private wells not included in Calculation

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Comprehensive Water Supply Inventory
Current Legal Supply

Land Formation/Aquifer	Reference Finding/Determination/Decree	Tributary Status	Volume	Annual Allocation 100 Year	Annual Allocation 300 Year	Reference Deed	Notes	Saturated	
								Sand Thickness	Specific Yield
On-Site Sterling Water Legal Sources									
Laramie Fox Hills	86-CW-19 08CW113	NT	53,900	539.00	179.67		Under 1410 acres Under 41.44 acres, reduced to 1.44 acres	255	15%
		NT	40	0.40	0.13	FAWWA Assignment from SR Water			
Arapahoe	86-CW-18	NT	57500	575.00	191.67		Under 1410 acres	240	17%
Laramie Fox Hills	91 CW 35	NT	3623	36.23	12.08		Quit Claim Raygor Water	183	15%
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Denver	08CW113 Aug 20CW 3059	NNT	72893	728.93	242.98		Sterling Ranch 1410 acres		
Arapahoe	08CW113 Aug 20CW 3059	NNT	60	0.60	0.20		Sterling Ranch 41.44 reduced to 1.44 acres		
Total from 20 CW 3059			84600		282.00				
Off-site Bar-X Ground Water Sources (Note 4)									
Laramie Fox Hills	93-CW-018/(85 CW 445)	NT	42,700	427.00	142.33		Water purchased in First Tranche from Bar-X	200	15%
			12,500	125.00	41.67		Special Warranty Shamrock/Bar-X Rights	1840 acres	
Arapahoe	93-CW-018/(85 CW 445)	NT	74250	742.50	247.50		Special Warranty Shamrock/Bar-X Rights	260	17%
			4800	48.00	16.00		Water purchased in First Tranche from Bar-X	1840 acres	
Denver	93-CW-018/(85 CW 445)	NT	119900	1199.00	399.67		Special Warranty Shamrock/Bar-X Rights	435	17%
		NT	6100	61	20.3		Water purchased in First Tranche from Bar-X	1840 acres	
		NT	-82167	-821.67	-273.89		Net Set Aside for Sterling Ranch Post Pumping Depletions (20 CW 3059)		
Dawson	93-CW-018	NNT	128800	1288.00	0.00		Need Augmentation Plan	490	20%
Total Net Supply from Bar-X			178,083		593.61				
Shamrock West Ground Water Sources									
Dawson	85 CW131	NNT	49,800	498	0.00		Needs Augmentation		
Denver NNT	85 CW131	NNT	105,700	1057	0.00		Needs Augmentation		
Denver NT	85 CW131	NT	18,700	187	62.33		Special Warranty Deed Bar-X Shamrock West		
Arapahoe NNT	85 CW131	NNT	2,500	25	0.00		Needs Augmentation		
Arapahoe NT	85 CW131	NT	47,400	474	158.00				
Total Shamrock West			66,100	661.00	220.3				
Off-site McCune Ground Water Sources (Note 5)									
Laramie Fox Hills	1689-BD	NT	26,300	263.00	87.67		900.52 acres		
Arapahoe	1690-BD	NT	39800	398.00	132.67		Special Warranty Deed McCune	900.52 acres	
Denver	1691-BD	NT	51300	513.00	171.00		900.52 acres 1500 AF Retained		
Total Net Supply McCune			117,400		391.33				
On-Site Retreat Water Legal Sources (Note 1)									
Laramie Fox Hills	17CW3002	NT	6,440				Under 225.97 acres	190	15%
LFH (Relinquishment)	18CW3002	NT	-612		3,032		PPD Augmenting 29 wells		
Arapahoe	17CW3002	NT	3,032	30.32	10.11				
			9,796	97.96	32.65		Under 225.97 acres	255	17%
Total			12,828	128.28	42.76				
Augmentation (Dawson NNT) Legal Supply: Phase 2 (excluding Lots 11-12), Lots 39-41 of Phase 4,	18CW3002	Aug	2,796	27.96	9.32		29 Single Family Wells [Phase 2 (excluding Lots 11-12); Lots 39, 40 & 41 of Phase 4; & 5]		
					9.32		Replace a min of 4% of pumping		
Augmentation (Dawson NNT) Legal Supply Phase 1	16CW3095	Aug	1567.5	15.68	5.23		10 Single Family Wells (Phase 1)		
					5.23		Replace actual depletions		
Currently Available Off-Site Ground Water Legal Sources									
Augmentation (Dawson NNT) (Phase 2)	18CW3005	Aug	240.0	2.40	0.80		2 Single Family Wells (Phase 2 - Lots 11 & 12)		
			240.0	2.4	0.8		Replace a min of 34% of pumping		

Double Check by Formation				
Decree/Determination	Trib	Volume (AF)	Water Source	Other Notes
Laramie Fox Hills				
86 CW19	NT	53900	Sterling On-site	FAWWA Transfer
08 CW113	NT	40	Sterling On-site	FAWWA Transfer
20 CW3059	NT	2780	Sterling --Schmidt	FAWWA Transfer
1689-BD	NT	26300	McCune	Special Warranty Deed
93 CW 18	NT	42700	Bar-X First Tranche	Purchased by SR Water October 7, 2014
93 CW 18	NT	12500	Bar-X	Shamrock/Bar-X Main Purchase
91 CW 35	NT	3623	Raygor	Classic SRJ Deed
17CW3002	NT	6440	Retreat	FAWWA Transfer
17CW3002	NT	-612	Withheld by original owners	
17CW3002	NT	-2796	Augmentation to 18 CW 3002	
		144875		
Arapahoe				
85 CW 131	NT	47400	Shamrock West	Shamrock -Bar-X Main purchase
86-CW-18	NT	57500	Sterling On-Site	
93 CW 18	NT	74250	Bar-X	Bar-X Main Purchase
93 CW 18	NT	4800	Bar-X First Tranche	Purchased by SR Water October 7, 2014
08CW113	NNT	60	Sterling On-site Augmented	FAWWA Transfer
20 CW 3059	NNT	4311	Schmidt Augmented	FAWWA Transfer
1690-BD	NT	39800	McCune	Special Warranty Deed
91 CW 35	NT	4936	Raygor	Classic SRJ Deed
17CW3002	NT	9796	Retreat	FAWWA Transfer
		242853		
Denver				
85 CW 131	NT	18700	Shamrock West	Shamrock -Bar-X Main purchase
93CW18	NT	119900	Bar-X	Shamrock -Bar-X Main purchase
93CW18	NT	6100	Bar-X First Tranche	Purchased by SR Water October 7, 2014
08 CW 113	NNT	72893	Sterling On-Site	FAWWA Transfer
20 CW 3059	NNT	4556	Sterling On-Site Augmented	FAWWA Transfer
1691-BD	NT	51300	McCune	Special Warranty Deed
		273449		
Post Pump Depletions/Augmentation				
20 CW 3059		-82167	PPD for 20 CW3059	Will use all LFH at Bar-X and remainder from Arapahoe or Denver at Bar-X
		579,010.0		1,930.03

Note 1. The water listed in the hatched area will be used to serve single family wells and is not included in the Total Available for the Central System

Total Current 300-Year Water Supply (AF) **1930.03** Acre-Feet :Legal Water Supply For Falcon Area Water and Wastewater Authority Central System

- FAWWA On-Site Supplies
- FAWWA Off-Site Supplies
- FAWWA Retreat Water Supplies
- Retreat Wells private wells not included in Calculation

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Appendix F
 Falcon Area Water and Wastewater Authority
 Commitments within FAWWA Service Area
 Update August 11, 2023

Analysis of Water Commitments								Volumetric Commitment (300 year--Acre-feet)
Development	Preliminary Commitments			Final Commitments				
	Commitment SFE	Supply / Commitment Acre-Feet	Letter or Summary Date/Notes	Commitment SFE	Commitment Acre-Feet	Letter or Summary Date/Notes		
Commitments	The Retreat at TimberRidge Preliminary Plan (Central System Only)	167	58.951	April 2018 Report Supplement Nov 2020				17685.3
	Final #1				59 SFE	20.827	23-Aug-20	
	Final #2				78 SFE	27.53	April 30,2021	
	Final #3				30 SFE	10.59	July, 2022 (reissued May 15, 2023)	
Commitments	Sterling Ranch Preliminary Plan Phase One	726	255.96	June 2015 Report/Summary Update February 2019				
	Sterling Ranch Filing #1				0	0	Tracts Only	
	Tract BB (10.545) Branding Iron at Sterling Ranch Filing No. 1 Branding Iron Filing No. 2				51	17.85	Summary and Letter Revised Feb 20, 2020	5355.0
					88	31.07	Residential)	9321.0
	Sterling Ranch Filing #2 (49 SF lots with 4.29 AF landscaping)				61	21.59	Includes 4.29 AF Irrigation Revised Jan 21, 2021	6477.0
	Sterling Ranch Filing No 5	72	24.26				Previously Tract B Branding Iron N2	7278.0
	Tract G (19.574) Homestead at Sterling Ranch Filing No. 1			March 31, 2023 Letter	72	25.42		7624.8
	Tract E (29.658) Homestead at Sterling Ranch Filing No. 2				104	36.71	25-Sep-19	11013.6
	Homestead at Sterling Ranch Filing No 3 (Vacation and Replat)				-2	-0.71	6-Mar-23	-211.5
	Copper Chase at Sterling Ranch resubmittal	142.9	50.45	17-Dec-21	147.68	52.13	October 12, 2022 138 single family lots includes 1.39 Ac Park additional irrigation	15639.0
	Sterling Ranch Preliminary Plan Phase Two	214.5	75.719	July, 2020 Re-issue Feb 26, 2021			School commitment (13 SFE) contained in Branding Iron Filing #2 above	22715.6
	Sterling Ranch Filing #4				159 Lots (2.667 Acres Irrigation) Specific Note 1	51.91		
	Homestead North at Sterling Ranch Preliminary Plan	147	62.47	Letter November 4, 2020 includes 10.58 AFs irrigation			Letter November 4, 2020 includes 10.58 AFs irrigation	18741.0
				Update Letter Jan 21, 2021			Update Letter Jan 21, 2021	
Homestead North at Sterling Ranch Filing No. 3	77 (5.65 acres irrigation)	41.31	Letter dated June 10, 2022 updated November 3, 2022				12393.0	
Foursquare at Sterling Ranch PUD Preliminary Plan	158 High Density Units (1.424 acres irrigation)	50.73	Letter dated June 10, 2022 Update November 3, 2022				15219.0	
Villages at Sterling Ranch East PUD and Preliminary Plan	246 High Density Units (1.934 acres irrigation)	67.58	Letter dated June 10, 2022 Updated December 16, 2022				20274.0	
Sterling Ranch East Preliminary Phase One	761 (28.31 acres irrigation) 35 acre K-8 School	335.68	Letter dated June 10, 2022 Revision October 18, 2022			Note prior commitment for elementary school in Branding Iron No 2	100704.0	
Sterling Ranch East Filing No 1				294 SFE, 18.809 acres irrigated	144.15	Letter dated November 15, 2022		
Sterling Ranch East Filing 1A				42 lots; 1.088 acres irrigation	16.85	Letter dated November 15, 2022		
Sterling Ranch East Preliminary Filing 5	160 (plus 2.42 AF Irrigation)	57.08	Letter dated August 11, 2023				17124	
Totals	Total Findings at Preliminary			Total Findings at Final				
	Units	AF		Units	AF			
	1930.5	773.78		523.7	184.063		287352.8	
					Total Active Commitments (AF)		957.84	

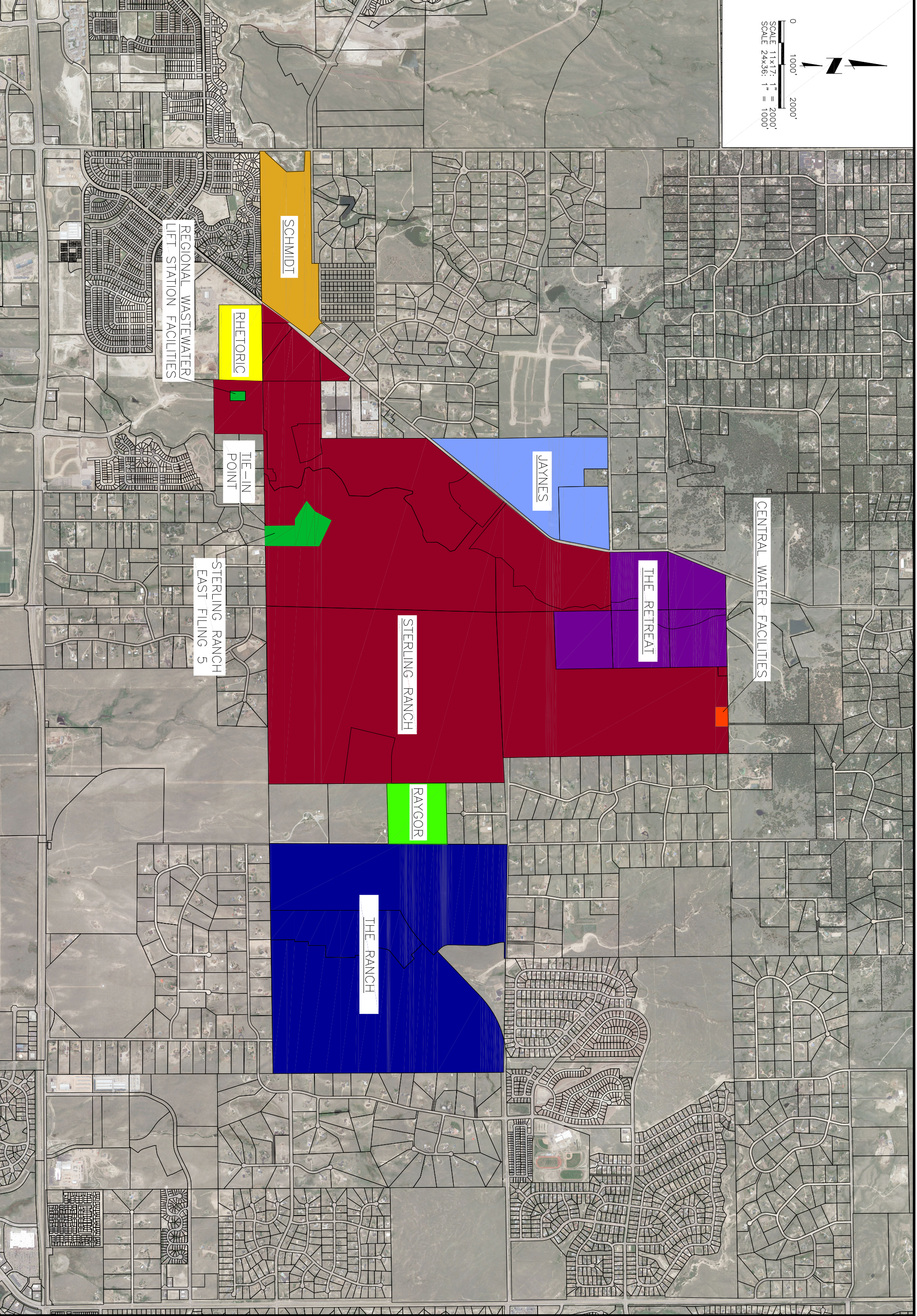
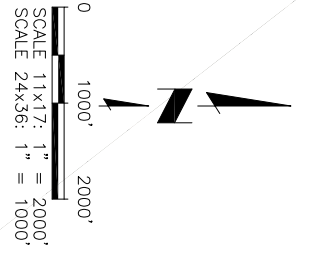
Specific Note 1; Lots 147 -157 were previously platted as lots 22-32 Sterling Ranch Filing No. 2 Water was committed under Sterling Ranch Filing No 2

General Note 1. As of January 1, 2022 the Falcon Area Water and Wastewater Authority is managing all water among various Districts, who are participating agencies. Therefore, water accounting changes were adopted on January 1, that do not separately balance or account for separate water accounting within the respective area. Going forward, the commitment sheet will be streamlined by simply adding the total commitments across the FAWWA participating entities.

General Note 2; Sketch Plans do not have hard commitments and are not shown here. Subdivisions can either have a finding of sufficiency at preliminary or final plat stage. Water reports/commitments are sometimes submitted at both stages, even though sufficiency might be achieved at different stages. In order to attempt to track this possible discrepancy we will show the active water commitment in yellow highlight as best as possible. Summation of active water

General Note 3; Yellow highlight signifies applicable commitments, where commitments have been over-riden, changed or modified and are no longer active, they are not highlighted in yellow

General Note 4; March 6, 2023 was a vacation and replat within Homestead at Sterling Ranch No 2 resulting in a net loss of 2 lots, therefore a negative allocation has been applied



PROJECT NO.: 161.04
 DATE: 10/11/22
 DESIGNER: JPM
 DRAWN: JLB
 CHECK: JPM

REVISIONS			
NO.	DESCRIPTION	BY	DATE
1			
2			
3			
4			
5			
6			
7			

EXHIBIT

APPENDIX A
 FALCON AREA WATER AND WASTEWATER AUTHORITY
 SERVICE AREA

JDS-HYDRO a Division of **RESPEC**
 5540 TECH CENTER DR., SUITE 100
 COLORADO SPRINGS, COLORADO 80919
 (719) 227-0072

DISCLAIMER: THE CONTRACTOR SHALL VERIFY ALL DIMENSIONS. ANY ERRORS OR OMISSIONS SHALL BE REPORTED TO JDS-HYDRO, A DIVISION OF RESPEC. JDS-HYDRO ASSUMES NO LIABILITY FOR UNAUTHORIZED CHANGES AND/OR REVISIONS MADE TO PLANS.

ASSIGNMENT AND ASSUMPTION

THIS ASSIGNMENT AND ASSUMPTION (the “Assignment”) is entered into on July 19, 2022, effective as of February 1, 2022, by and between SR SEWER, LLC, a Colorado limited liability company (the “Assignor”), and FALCON AREA WATER AND WASTEWATER AUTHORITY, a public corporation and political subdivision of the State of Colorado (the “Assignee”), with reference to the facts set forth below.

RECITALS

A. Sterling Ranch Metropolitan District No. 1, Sterling Ranch Metropolitan District No. 2, and Sterling Ranch Metropolitan District No. 3 (collectively, the “Districts”) and the Assignee have been cooperatively transitioning operations of water and sanitary sewer services since February 1, 2022.

B. The Assignor has entered into various contracts and agreements relating to water and sanitary sewer services that are or will be provided by the Authority, which contracts and agreements are identified in **Exhibit A**, attached hereto and incorporated herein (the “Agreements”).

C. The Assignor and Assignee desire to contract with each other for Assignor to assign all of its rights, responsibilities, Agreements, accounts receivable, payment obligations and general obligations related to the provision of water and sanitary services by the Districts and/or the Authority, as identified in Exhibit A, to Assignee and Assignee desires to accept such assignment.

D. Assignee finds that it is in the best interest of its constituents to enter into this Assignment.

NOW, THEREFORE, in consideration of good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Assignor and Assignee agree as follows:

AGREEMENT

1. **Assignment.** Assignor hereby conveys, transfers and assigns to Assignee all of its rights, responsibilities, Agreements, accounts receivable, payment obligations and general obligations to the Authority related to the provision of water and sanitary sewer service by the Districts and/or the Authority, as identified in Exhibit A.

2. **Assumption.** Assignee hereby accepts the assignment of the Agreements and assumes and covenants and shall perform and fulfill all of the obligations, terms and conditions of Assignor occurring on and after the effective date of this Assignment. Assignee also agrees to, as applicable, assume and accept all rights, responsibilities, accounts receivable, payment obligations and general obligations of Assignor, as identified in Exhibit A.

3. **Effect of Assignment.** Except as amended herein the Agreements remain in full force and effect.

4. **Governing Law.** This Assignment shall be governed by and construed in accordance with the laws of the State of Colorado, without giving effect to the principles of conflicts of laws of that state.

5. **Further Assurances.** Each party to this Assignment shall execute all instruments and documents and take all actions as may be reasonably required to effectuate this Assignment.

6. **Prevailing Party.** If a party hereto brings any action or suit against the other party hereto by reason of any breach of any of the covenants, conditions, agreements or provisions on the part of the other party arising out of this Assignment, then the prevailing party shall have and recover from the other party all costs and expenses of the action or suit including reasonable attorney's fees.

7. **Counterparts/Facsimile.** Any number of counterparts of this Assignment may be executed. Each counterpart will be deemed to be an original instrument and all counterparts taken together will constitute one agreement. Executed copies of this Assignment may be delivered by facsimile, PDF, or email and, upon receipt, shall be deemed originals and binding upon the parties hereto. Without limiting or otherwise affecting the validity of executed copies hereof that have been delivered by facsimile, PDF, or email, the parties will use their commercially reasonable efforts to deliver originals as promptly as possible after execution.

8. **Certain Interpretive Matters.** The headings contained in this Assignment are provided for convenience only and will not affect its construction or interpretation.

[REST OF PAGE LEFT BLANK INTENTIONALLY]

The parties hereto have executed this Assignment as of the day and year first set forth above.

ASSIGNOR:

SR SEWER, LLC, a Colorado limited liability company

By: James F Morley

Name: JAMES F MORLEY

Its: MANAGER

ASSIGNEE:

FALCON AREA WATER AND WASTERWATER AUTHORITY, a public corporation and political subdivision of the State of Colorado

James F Morley
President

ATTEST:

Regan L. Kelley
Secretary

EXHIBIT A

(To be assigned by SR SEWER, LLC to Falcon Area Water and Wastewater Authority)

All improvements identified in the attached RESPEC engineering reports.



OVERALL WATER DEVELOPMENT MODEL

To: Doug Stimple
Classic Homes
2138 Flying Horse Club Drive
Colorado Springs, CO 80921

Falcon Area Water and Wastewater Authority
C/O Russ Dykstra
Spencer Fane LLP
1700 Lincoln Street, Suite 2000
Denver, CO 80203

cc: Project Central File W0242.22002 — Category A

From: John McGinn, P.E.
Principal Consultant
RESPEC
5540 Tech Center Drive, Suite 100
Colorado Springs, CO 80919

Date: July 19, 2022

Subject: Overall FAWWA (SR Water) Water System Planning

PURPOSE

The purpose of this report is to outline the phased development of the anticipated Falcon Area Water and Wastewater Authority Overall Water Delivery System (FAWWA). FAWWA is in the process of acquisition of SR Water so the term FAWWA and/or SR Water are used interchangeably here. The report contains the breakdown of phasing and development of treatment, source of supply and off-site delivery systems along with the anticipated costs. Figure 3 of this report is an outline of the costs and probably timing of these costs. Of particular note, is that early stages of infrastructure development costs cover the major backbone system associated with developing of more than 4,000 SFEs. With the initial Phase One of the Bar-X Delivery System, initial off-site well field, and the initial Central Water Treatment Plant, further infrastructure costs are incremental, simply building on the backbone system.

UNIT WATER NEEDS AND DEMAND

Water usage has been trending downward across the front range for nearly 20 years. This has been due to conservation awareness, inverted block rates for water, and increasingly smaller lot sizes. The trend is expected to continue downward at maybe a slower pace than in the last two decades, but increasing rate pressure and lot size are expected to continue the trend. If the trend is stable and downward, the capacity of systems proposed herein might be extended.



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The use factors used here are current from nearby development in the Falcon area. Current factors for the Sterling area do not have adequate time or history to be considered representative. If/when the FAWWA service area has roughly 1,000 units and at least three accurate years of history, user characteristics should be established for FAWWA.

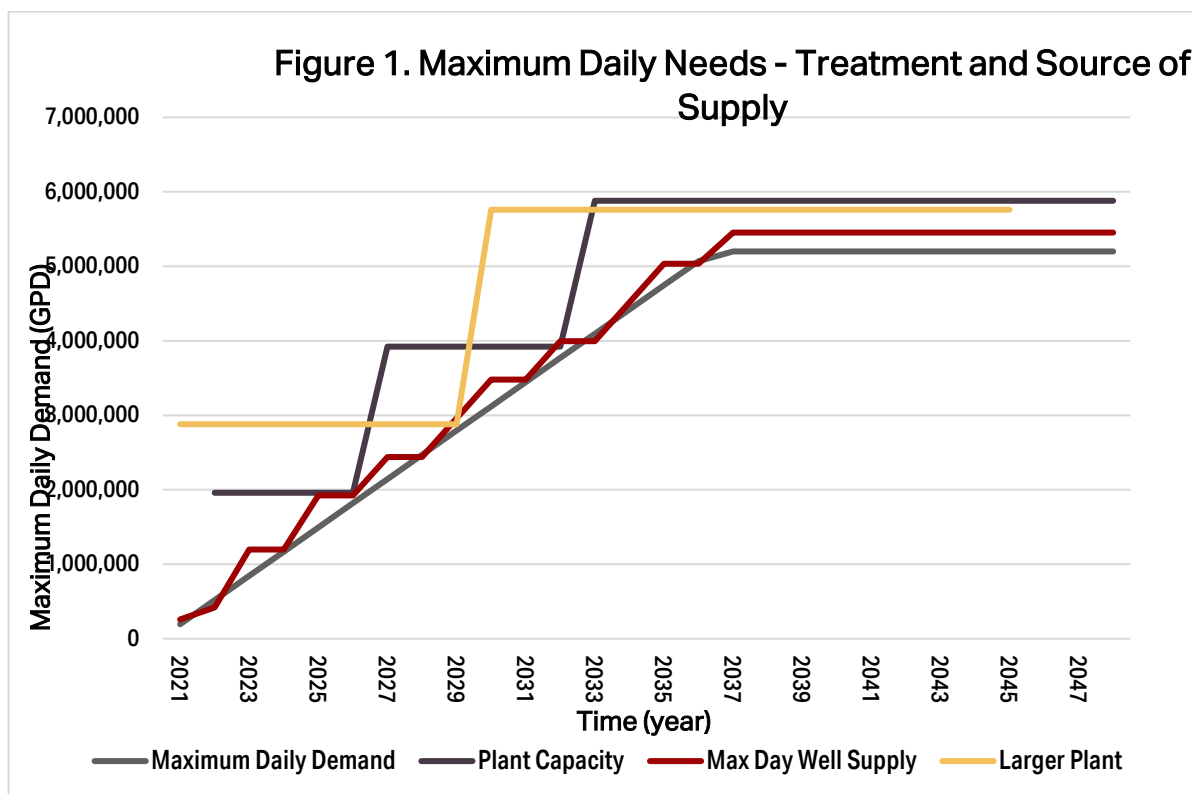
- / Water Rights Supply – The planning factor established for the Sterling and surrounding area was established at 0.353 acre-feet per year based on similar historic use from Districts in the area. This allows for average daily flow plus a small reserve. This will be used for physical and legal supply calculations for internal and El Paso County planning. In May, the unit user characteristic was modified to account for high density lots that would require less water per unit. While the overall factor of 0.353 AF/SFE was maintained, the modification allows for lower use trends for very small lots. This is in response to a general trend in El Paso County to reduce lot size.
- / Potable Water Demand Figures – With little history in the FAWWA system, we are using established historical numbers from the Falcon area:
 - » Average Daily Flow Factor – 275 GPD/SFE
 - » Maximum Daily Flow Factor – 650 GPD/SFE
 - » Peak-Hour Demand Factor – 0.75 GPM/SFE

GROWTH NEEDS

It is estimated that ultimately as many as 8,000 SFEs may be supplied by the FAWWA system. This is an ultimate number which could take up to 30 years or more to develop. While slightly conservative, we are starting with a current user load of 300 units.

We developed a growth model to project when certain facilities might be needed at what time. While we expect a buildout rate over time to be roughly equivalent to 300 units/year, we are showing an aggressive approach of 500 units per year. Using a buildout rate of 500 SFE/year over the buildout period, does not affect the overall expenditures, it simply hastens the expenditures in later years. Because 2,600 additional SFEs might be achieved by roughly the year 2026. It should be noted that any change in growth rate doesn't much affect initial 3-5 year expenditures, but simply hastens the speed at which future facility development must occur. It is also our understanding that initial funding is based on an additional 4000 SFE, which would be associated with a Maximum Daily Need of 2.73 Million Gallons per Day, and an Average Daily Need of 1.16 Million Gallons per Day. The projected growth curve is projected based on projected Maximum Daily Water Needs. Maximum daily demands are the primary criteria necessary in sizing water treatment, raw water transmission lines, source of supply, and primary storage, and therefore it is key to sizing and timing central facilities.

Figure 1 below shows the projected maximum daily demand over the next 25 years assuming a long term buildout rate of 500 units/year. While this graph suggests a planned buildout in the year 2037, it is likely that “down-market-years” will yield buildout in more likely 2048; empty lots and a few other elements might extend actual buildout further, but this provides an aggressive planning scenario.



SOURCE OF SUPPLY

Source of Supply is defined as the rights and facilities needed to deliver un-treated water to the central water treatment site. In the case of FAWWA (SR Water) this is expected to consist of three elements;

- / Water Rights
- / Off Site Raw Water Delivery System
- / On and Off Site Wells

WATER RIGHTS

FAWWA (SR Water) currently has 697 annual acre-feet _{300 year} of legally and physically available water rights supply. This supply will provide legal and physical supply for 1,975 developed SFEs which is roughly projected to occur by about the year 2027. It is very important to note that the actual water rights necessary to physically provide service to the FAWWA service area is based on the number of developed homes /SFEs that are requiring demand. This can be substantially different than that required in water holdings or legal supply due to the El Paso County 300-year rule. It is expected that FAWWA will find it necessary to have substantially greater legal supplies than that actually being used in current supply. This is because water is required to support planning, platting, and development processes in El Paso County.

From the anticipated growth curve above, it is obvious that FAWWA ultimately may be serving as many as 8000 SFE. In order to accommodate increased water rights needs, FAWWA (upon acquisition of SR Water) also has several contractual arrangements to purchase substantial additional rights. Those are the McCune water, Bar-X water, and Shamrock West water. A summary of those additional supplies is as follows;

- / McCune Water 391.33 annual acre-feet _{300 year}



- / Bar-X Water 596.95 annual acre-feet _{300 year}
- / Shamrock West Water 220.33 annual acre-feet _{300 year}

Some Bar-X water has already been purchased and is being used for augmentation for certain portions of the on-site water. The amount represented above only includes water not yet purchased. The total of all of these supplies will be 1,886 annual acre-feet _{300 year} which would serve roughly 5,343 SFEs, which represents a large majority of possible development, before needing to acquire additional sources of supply.

OFF-SITE RAW WATER DELIVERY SYSTEM

The water rights listed above are all off of the Sterling Ranch site. When needed, these water rights will require being physically transported from Hodgen Road southerly roughly 6 miles to Sterling Ranch. The pipeline length is closer to 8 miles. The pipeline has been called the Bar-X pipeline and has already been approved for development via the El Paso County 1041 planning process.

The Phase One of the Bar-X raw water pipeline is proposed to be extended from the central treatment site to the southwest corner of the McCune well field. The need for the initial Bar-X system may be triggered by having to be able to demonstrate physical access to McCune water. While possibly not needed for physical supply, the El Paso County 300-year rule may trigger this event as either the McCune or Bar-X water may be necessary to allow for continued planning of development.

The Bar-X pipeline would be further extended to the Bar-X well field when the first Bar-X well might be needed. This would be Phase Two pipeline. Phase Three of the pipeline can be further extended along Hodgen Road Westerly to Shamrock Ranch supplies. The 1041 anticipates the probable extension to the Shamrock West well-field, but this extension if/when needed is decades away. The Bar-X pipeline is proposed as a 24-inch pipeline to at least the southeast corner of the Bar-X well field. This pipeline would ultimately have the capacity to serve more than the 8000 SFE.

An equalizing/surge vessel is required at the high point of the Bar-X pipeline. This would be located in an area known as the Sanctuary. Depending on the final alignment of the pipeline, this tank requirement could allow for the existing un-used Sanctuary tank to be employed. The existing tank is 430,000 gallons and would operationally be superior to the alternative which would depend on a sub-surface facility with more complicated valving.

The raw water collection system from the corners of each of the major well-fields will be sized and constructed as needed to serve the anticipated well field layouts.

ON AND OFFSITE WELLS

The system currently has two wells on-site. A producing Arapahoe well and a drilled Laramie Fox Hills well, that is not yet in production. The LFH well has a water quality limitation, in that it must be used in conjunction with the Arapahoe well for management of Total Dissolved Solids. Nevertheless, it can produce substantial amounts of water over time. The next on-site well will be a Denver formation well which will physically access certain newly available augmented Not Non-tributary water

Well sites in the Sterling Ranch area are anticipated to include Denver, Arapahoe, and Laramie Fox Hills wells at each site developed.

Two more on-site well sites are planned within the next four years. These wells would be within the Sterling Ranch development area. A lead time of 18 months should be considered when adding a well site. Wells might also be needed specifically in order to access water rights.



Additionally, when extension of the Bar-X pipeline is started, additional off-site wells will be required. These northerly well sites are expected to only have Arapahoe and Denver wells, but the actual instantaneous yield of the northerly well sites is greater than that expected on-site in Sterling Ranch.

In the future, FAWWA will need to be adding a well site about every two to three years during system growth periods. The overall rate and trajectory of well drilling and addition is likely to be re-considered and modified over time, but a rough timeline might look as follows in Table 1:

Table 1, Well and Well Field Expansions Over Time

Year	Description
2022	Equip on-site Laramie-Fox Hills
2023	Drill Denver and additional on-site Arapahoe (Retreat area)
2025	Sterling On-Site Well Site #3 and 1 st McCune Well
	Phase One Bar-X Pipeline
2030	Second McCune well site (Arapahoe and Denver)
2032	1 st Bar X well and Phase Two Bar-X Pipeline
2035	2 nd Bar-X Well Site

CENTRAL POTABLE WATER FACILITIES

The central potable facilities will be constructed at the existing central site and will consist of treatment and potable storage. Current treatment consists of only chlorination but needs to be improved in the near term for control of iron and manganese. Current storage includes a 1.0 MG concrete storage tank which should be sufficient for a significant amount of time.

TREATMENT

We are suggesting a central site layout that accommodates all anticipated future needs. Facilities would be phased in a manner that is cost-effective. All site and yard piping will be sized for ultimate future needs (8000 SFE) as it cannot be easily added to. Treatment housing will be sized for 4.0 MGD which anticipates roughly a 20-year period and nearly 4000 SFE. This approach is strongly suggested and is employed very often in similar situations. Changes in treatment regulation, water quality, and other external forces do not suggest planning for any greater period. Initial treatment equipment would be constructed for a 10-year outlook. When needed, the structure will easily accommodate a doubling of capacity to roughly 4.0 MGD at half the cost of the original plant. While subject to evaluation over time, we would project this to be about the year 2032/2033

If/when needed, the site is laid out such that a second facility can be added directly adjacent to the east. There is a significant potential that continued trends in water use and conservation may negate the need for a second facility.

POTABLE STORAGE

The existing tank will provide for about ten years' worth of growth. The long-term need is for about 4.0 MG of storage, so the second tank when needed is estimated to be about 3.0 MG. Depending on the trajectory of specific user characteristics, the second tank will likely be desired between 2032 and 2033. For very rough financial planning purposes, we place its need to occur simultaneously with the plant expansion.



RESPEC



CONSULTANTS, INC.
A Division of RESPEC Company, LLC

In order to properly plan for land uses at the Central Site, Figure 2 is a layout that allows for phased expansion and defines the long-term land needs.

COST OF SOURCE OF SUPPLY AND CENTRAL FACILITIES

All costs presented herein, are in 2022 dollars. Financial models should anticipate increases in cost due to materials and installation inflation. Certain factors were normalized in estimating costs;

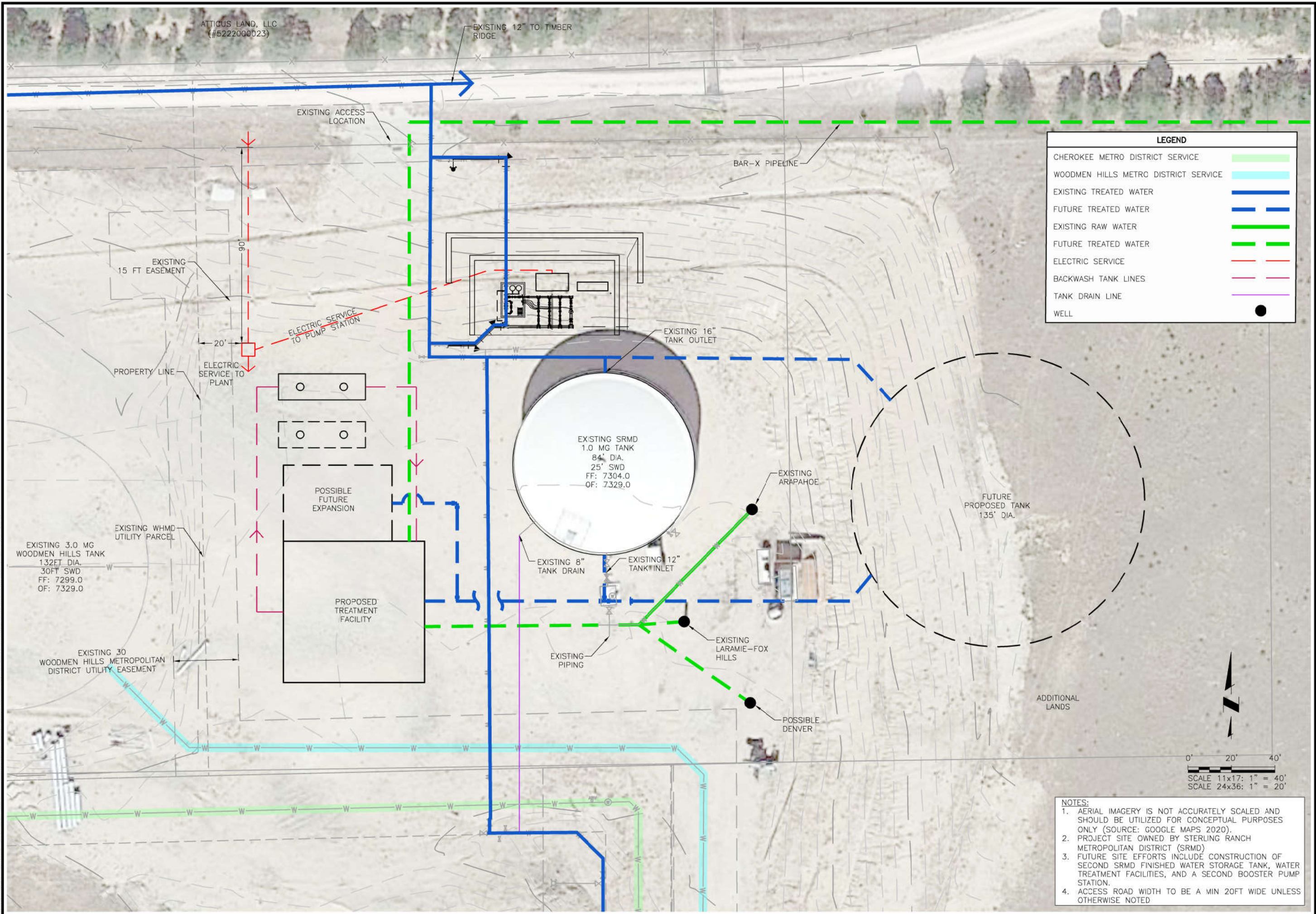
- / Construction estimates are based on anticipated routing, location, and preliminary design consideration but not on final design. Cost estimating level of accuracy is Class V. A 5% Construction Contingency is added to each construction estimate.
- / Two major infrastructure projects--Phase One of the Bar-X Delivery System and the initial Central Water Treatment Plant, are the two key components for long-term expansion of the FAWWA system and long-term development of Sterling Ranch. Additional future extensions of the Raw Water system, additional wells, and a treatment plant expansion are incremental expenses that are heavily supported by base improvements supported in early years by the bond funds.
- / Well sites at either McCune, Bar-X or Shamrock West would include an Arapahoe and Denver well plus certain joint metering/electrical/SCADA systems. While there will be some variation in well depth and site layout from site to site, we have adopted a typical value for each well site as determined by our breakdown. Associated raw water collection lines will vary dramatically, so those were estimated separately for each well site.
- / Soft Cost Estimates are based on a normalized value of 14% to account for permitting, surveying, soils, design, and construction related engineering costs. Soft costs are added to each construction element.
- / The unit Bar-X pipeline cost was consulted with Kempton Inc., a local excavator.
- / A possible timeline for expenditures is shown in Figure 3. Timing of each improvement assumes that 14% of the project cost will be expended each year with the remainder spent in the ensuing year. The exception is Phase One of the Bar-X Pipeline, which is separately estimated over three years.
- / The initial costs for development of near-term infrastructure needs which would be supported by bond funds are estimated at \$33.62 Million dollars in 2022 dollars.
- / Because some of the biggest cost factors are built into the initial infrastructure, development of the ensuing 4000 units is far less in unitized costs in 2022 dollars than the initial infrastructure costs.

ATTACHMENTS

Figure 2 Central System Layout

Figure 3 Cost Timetable

2022/02/23 12:20 PM By: Shelby Dattin N:\Projects\W0242.22002-FWMA_Sterling_Ranch_WPA_Drawings\Exhibit\Site_Exhibit_Working.dwg



ATTICUS LAND, LLC
(#5222000023)

EXISTING 12" TO TIMBER
RIDGE

EXISTING ACCESS
LOCATION

BAR-X PIPELINE

LEGEND	
CHEROKEE METRO DISTRICT SERVICE	
WOODMEN HILLS METRO DISTRICT SERVICE	
EXISTING TREATED WATER	
FUTURE TREATED WATER	
EXISTING RAW WATER	
FUTURE TREATED WATER	
ELECTRIC SERVICE	
BACKWASH TANK LINES	
TANK DRAIN LINE	
WELL	

EXISTING
15 FT EASEMENT

ELECTRIC SERVICE
TO PUMP STATION

PROPERTY LINE

ELECTRIC SERVICE TO
PLANT

EXISTING 16" TANK
OUTLET

EXISTING SRMD
1.0 MG TANK
84' DIA.
25' SWD
FF: 7304.0
OF: 7329.0

EXISTING
ARAPAHOE

FUTURE
PROPOSED TANK
135' DIA.

POSSIBLE
FUTURE
EXPANSION

EXISTING 8" TANK
DRAIN

EXISTING 12" TANK
INLET

EXISTING PIPING

EXISTING
LARAMIE-FOX
HILLS

POSSIBLE
DENVER

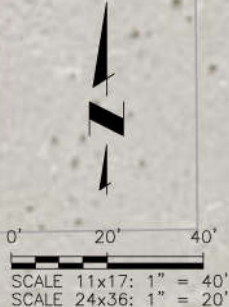
ADDITIONAL
LANDS

EXISTING 3.0 MG
WOODMEN HILLS TANK
132FT DIA.
30FT SWD
FF: 7299.0
OF: 7329.0

EXISTING 30
WOODMEN HILLS METROPOLITAN
DISTRICT UTILITY EASEMENT

EXISTING WHMD
UTILITY PARCEL

PROPOSED
TREATMENT
FACILITY



- NOTES:**
1. AERIAL IMAGERY IS NOT ACCURATELY SCALED AND SHOULD BE UTILIZED FOR CONCEPTUAL PURPOSES ONLY (SOURCE: GOOGLE MAPS 2020).
 2. PROJECT SITE OWNED BY STERLING RANCH METROPOLITAN DISTRICT (SRMD)
 3. FUTURE SITE EFFORTS INCLUDE CONSTRUCTION OF SECOND SRMD FINISHED WATER STORAGE TANK, WATER TREATMENT FACILITIES, AND A SECOND BOOSTER PUMP STATION.
 4. ACCESS ROAD WIDTH TO BE A MIN 20FT WIDE UNLESS OTHERWISE NOTED

JDS-HYDRO CONSULTANTS, INC.
5640 TECH CENTER DR., SUITE 100
COLORADO SPRINGS, COLORADO 80919
(719) 227-0072
DISCLAIMER: THE CONTRACTOR SHALL VERIFY ALL DIMENSIONS. ANY ERRORS OR OMISSIONS SHALL BE REPORTED TO JDS-HYDRO CONSULTANTS, INC. JDS-HYDRO ASSUMES NO LIABILITY FOR UNAUTHORIZED CHANGES AND/OR REVISIONS MADE TO PLANS.

FALCON AREA WATER & WASTEWATER AUTHORITY
CENTRAL FACILITY SITE PLAN
FIGURE 2

NO.	DESCRIPTION	BY	APP.	DATE
1				
2				
3				
4				
5				
6				
7				

EXHIBIT

Project No.: W0242.22002
Date: 02/09/22
Design: JPM
Drawn: SKG
Check: JPM

1
SHEET 1 OF 1

Figure 3 Preliminary Cost Estimate

Project: FAWWA Central Water Delivery System

Owner: FAWWA

Engineer: JDS-Hydro a Division of Respec

Year	SFE (acre ft year)	AF * (acre ft year)	Source of Supply						Central Potable System			Total Cost (2022 dollars)										
			On-Site Well Facility (inc collection)	Cost	On-Site Well Facility (inc collection)	Cost	Main Bar-X Raw Water Pipeline	Cost	Well Facility	Cost	Raw water Collection Facility	Cost	Treatment Facility	Cost	Potable Storage Facility	Cost	Facility	Cost	Cost/Year	Cost/ Cumulative		
2021	300	92																				
2022	600	185	LFH Complete	\$315,689	Un-site Arap/Denver	\$491,127															\$1,531,893	\$1,531,893
2023	1100	339			Retreat	\$3,508,050															\$9,101,980	\$10,633,873
2024	1600	493			Sterling On-Site	\$371,127	Bar-X Phase One	\$8,888,670.0	1st McCune	\$371,127	Sterling #3	\$ 141,000									\$9,771,924	\$20,405,797
2025	2100	647			#3	\$2,650,909					1st McCune RW	\$ 329,000									\$13,215,816	\$33,621,613
2026	2600	801																			\$0	\$33,621,613
2027	3100	955							2nd McCune	\$371,127	2nd McCune Raw	\$ 53,200									\$424,327	\$34,045,940
2028	3600	1109								\$2,650,909	Water	\$ 380,000									\$3,030,909	\$37,076,849
2029	4100	1263								\$371,127	1st Bar-x Raw	\$ 15,680	Phase Two	\$291,942							\$1,894,204	\$38,971,053
2030	4600	1417			Bar-X Phase Two	\$724,328			1st Bar-X	\$2,650,909	Water	\$ 112,000	Treatment	\$2,085,300	3.0 MG Tank	\$491,127	\$3,508,050				\$13,530,029	\$52,501,082
2031	5100	1571				\$5,173,770				\$371,127	2nd Bar-x Raw	\$ 91,840									\$462,967	\$52,964,049
2032	5600	1725							2nd Bar-X	\$2,650,909	Water	\$ 656,000									\$3,306,909	\$56,270,958
Totals				\$315,689		\$7,021,213		\$22,786,571		\$12,088,144		\$1,308,720		\$8,281,445	\$0	\$3,999,177	\$0					

* Note that the number of Acre-feet required to meet actual demand, will likely be substantially less than the required acre-feet to meet the 300 year rule, given that active land use planning, platting will substantially lead actual development

Except for the Bar-X Phase One Pipeline, all improvements allocate 14% in a given year and the remainder of project costs in the succeeding year

All costs are presented in 2022 dollars

The costs for Well Site development in McCune and Bar-X are normalized, but separate raw water collection lines are allocated



WATER AND WASTEWATER SYSTEM VALUATION

To: Falcon Area Water and Wastewater Authority
1700 Lincoln Street, Suite 2000
Denver, CO 80203

cc: Project Central File W0242.22001 — Category A

From: John McGinn, P.E.
Principal Consultant
RESPEC
5540 Tech Center Drive, Suite 100
Colorado Springs, CO 80919

Date: June 14, 2022

Subject: FAWWA Water and Wastewater System Valuation



1.0 BACKGROUND AND APPROACH

The purpose of this valuation is to estimate the value of the book or depreciated replacement value of the water and wastewater system and the associated service assets, for the transfer of assets into the Falcon Area Water and Wastewater Authority (FAWWA) from SR Water and SR Wastewater. FAWWA is a water authority currently comprised of Sterling Ranch Metropolitan District (SRMD, Sterling) Nos. 1, 2, 3, and the Retreat Metropolitan Districts 1 and 2; and is anticipated to have additional municipal and quasi-municipal membership in the future.

The water system is in working condition and serves roughly 300 customers. The wastewater collection system is in working order and is serving the same number of units. While the current system discharges to Colorado Springs Utilities, a lift station and force main system are nearing completion which will divert all wastewater flows to the Meridian Service Metropolitan District.

This valuation was completed with the following documentation:

1. Design drawings for facilities (No 'as-builts')
2. Site visits
3. Water decrees/water contracts
4. Wastewater tap agreement
5. Land easements

The valuation is based on a depreciated replacement value approach which in our opinion best represents a "snapshot" valuation of the current system. In this particular case, the actual expenditures for installing the system and materials are incomplete or unavailable. The

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depreciated replacement valuation is typically more conservative but adequately addresses the value. In order to determine the replacement value, we used the previously mentioned documents, site visits, and finally, we have also relied on engineering judgment and recently-valued unit costs for facilities.

Obviously, the actual marketable value of any asset is dependent on what a buyer is willing to pay for the asset which typically varies from a "book value" which is more descriptive of the methodology employed herein. This valuation does not consider any potential "blue-sky value"; any future value of the assets; certain intangible assets; any opportunities for future revenues over expenses and reserves; and/or any opportunity value represented by the existing oversizing of assets.

2.0 DESCRIPTION AND EVALUATION OF WATER SYSTEM

2.1 WATER RIGHTS

The water rights supporting the existing, as well as some of the future, water system are non-tributary or adjudicated not non-tributary water in the Denver Basin. A summary of the SR water rights is included in **Appendix A**. This table is used in filing water supply reports on behalf of FAWWA and is an excellent summary of SR Water holdings and contingent supplies.

Current Legal Supply. The currently available legal water supply on a 300-year basis is 697.39 annual acre-feet₃₀₀ (AF₃₀₀). The term *300-year supply* is applicable to the land development code of El Paso County and represents the amount of water that can be considered as "adequate supply" for the purpose of determining the level of development that can be based on said supply.

Water, generally, is more appropriately valued in terms of 100-year supply when being considered for actual monetary value. Therefore, for the purposes of valuation, legal water rights are presented here in terms of annual acre-feet₁₀₀ (AF₁₀₀). Therefore, the current and contracted for holdings are presented as 2092.16 annual AF₁₀₀ and valued at \$ 4,000 per AF₁₀₀.

Contingent Water Supply. Although not formally held in title, FAWWA will acquire the sole rights to purchase additional Denver Basin supplies under existing contracts with Bar-X and Shamrock West (SWR) Ranches and the owners of the "McCune Water." The Shamrock West water is not currently under contract by SR Water, but is owned by Bar-X Ranch and identified in the Bar-X purchase agreement. SR Water is in negotiations to enter into a contract to purchase the Shamrock West water prior to FAWWA transfer. Since water rights are a finite supply, the sole right to purchase water at a set cost has a certain value, which we term "contract-hold." The contingent supplies are contained in the same **Appendix A**, in the table on the right-hand side. There are four contingent supplies noted in this table, three of which have certain supplies that could be legally used within the system without additional court cases, being:

- / Bar-X non-tributary water, 1730.85 annual acre-feet₁₀₀
- / Shamrock West non-tributary water, 661.00 annual acre-feet₁₀₀
- / McCune non-tributary water, 1173.99 annual acre-feet₁₀₀

The resulting total is 3,565.86 annual AF₁₀₀.

The value of the *contract-hold* is assigned at 20% and could go up if water valuation continues to rise and additional supplies become scarcer.

Return Flows. All of the water rights mentioned above have the potential of being "used to extinction," which means that the owner has the right to reuse water after successive uses. As an example, the water that is delivered to homes is only partially consumed (a portion of unconsumed water is discharged to sanitary sewers and untimely treated and returned to the stream). A second portion is known as *lawn irrigation return flows* (LIRFs), being the portion of irrigation that percolates through the



soils beyond evaporation and transpiration and are returned to the alluvium. Most of the LIRF credits are designated for current depletions or other augmentation. However, the sewer returned flows usually measure about 50% of the water delivered to residential uses and, therefore, remain the potential property of FAWWA. If this 50% was returned to residential use, that 50% would, in turn, create 50% wastewater, which could also be reused to extinction. Thereby, one could run the water through a number of cycles. In the past, we have roughly estimated the potential as 75% of the original delivered volume. For example, if 100 acre-feet were initially delivered to residential users and “used to extinction,” it would roughly equate to 175 total acre-foot delivery in a very efficient return system.

Obviously, a replacement plan, direct reuse, or other legal mechanism accompanied by physical return and/or treatment components would be necessary to take advantage of such ownership. FAWWA wastewater is discharged to the Cherokee Metropolitan Wastewater Reclamation Plant, which currently has no system for reuse and/or return. However, Cherokee Metropolitan District (CMD) and its partner Meridian Service Metropolitan District (MSMD) have been in the process of obtaining a *replacement plan* for some time and continue to get closer to having the legal authority to do so.

Value. Appendix C-1 contains the value of water rights, being \$13,746,618. The breakdown of said value is also enclosed in Appendix C-1 Please note that water rights are valued as non-depreciable assets.

2.2. SOURCE OF SUPPLY

FAWWA owns two current wells: the Arapahoe well (A-1), which has been producing water for almost 4 years, and the Laramie-Fox Hills well (LFH-1), which has only recently been partially equipped. These wells are located on what we term the *central facilities site* at Sterling Ranch. Table 1 herein summarizes the features of these two wells.

Table 1, FAWWA Well Summary

Well	Permit / Date	Depth (ft.)	Casing (Dia.-in.)	Equipment	Yield (GPM) Actual / Permitted
A-1	81846-F / 2018	2040	8" SS	230 HP	200 / 300
LFH-1	85050-F / 2018	2660	8" SS		100 / 300

The wells are powered by an on-site generator which is rather old. However, line power is currently under construction and the site should have line power by the summer of 2022. Because of relatively low system use, the Arapahoe well is run sparingly and is manually started, along with the generator, when source of supply is being accessed.

The wells have a split depreciation period. The actual well structure, which includes the hole, casing, gravel pack, screens, etc., is assigned a 50-year life, whereas the well equipment has a much shorter depreciation period of 15 years.

2.3. TREATMENT AND STORAGE

The current level of treatment consists of chlorination, which is accomplished using injection of liquid sodium hypochlorite prior to entry into the tank. This method will be maintained, but the existing system will be replaced with much more extensive treatment. The chlorination system is dated from 2018 and is depreciated over a 15-year period.

Storage consists of a D-110 concrete tank holding 1.0 million gallons (MG) of water. We do not have any construction notes, construction photos, or construction test validation for this tank, but an



external observation indicates that it is currently in working condition. The tank was constructed in 2018, and the depreciation period for a concrete tank is 50 years.

The tank has a 16-inch outlet, 12-inch inlet, drain, and overflow. The location of the drain outlet appears to be just off-site; the drain outlet itself could not be located. There are no level sensors nor other devices necessary to determine the actual level present.

With few users, the source of supply and treatment of which are operated only every few days to top off the tank, but a lack of level control causes occasional overflows. An overall Water Development Model by JDS-Respec anticipates the cost of providing adequate instrumentation and control which will resolve potential operational problems.

2.4. WATER TRANSMISSION AND DISTRIBUTION

The FAWWA system consists of 6-inch through 24-inch water lines. Pipelines have all been being installed since 2017 and construction is continuing today. Materials for 12-inch diameters and below are all PVC. Lines greater than 12 inches in diameter are either of PVC or ductile iron pipe (DIP). There are gate valves, butterfly valves, fire hydrants, and services located throughout the system.

One large master pressure reducing valve (PRV) and vault are placed on a transmission line separating the upper gravity zone from the lower gravity zone.

In order to estimate the current replacement value of the transmission and distribution system, we are relying on a unit-value cost for water lines and other utilities, which is the current model being used for, not only FAWWA areas, but also other utility extension work by one of the larger, local contractors who performs this type of work. A list detailing the current pricing, which Classic Communities pays during the year 2022 for such construction work, is enclosed in **Appendix B**. We have reviewed the pricing list and compared it to other recent work, and find that the unit costs are both reasonable and fair.

Lines have been constructed from 2017 through present day. Since lines are rather recent (especially, those installed this year) and no more than 5 years old, we are proposing to depreciate the entire system at 3 years. Lines are depreciated over a 50-year period due to their expected length of duty.

3.0 DESCRIPTION AND EVALUATION OF WASTEWATER SYSTEM

3.1 WASTEWATER TREATMENT

Wastewater treatment will be accomplished through an intergovernmental agreement (IGA) with MSMD to provide transmission, pumping, and treatment for wastewater through the Cherokee treatment plant. This contract allows for the purchase of wastewater treatment capacity in the form of taps or single-family equivalents (SFEs). The contract allows for the purchase of up to 5,849 SFEs, which equates to roughly 1.006 million gallons of capacity per day.

The IGA required SR Sewer to construct a lift station and force main to the existing MSMD system, located approximately at the intersection of Woodmen Road and Meridian Road. The IGA specifies the requirements for said lift station and force main.

A first amendment to the IGA was made in 2020 which modified the location of Sterling's tie-in point in exchange for purchasing/leasing an existing MSMD-owned, unused line.

A second amendment requires SR Sewer to charge a surcharge to its sewer customers to help offset additional MSMD payments to Cherokee for treatment plant improvements that were completed subsequent to the IGA.



Because the IGA requires payment of tap fees at the time of takedown and does not require future capital investment, we are valuing this particular treatment capacity as a non-depreciable asset. The cost of future investment and improvements in the system would be paid for by actual ratepayer fees.

3.2 WASTEWATER LIFT STATION AND FORCE MAIN

The lift station and force main required by the IGA discussed above are substantially complete as evidenced by the letter from MMI Water Engineers dated June 2, 2022. A couple remaining items of construction and equipping are required before being presented to MSMD for acceptance, all as outlined in the MMI letter. All incremental materials have been ordered and delivery is anticipated by the end of June 2022. This work is anticipated to be complete, and the system accepted by MSMD by August 2022. Wastewater is currently being sent to Colorado Springs Utilities and will be diverted to the MSMD system upon their acceptance.

We have estimated the cost of the lift station and force main as if they were complete but have then reduced that value based on completion requirements likely needed to bring the facilities to the level required for MSMD acceptance.

We have estimated the completed value of the lift station at \$3,334,000, but estimate SCADA systems, finish work, endpoint devices, final completion, and final site improvements at \$190,000, according to the MMI letter.

While the force main has a few punch-list items, it is near enough to completion to be afforded full value.

3.3 WASTEWATER COLLECTION SYSTEM

The FAWWA system consists of 8-inch through 15-inch sewer lines. Pipelines have all been and are being installed from 2017 through present day. All sewer lines are of PVC. Manholes consist of both 48- and 60-inch manholes, depending on the associated pipe size.

In order to estimate the current replacement value of the transmission and distribution system, we are relying on a unit-value cost for water lines and other utilities, which is the current model being used for, not only FAWWA areas, but also other utility extension work by one of the larger, local contractors who performs this type of work. A list detailing the current pricing, which Classic Communities pays during the year 2022 for such construction work, is enclosed in **Appendix B**. We have reviewed the pricing list and compared it to other recent work, and find that the unit costs are both reasonable and fair.

Since lines are rather recent (especially, those installed this year) and no more than 5 years old, we are proposing to depreciate the entire system at 3 years. Lines are depreciated over a 50-year period due to their expected length of duty.

4.0 LAND EASEMENTS AND RIGHTS OF WAY

Lands owned outright or being subject to substantial surface use include the central water system site and the lift station site. Based on current land values, we have estimated the value of these types of land uses at \$120,000 per acre.

The central water system site is 3.34 acres in size.

Easements and non-surface land uses, such as pipeline easements, are valued at \$1.00 per square foot, which is roughly 36% of the surface value. This value considers any associated temporary easements, access rights, and soft costs of acquisition.



There are 20 permanent easements that have been acquired by SR Water for the purpose of developing the Bar-X pipeline. The permanent portion of these easements totals 20.036 acres. Additionally, there are 11 well sites that are included in the decree for the Bar-X water under contract and there are an additional 4 well site easements dedicated via plat on the McCune property. For well sites, we are estimating an average size of 15,000 square feet.

The Lift Station exists on a site that is 5.0 acres. The site is currently in process of being platted and will be Tract G of Sterling Ranch Filing #4.

According to James Morley, the force main includes permanent easements that total 11.4 acres.

Intangible Assets;

There are several intangible assets associated with the system which are not valued in this report, but hold substantial unstated value:

- Potential Un-augmented Not non-tributary water that might be augmented in the future
- 1041 Approved Permit and Concept Design *(The value of this asset is substantial but somewhat intangible and should be considered in any transfer of value)*

5.0 CONCLUSION

Appendices C-1 and C-2 outline a complete summary of the replacement value of each system element, as well as account for the depreciated value of each component. It is our opinion that the system valuations in their current condition are reasonably represented by the following:

/	Water System	\$ 23,148,704
/	Wastewater System	\$ 21,549,468

These values include not only the physical systems, but also lands and rights-of-way, as well as water rights.

ATTACHMENTS

Appendix A	Water Rights Summary
Appendix B	Basis of unit pipe pricing (Kempton)
Appendix C-1	Water Valuation Worksheet
Appendix C-2	Wastewater Valuation Worksheet
Appendix D	Bar-X Pipeline Easements acquired by SR Water



APPENDIX A

WATER RIGHTS SUMMARY



Update May, 2022

Table 3
Falcon Area Water and Wastewater Authority
Comprehensive Water Supply Inventory
Current Legal Supply

Land Formation/Aquifer	Reference Finding/Determination/Decree	Tributary Status	Volume	Annual Allocation 100 Year	Annual Allocation 300 Year	Approved Well Locations	Notes	Saturated	
			Acre-Feet	A-F/Year	A-F/Year			Sand Thickness	Specific Yield
Currently Available On-Site Sterling Water Legal Sources									
Laramie Fox Hills	86-CW-19 08CW113	NT	53,900 40	539.00 0.40	179.67 0.13	KLF-1 - KLF-4	Under 1410 acres Under 41.44 acres, reduced to 1.44 acres	255	15%
Arapahoe	86-CW-18	NT	57500	575.00	191.67 371.47	KA-1 - KA-4	Under 1410 acres	240	17%
Available On-Site Augmented Sterling Water Legal Sources (Note 2)									
Laramie Fox Hills	20CW 3059	NT	2780	27.80	9.27		97.54 acres SR Quarry (Note 5)	190	
Arapahoe	20CW 3059	NNT	4320	43.20	14.40	Augmented via Same Case	97.54 acres SR Quarry (Note 5)	260.5	
Denver	20CW 3059	NNT	4895	48.95	16.32	Augmented via Same Case	97.54 acres SR Quarry (Note 5)	295.2	
Denver	08CW113 Aug 20CW 3059	NNT	72893	728.93	242.98	Augmented via Pending Case	Sterling Ranch 1410 acres		
Arapahoe	08CW113 Aug 20CW 3059	NNT	60	0.60	0.20	Augmented via Pending Case	Sterling Ranch 41.44 reduced to 1.44 acres		
Currently Available On-Site Retreat Water Legal Sources (Note 1)									
Laramie Fox Hills	17CW3002	NT	6,440				Under 225.97 acres	190	15%
LFH (Retained Water by predecessor in title)		NT	-612						
LFH (Relinquishment)	18CW3002	NT	-2,796				PPD Augmenting 29 wells		
Arapahoe	17CW3002	NT	9,796	97.96	32.65		Under 225.97 acres	255	17%
Legal Supply: Phase 3, Phase 4 (excluding Lots 39-41) and Phase 6			12,828	128.28	42.76				
Augmentation (Dawson NNT)	18CW3002	Aug	2,796	27.96	9.32		29 Single Family Wells [Phase 2 (excluding Lots 11-12); Lots 39, 40 & 41 of Phase 4; & 5]	Replace a min of 4% of pumping	
Augmentation (Dawson NNT)	16CW3095	Aug	1567.5	15.68	5.23		10 Single Family Wells (Phase 1)	Replace actual depletions	
Legal Supply Phase 1					5.23				
Currently Available Off-Site Ground Water Legal Sources									
Augmentation (Dawson NNT)	18CW3005	Aug	240.0	2.40	0.80	(Phase 2 - Lots 11 & 12)	pumping		
2)			240.0	2.4	0.8				

Note 1.

The water listed in the shaded area will be used to serve single family wells and is not included in the Total Available for the Central System

Note 2.

In February, 2022: removed the existing Bar-X holdings from the supply sheet as the LFH water is dedicated to post-pumping depletions for Augmentation Case 20 CW 3059 and added the water yield from Case 20 CW 3059

Total Current Available 300-Year Water Supply (AF)

697.39

Acre-Feet :Legal Water Supply For Falcon Area Water and Wastewater Authority Central System

Sterling Current Supplies

Table 3 Continued
Falcon Area Water and Wastewater Authority
Comprehensive Water Supply Inventory
Contingent Supplies under Contract to FAWWA

Land Formation/Aquifer	Finding/Determination/Decree	Tributary Status	Volume	Annual Allocation 100 Year	Annual Allocation 300 Year	Approved Well Locations	Notes	Saturated	
			Acre-Feet	A-F/Year	A-F/Year			Sand Thickness	Specific Yield
Contingent Shamrock West Ground Water Sources									
Dawson	85 CW131	NNT	49,800	498	0.00		Needs Augmentation		
Denver NNT	85 CW131		105,700	1057	0.00		Needs Augmentation		
Denver NT	85 CW131		18,700	187	62.33	62.33	Needs Augmentation		
Arapahoe NNT	85 CW131		2,500	25	0.00		Needs Augmentation		
Arapahoe NT	85 CW131		47,400	474	158.00	158.00	Needs Augmentation		
LFH NT	85 CW131		0	0	0.00				
Total Additional Contingent Supply (without augmentation)				661.00		220.33			
Off site Bar-X Ground Water Sources (Note 4)									
Currently Owned Off-Site Sterling Water Legal Sources (Bar-X)									
Portion remaining under contract									
Laramie Fox Hills	93-CW-018	NT	12,500 -12,500	125.00 -125.00	41.67 -41.67		Shamrock/Bar-x Rights Set aside for augmentation at Bar-X	200	15%
Arapahoe	93-CW-018	NT	74250	738.00	246.00		Shamrock/Bar-x Rights	260	17%
Denver	93-CW-018	NT	119900	1306.33	435.44		Shamrock/Bar-x Rights	435	17%
						681.44			
						104.49	Net Set Aside for Sterling Ranch Post Pumping Depletions (20 CW 3059)		
Dawson	93-CW-018	NNT	149499 194,150	1494.99	498.33		Need Augmentation Plan	490	20%
Total Additional Contingent Supply Bar-X (without augmentation)								576.95	
								968.29	2904.86
Contingent On-Site The Ranch (Elkhorn) Water Legal Sources WITHIN UBS BOUNDARIES									
Laramie Fox Hills NT	Determination under Section 37-90-107(7)	receipt 471559-D	17,000	170.00	56.67		646.029 acres		
Arapahoe NT		receipt 471559-C	23600	236.00	78.67		646.029 acres		
Denver NNT		receipt 471559-B	32900	329.00	109.67		646.029 acres		
						245.00			
Contingent Off site McCune Ground Water Sources (Note 5)									
Laramie Fox Hills	1689-BD	NT	26,300	263.00	87.67		900.52 acres		
Arapahoe	1690-BD	NT	39800	398.00	132.67		900.52 acres		
Denver	1691-BD	NT	52800 -1500.00	528.00 -15.00	176.00 -5.00		900.52 acres Retained Denver Formation Water		
Lower Dawson	1662 BD	NNT	81950.00	819.50					
Total Contingent Supply McCune (without augmentation)						391.33			

Note 1 If/When the Shamrock West, Bar-X, and McCunewater are acquired, the purchases will result in an additional 3565.86 Annual AF -100 year (1188.62 Annual AF 300 year Basis)

Note 2

Pending Case 20 CW 3059 quantifies NT and NNT groundwater under what is known as the SR Quarry which has been acquired. Additionally, 20 CW 3059 provides an augmentation plan for the NNT Arapahoe and Denver formation water under Sterling Ranch. The post pumping depletions are satisfied by NT water off site from Bar - X Ranch. Current depletions for both the Sterling Ranch and SR Quarry are satisfied by on LIRF credits supported by NT water applied at Sterling Ranch. Additionally, certain on-site ponds are augmented by excess LIRF credits.

Note 3

This water is NT water owned by Sterling Ranch and is available to be legally used on the Sterling Ranch Site. This water is projected to be dedicated as Augmentation Depletions for NNT

Water under Pending case 20 CW 3059. If/when Pending Case 20 CW 3059 is approved in whole or part, this inventory will be adjusted to add any approved augmented NNT water and any and/all augmentation supply, will be shown strictly as dedication to depletions. Until such a time, this water will be shown as legally available for Sterling Ranch.

Note 4

The sources listed in this segment are under contract to Sterling Ranch. As the Contract "take-down" proceeds, these supplies will become the property of Sterling and can be made available for direct use at Sterling Ranch or as additional augmentation water at Sterling Ranch.

Retreat Water Supplies

Retreat Wells private wells not included in Calculation

JDS-Hydro a Division of Respec

Note 5 This water is also termed the McCune water. The sources listed in this table are under contract to Sterling.

Elkhorn or The Ranch

Shamrock West, Bar-X, and McCune under Contract



APPENDIX B

BASIS OF UNIT PIPE PRICING



APPENDIX B

UNIT VALUES FOR WATER DISTRIBUTION AND WASTEWATER COLLECTION SYSTEM PROVIDED BY KEMPTON CONSTRUCTION

Unit Prices are for substantial quantities only. If estimating a project having limited quantities, these should not apply.

Also, these unit prices are generally for construction in native and or disturbed areas, these do not apply for construction in existing streets

1	Tie to existing	1 ea	\$ 430.00
2	Tie to existing 12" w/ ins. Dresser	1 ea	\$ 630.00
3	6" DR14 with wire	1 lf	\$ 28.75
4	8" DR14 with wire	1 lf	\$ 48.80
5	12" DR14 with wire	1 lf	\$ 78.75
6	6" G.V.B. w/mega lugs	1 ea	\$ 1,318.00
7	8" G.V.B. w/mega lugs	1 ea	\$ 1,890.00
8	12" G.V.B. w/mega lugs	1 ea	\$ 3,782.00
9	6" Bends w/mega lugs	1 ea	\$ 457.00
10	8" Bends w/ mega lugs	1 ea	\$ 631.00
11	12" Bends w/mega lugs	1 ea	\$ 1,480.00
12	6" Tee w/mega lugs	1 ea	\$ 645.00
13	8" Tee w/mega lugs	1 ea	\$ 991.00
14	12" Tee w/mega lugs	1 ea	\$ 1,628.00
15	8" Water Lowering 18' long w/mega lugs	1 ea	\$ 9,613.00
16	6.5' FH Assembly on 8" w/mega lugs w/Test Station	1 ea	\$ 6,730.00
17	6.5' FH Assembly on 12" w/mega lugs w/ Test Station	1 ea	\$ 7,245.00
18	Flushing Hydrant Assembly	1 ea	\$ 5,395.00
19	6" Blow-off Assembly w/ mega lugs	1 ea	\$ 2,007.00
20	8" Blow-off Assembly w/mega lugs	1 ea	\$ 2,592.00
21	12" Blow-off Assembly w/mega lugs	1 ea	\$ 3,232.00
22	3/4" Service (Average 32')	1 ea	\$ 910.00
23	3/4" Service (Extra Length)	1 lf	\$ 16.25
24	Remove 8" Phase Line Valves	1 ea	\$ 900.00
25	Remove 12" Phase Line Valves	1 ea	\$ 1,155.00
26	High Deflection Coupler 8"	1 ea	\$ 151.00
27	12" High Deflection Coupler	1 ea	\$ 299.00
28	2" Meter Pit (32LF Long Service)	1 ea	\$ 9,616.00
29	1 1/2" Meter Pit (32 LF Long Service)	1 ea	\$ 8,355.00
30	3/4" Meter Pit	1 ea	\$ 3,830.00
31	12" Bell Restraint	1 ea	\$ 304.00
32	8" Bell Restraint	1 ea	\$ 228.00
33	6" Bell Restraint	1 ea	\$ 177.00
34	Tracer Wire Connectors New CSU SPEC	1 ea	\$ 14.00

RE: Sanitary Sewer- Unit Prices

1	Tie to Existing Manhole	1 ea	\$ 350.00
2	8" SDR35 0'-12' Deep w/wire	1 lf	\$ 29.05
3	8" SDR35 12'-14' Deep w/wire	1 lf	\$ 32.00
4	8" SDR35 14'-16' Deep w/wire	1 lf	\$ 37.05
5	8" SDR35 16'-18' Deep w/wire	1 lf	\$ 53.50
6	8" SDR35 18'-20' Deep w/wire	1 lf	\$ 72.50
7	8" SDR35 18'-22' Deep w/wire	1 lf	\$ 85.50
8	Over depth Protection on 8"	1 lf	\$ 6.60
9	Plate Tamp (under 1.05% slope) 3/4" bedding SDR26	1 lf	\$ 15.40
10	3 Degree Bend	1 ea	\$ 85.00
11	48" ID MH 0'-12' Deep, Pre-cast	1 ea	\$ 3,260.00
12	48" ID MH 12'-14' Deep, Pre-cast	1 ea	\$ 3,600.00

13	48" ID MH 14'-16' Deep, Pre-cast	1 ea	\$ 3,888.00
14	60" ID MH 0'-12' Deep, Pre-cast	1 ea	\$ 4,120.00
15	60" ID MH 12'-14' Deep, Pre-cast	1 ea	\$ 4,638.00
16	60" ID MH 14'-16' Deep, Pre-cast	1 ea	\$ 5,210.00
17	Clean Out, Active UD, w/wall, Outside MH	1 ea	\$ 815.00
18	4" PVC Service w/wire (Average 35' long)		
19	0'-12' Deep	1 ea	\$ 818.00
20	12'-15' Deep	1 ea	\$ 953.00
21	4" PVC Service w/wire (Extra Length)	1 lf	\$ 20.20
22	6" Passive Under drain	1 lf	\$ 6.90
23	6" Active Under drain	1 lf	\$ 12.50
24	3" Under drain Service	1 ea	\$ 243.00
25	3" Active@ Property 10LF	1 ea	\$ 180.00
26	3" Under drain Service (Extra Length)	1 lf	\$ 6.80
27	4" PVC 45 Degree up	1 ea	\$ 38.00
28	4" DIP 45 Degree up	1 ea	\$ 355.00
29	3" Under drain 45 Degree Up	1 ea	\$ 38.00
30	16" Encasement Sleeve	1 lf	\$ 147.00
31	16"x8" Skids and Restraints	1 ea	\$ 185.00
32	16"x8" End Seals	1 ea	\$ 180.00
33	8" Bell Restraint	1 ea	\$ 128.00
34	17 Lb. Anode	1 ea	\$ 185.00
35	Tracer Wire Connectors New CSU SPEC	1 ea	\$ 14.00

RE: Storm Sewer- Unit Prices

1	18" RCP 0'-9' Deep	1 lf	\$ 57.45
2	24" RCP 0'-9' Deep	1 lf	\$ 70.45
3	30" RCP 0'-9' Deep	1 lf	\$ 100.20
4	36" RCP 0'-9' Deep	1 lf	\$ 133.45
5	42" RCP 0'-12' Deep	1 lf	\$ 175.00
6	42" RCP 12'-14' Deep	1 lf	\$ 190.00
7	48" RCP 0'-10' Deep	1 lf	\$ 224.50
8	48" RCP 12'-14' Deep	1 lf	\$ 234.50
9	48" RCP 14'-18' Deep	1 lf	\$ 258.50
10	18" FAB Bend/Reducer	1 ea	\$ 1,408.00
11	24" FAB Bend/Reducer	1 ea	\$ 1,609.00
12	30" FAB Bend/ Reducer	1 ea	\$ 1,981.00
13	36" FAB Bend/Reducer	1 ea	\$ 2,445.00
14	42" FAB Bend/Reducer	1 ea	\$ 2,694.50
15	48" FAB Bend/Reducer	1 ea	\$ 3,094.25
16	18" FAB Tee/Wye	1 ea	\$ 1,544.00
17	24" FAB Tee/Wye	1 ea	\$ 1,798.00
18	30" FAB Tee/Wye	1 ea	\$ 2,155.00
19	36" FAB Tee/Wye	1 ea	\$ 2,514.00
20	42" FAB Tee/Wye	1 ea	\$ 2,786.00
21	48" FAB Tee/Wye	1 ea	\$ 3,367.00
22	18" Plug	1 ea	\$ 172.00
23	24" Plug	1 ea	\$ 224.00
24	30" Plug	1 ea	\$ 260.00
25	36" Plug	1 ea	\$ 321.00
26	18" F.E.S.	1 ea	\$ 848.00
27	24" F.E.S.	1 ea	\$ 996.00
28	30" F.E.S.	1 ea	\$ 1,313.00
29	36" F.E.S.	1 ea	\$ 1,868.00
30	48" F.E.S.	1 ea	\$ 2,665.00

Concrete Included, Aprons Excluded

31	Type II MH 18" 0'-9' Deep	1 ea	\$ 3,050.00
32	Type 11 MH 24" 0'-9' Deep	1 ea	\$ 3,525.00

33	Type II MH 30" 0'-9" Deep	1 ea	\$ 3,945.00
34	Type I Box Base MH 30" 0'-9" Deep	1 ea	\$ 9,270.00
35	Type I Box Base MH 36" 0'-9" Deep	1 ea	\$ 10,462.00
36	4' D-10-R Less than 5' Deep	1 ea	\$ 4,800.00
37	5' D-10-R Less than 5' Deep	1 ea	\$ 4,915.00
38	6' D-10-R Less than 5' Deep	ea	\$ 5,416.00
39	8' D-10-R Less than 5' Deep	ea	\$ 6,038.00
40	10' D-10-R Less than 5' Deep	1 ea	\$ 6,895.00
41	12' D-10-R Less than 5' Deep	1 ea	\$ 7,990.00
42	14' D-10-R Less than 5' Deep	1 ea	\$ 8,708.00
43	16' D-10-R Less than 5' Deep	1 ea	\$ 9,670.00
44	18' D-10-R Less than 5' Deep	1 ea	\$ 10,506.00
45	20' D-10-R Less than 5' Deep	1 ea	\$ 11,127.00
46	4' Every Foot Over 5' Deep	1 vf	\$ 284.00
47	6' Every Foot Over 5' Deep	1 vf	\$ 324.00
48	8' Every Foot Over 5' Deep	vf	\$ 387.00
49	10' Every Foot Over 5' Deep	1 vf	\$ 450.00
50	12' Every Foot Over 5' Deep	1 vf	\$ 472.00
51	14' Every Foot Over 5' Deep	vf	\$ 520.00
52	16' Every Foot Over 5' Deep	1 vf	\$ 560.00
53	18' Every Foot Over 5' Deep	1 vf	\$ 580.00
54	20' Every Foot Over 5' Deep	1 vf	\$ 615.00
55	Rip Rap w/Marafi- Native Bedding	1 cy	\$ 74.00
56	5' Type R Inlet 5' Deep	1 ea	\$ 5,324.00
57	10' Type R Inlet 5' Deep	1 ea	\$ 7,866.00
58	15' Type R Inlet 5' Deep	1 ea	\$ 10,250.00
59	20' Type R Inlet 5' Deep	1 ea	\$ 11,882.00
60	10 Gauge Tracer Wire	1 lf	\$ 0.55
61	Concrete Test Box Pad	1 ea	\$ 200.00
62	1.5# Magnesium Ground Stake	1 ea	\$ 65.00
63	Test Station Access Box	1 ea	\$ 120.00
64	Tracer Wire Connector w/ Blue Housing	1 ea	\$ 14.00
65	Concrete Core Holes if Required	ea	\$ 50.00
66	Concrete Reinforced Collar City Spec	1 ea	\$ 1,075.00

RE: Miscellaneous

1	Remove and Replace Curb	1 lf	\$ 60.00
2	Remove and Replace Asphalt (4" Thick)	1 sf	\$ 9.00
3	Stabilization Rock	1 tn	\$ 42.00
4	Fiber Crossing	1' ea	\$ 1,000.00
5	Small Job Mobilization under \$30,000.00	1 ea	\$ 1,500.00
6	Compaction Testing	By Owner	
7	CCTV	1 lf	\$ 2.10
8	Jet Main	1 lf	\$ 1.75
9	Relocation of conflicting utilities, hourly or by others		
10	Traffic Control	T&M	
11	Frost Removal	Negotiated	
12	Rock Excavation	\$1.50/LFNF	
13	De-Watering	Hourly as Required	
14	Clear and Grub	Hourly as Required	



APPENDIX C

WATER/WASTEWATER VALUATION



Appendix C-1
Valuation Worksheet--Water
Falcon Area Water and Wastewater Authority

<i>Distribution/Transmission</i>				Depreciation	Depreciated	
Description	Quantity	Unit	Value	Period (yrs)	Replacement Value	
8 Inch Line	11046	LF	\$ 773,236.10			
8 inch Valves	71	EA	\$ 106,500.00			
12 Inch Line	4791	LF	\$ 455,184.90			
12 Inch Valves	22	EA	\$ 55,000.00			
16 Inch Line	8380	LF	\$ 1,257,058.50			
16 Inch BFY Valves	7	EA	\$ 31,500.00			
24 Inch Line (DIP /PVC)	6849	LF	\$ 1,472,442.55			
24 Inch BFY Valves	9	EA	\$ 70,200.00			
Fire Hydrants	28	EA	\$ 188,440.00			
Services/Metering	378	EA	\$ 378,000.00			
ARVs		EA	\$ -			
PRVs	1	EA	\$ 35,000.00			
Total Distribution/Transmission			\$ 4,822,562.05	2019	50	\$ 4,533,208
Water Tank	1	1.0 MG Concrete	\$ 1,350,000.00	2018	50	\$ 1,242,000
Arapahoe Well	1	EA	\$ 988,825.00			
LFH Well	1	EA	\$ 1,282,800.00			
Total Wells			\$ 2,271,625.00	2018	35	\$ 2,012,011
Chlorination Equipment	1		\$ 32,000.00			
LFH Equipment	1		\$ 373,950.00			
Arapahoe Equipment	1		\$ 457,050.00			
Total Well Equipment			\$ 863,000.00	2018	15	\$ 632,867
Pressure Booster Station	1	Under Construction	\$ 982,000.00	2022	35	\$ 982,000
Sub-Total Depreciable Assets			\$ 10,289,187.05			\$ 9,402,086
Non-depreciable Assets						
Non-Depreciable Assets						
Land	Acres	Unit Value	Value			
Central System Site Easement	3.34	\$ 120,000	\$ 400,800			
Easements						
20 Pipeline Easements See Appendix D	872768	\$ 1.00	\$ 872,768			
15 Well Site Easements	225000	\$ 1.00	\$ 225,000			
Water						
Owned Water	Acre Feet ₁₀₀	Description	Value			
NT Water On-Site						
86CW19	1114	Main Site	\$ 4,456,000			
08CW 113	0.4	Main Site	\$ 1,600			
20CW3059	27.8	Janes	\$ 111,200			
17CW3002	128.28	Retreat	\$ 513,120			
Augmented NNT Water On-site						
20CW3059	821.7	Aug Main Site +	\$ 3,286,800			
Contract-Hold NT Water						
1689-BD	263	McCune	\$ 263,000			
1690-BD	398	McCune	\$ 398,000			
1691-BD	513	McCune	\$ 513,000			
93-CW-018 Arapahoe	738	Bar-X	\$ 738,000			
93-CW-018 Denver	1306.33	Bar-X	\$ 1,306,330			
85-CW-131	661	Shamrock West	\$ 661,000			
Total Water			\$ 13,746,618		\$ 13,746,618	
Total Water System (Depreciated Replacement Value)					\$ 23,148,704	

Appendix C-2

Valuation Worksheet--Wastewater

Falcon Area Water and Wastewater Authority

Collection System					Depreciation	Depreciated
Description	Quantity	Unit	Value	Date	Period (yrs)	Replacement Value
8 Inch Line	6350	LF	\$ 203,200			
12 Inch Line	5865	LF	\$ 461,869			
15 Inch Line	8380	LF	\$ 796,137			
18 Inch Line	947	EA	\$ 108,905			
4 ft Manholes	26	LF	\$ 93,600			
5 ft Manholes	47	EA	\$ 217,986			
Services	378	EA	\$ 309,204			
Total Collection			\$ 2,190,901	2019	50	\$ 2,059,447
Lift Station	1	LS	\$ 3,115,000	2022	35	\$ 3,115,000
Force Main	22650	LF	\$ 1,783,688	2022	50	\$ 1,783,688
Cleanouts	7	EA	\$ 21,980	2022	50	\$ 21,980
Tie-In/Sampling/Metering	1	LS	\$ 125,000	2022	50	\$ 125,000
Asphalt	4860	LF	\$ 1,312,200	2022	50	\$ 1,312,200
Total Central System			\$ 6,357,868			\$ 6,357,868
Total Physical Wastewater System			\$ 8,548,768			\$ 8,417,314
<u>Non-depreciable Assets</u>						
Plant Capacity	Taps	Unit Value	Value			
Number of Purchased Taps	1550	\$ 4,650.00	\$ 7,207,500			\$ 7,207,500
Connection Fee	1 time	\$ 500,000.00	\$ 500,000			\$ 500,000
Meridian Line Purchase	3	\$ 110,000.00	\$ 330,000			\$ 330,000
Under Contract	4299	\$ 930.00	\$ 3,998,070			\$ 3,998,070
	Acres	Unit Value	Value			
Land (Lift Station Site)	5	\$ 120,000.00	\$ 600,000			\$ 600,000
Force Main Easements	11.40	\$43,560	\$ 496,584			\$ 496,584
Total Wastewater			\$ 13,132,154			\$ 13,132,154
Total Wastewater System						\$ 21,549,468

JDS-Hydro a division of Respec



APPENDIX D

EASEMENTS



Appendix D to FAWWA Valuation

Bar-X Pipeline Easements acquired by SR Water

FAWA Parcel No.	Owner Information	Easement Map Received	Parent legal	Comments	Permanent Easement Area (AC)	Temporary Easement Area (AC)	Acquired Permanent
Hodgen Road							
E22 E22-TC	National Audubon Society 225 Varick Street, Floor 7 New York, NY 10014 719.282.7877 (COS Audubon Chapter)		S26-T115-R65W	Closed Rec. 219092828	3.885	6.388	3.885
E-21-1	San Miguel Valley Corporation		Tract D Black Forest Reserve No.	Tract dedicated for public utilities	0.672	1.188	0.672
E-21-2	Black Forest Reserve HOA San Miguel Valley Corporation		Tract B & E Black Forest Reserve No. 1	no utility dedication language (Tract E) not yet acquired	0.566	0.966	0.000
E20 E20-TC	Black Forest Reserve Homeowners Association		Tracts A, C & I Black Forest Reserve No. 3	Tract dedicated for public utilities	1.148	1.358	1.148
E19 E19-TC	Black Forest Reserve HOA San Miguel Valley Corporation		Tract A, B & D Black Forest Reserve No. 2	Tract dedicated for public utilities	2.395	2.892	2.395
E18 E18 TCE	Black Forest Reserve Homeowners Association		Tract F & L Black Forest Reserve No. 3	Tract L, Wildlife Corridor no utility language not yet acquired	1.167	1.395	0.000
E17 E17-TC	El Paso County	4/25/2018	Pinerias Open Space E2 W2 Sec 1/SE4 NE4 Sec 1/NW4 Sec 12/T115-R65W 6PM	not yet acquired	7.312	12.187	0.000
E16 E16-TC	Black Forest Reserve HOA San Miguel Valley Corporation	4/25/2018	Tract in the SE4 NE4 S11-T125-R65W	not yet acquired	0.069	0.115	0.000
E15 E15-TC	The Nor'Wood Foundation	4/25/2018	SE4 S11-T125-R65W		3.638	6.063	3.638
E14 E14-TC	Development Management Co Inc.	4/25/2018	S14-T125-R65W		0.018	0.037	0.018
E13 E13-TC	Matthew T. Russell & Joy M. Russell	55074283 1/31/19	Lots 10, 11, 14 Armonia Ranch Subd.		0.820	1.394	0.820
E12 E12-TC	Matthew T. Russell & Joy M. Russell	55074283 1/31/19	Lot 6 Armonia Ranch Subd.		0.271	0.424	0.271
E-11 E11-TC	Joseph Geraci & Amy J. Geraci	55074116 12/1/18	Lot 4 Armonia Ranch Subd.		0.197	0.329	0.197
E10 E-10TC	Colby Culp and Leisa Garcia-Culp	55066838-2 11/22/2017	Lot 3 Armonia Ranch Subd.		0.255	0.426	0.255
E9 E-9TC	William & Carol Lighty	55073717 11/3/2018	Lot 9 Armonia Ranch Subd.		0.178	0.296	0.178
E8 E8-TC	Roy W. Richard Jr.	55067102 12/30/2017	N2 NW4 NE4 23-T125-R65W-6PM		0.475	0.792	0.475
E7 E7-TC	Robert and Ann Marie Bartlett	55067101 11/27/2017	E2 NE4 23-T125-R65W-6PM		1.343	2.238	1.343
E6 E6-TC	Todd Gilbert & Lisa Munson	55066832 11/1/17	Lot 34 Paint Brush Hills Filing No. 2		0.553	0.950	0.553
E5 E5-TC	Clayton & Bridget Edgell		Lot 23 Paint Brush Hills Filing No. 3		0.095	0.129	0.095
E4 E4-TC	Mazany Ohana Trust dated October 13, 2017	55066834 11/14/17 2/6/19	Lot 33 Paint Brush Hills Filing No. 2		0.224	0.373	0.224
E3 E3-TC	Eric E. Rollman	55066833 11/14/17	Lot 34 Paint Brush Hills Filing No. 3		0.262	0.436	0.262
E2 E2-TC	Kenneth W. Rose and Pandora Rose	55066835 11/2/17	Lot 43 Paint Brush Hills Filing No. 3		0.258	0.430	0.258
E1 E1-TC	Rex A. and Laura Caraway	55066830 11/2/17	Lot 1 Paint Brush Hills Filing No. 3		0.344	0.574	0.344
A03 A03-TC	Jerry R. Landress	55077053 5/19/2019	N2 NW4 26-T125-R65W-6PM		1.397	2.238	1.397
A04 A04-TC	Aeroploza Fountain LLC 212 N Wahsatch Avenue, Suite 301 Colorado Springs, CO 80903	4/2/2018	Tract E Paint Brush Hills No. 13 A	Tract dedicated for public utilities	1.608	2.773	1.608
TOTAL					29.150	46.391	20.036

Document Provided by James Morley

SPECIAL WARRANTY DEED

(Water Rights)

THIS DEED, made this 31 day of August, 2022, between **McCune Ranch, LLC**, a Colorado limited liability company ("Grantor"), and **Falcon Area Water and Wastewater Authority**, a public corporation and political subdivision of the State of Colorado ("Grantee"), whose address is c/o Spencer Fane LLP, 1700 Lincoln Street, Suite 2000, Denver, CO 80203.

WITNESS, that the Grantor, for and in consideration of the sum of ten dollars and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has remised, released, sold, and conveyed and quitclaimed, and by these presents does remise, release, sell, convey and quitclaim unto the Grantee, its heirs and assigns forever, all right, title and interest in and to the following described water and water rights located in the County of El Paso, State of Colorado:

All of Seller's right, title and interest in and to a portion of the groundwater and groundwater rights in the Denver Basin aquifers underlying the real property described more particularly on Attachment A, that were determined by the Colorado Ground Water Commission in Determination Nos. 1689-BD, 1690-BD, and 1691-BD, and subject to the terms and conditions set forth therein. Said water rights are more particularly described as entitlements to the following decreed average annual amounts of withdrawal of nontributary groundwater from the following Denver Basin aquifers: (a) nontributary Denver aquifer, 513 annual acre-feet (100-year allocation); (b) nontributary Arapahoe aquifer – 398 annual acre-feet; and, (c) nontributary Laramie Fox Hills aquifer – 263 annual acre-feet; together with all of Seller's share of any "banked" water (as defined by the Colorado Division of Water Resources) attributable to the above-described groundwater rights, and Seller's share of any additional groundwater that may be available from the foregoing Denver Basin aquifers attributable to the above-described groundwater rights based on actual aquifer conditions. Such groundwater rights include all licenses, permits, certificates, contracts, determinations and decrees evidencing such water and water rights, and all wells and fixtures relating thereto, along with all replacements, substitutions, accessions thereto and proceeds deriving therefrom; as well as all appurtenant easement interests associated with the above described water rights, as described and reserved on the plats associated with the (a) Winsome Subdivision (Plat Nos. 1 and 2), as recorded in the records of the El Paso County Clerk and Recorder at Reception Nos. 221714686, 222714900, respectively, and (b) the to-be-recorded final plat known as Winsome Filing No 3.

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

TO HAVE AND TO HOLD the rights to divert, apply, extract and use the water and groundwater rights above bargained and described, with the appurtenances, unto the Grantee and assigns forever. The Grantor, for himself and his successors and assigns, does hereby covenant and agree that Grantor shall and will WARRANT AND FOREVER DEFEND the above

bargained premises in the quiet and peaceable possession of the Grantee, his successors and assigns, against all and every person or persons claiming the whole or any part thereof, by, through or under the Grantor.

IN WITNESS WHEREOF, the Grantor has executed this Special Warranty Deed on the date set forth above.

Mary Sue Liss, Manager
Mary Sue Liss, as Manager
Of McCune Ranch, LLC, a Colorado limited liability company

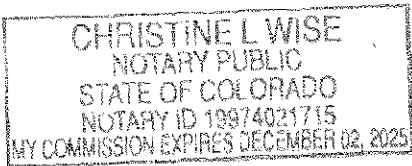
STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 31st day of August, 2022, by Mary Sue Liss, as the Manager of McCune Ranch, LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: 12-02-2025

Christine R. Wise
Notary Public



ATTACHMENT A
Legal Description of McCune Ranch Land

The Southwest quarter of the Southwest quarter Section 18, the West half of the Northwest quarter and the West half of the Southwest quarter, Section 19, Township 11 South, Range 64 West of the 6th PM and the South half of the Southeast quarter, Section 13 and all of Section 24, Township 11 South, Range 65 West of the 6th Principal Meridian, in El Paso County, Colorado.