

201375 *Drawer 1 Card 382A*

IN THE DISTRICT COURT IN AND FOR THE
COUNTY OF TELLER AND STATE OF COLORADO

Civil Action No. 5378

IN THE MATTER OF THE ORGANIZATION OF)
RAINBOW VALLEY WATER DISTRICT) SS.

NOTICE OF THE ORGANIZATION OF A
SPECIAL DISTRICT PURSUANT TO THE PROVISIONS OF
CHAPTER 89, COLORADO REVISED STATUTES 1963

TO: The County Assessor of
The County of Teller, Colorado
County Courthouse, Cripple Creek, Colorado

The Board of County Commissioners
of Teller County, Colorado
County Courthouse, Cripple Creek, Colorado

The State Tax Commission
State Office Building
Denver, Colorado 80202

Pursuant to the provisions of Section 137-1-10,
Colorado Revised Statutes 1963 (1965 Permanent Cumulative
Supplement), as amended, notice is hereby given that the
organization of the Rainbow Valley Water District was com-
pleted by the District Court under the provisions of Chapter
89, Article 5, Colorado Revised Statutes 1963, as amended,
on , the 11 day of January, 1969.

A true and correct copy of the order and decree
creating said District, containing a legal description of
the area concerned and included within the District, is
hereto attached as Exhibit A. Also attached hereto as
Exhibit B is a map of the area concerned. Said documents
shall be deemed notice of the completion of the organiza-
tion of Rainbow Valley Water District.

(SEAL)

David H. Stinson
Clerk of the District Court
Teller County, Colorado

201375 *Drawer 1 Card 3168*

EXHIBIT "B" - FORM OF OATH

IN THE DISTRICT COURT IN AND FOR THE
COUNTY OF TELLER AND STATE OF COLORADO

Civil Action No. 5378

IN THE MATTER OF THE)
)
ORGANIZATION OF THE RAINBOW) SS. OATH OF OFFICE
)
VALLEY WATER DISTRICT)

I, _____, do solemnly
swear by the everliving God that I will faithfully perform
the duties of the office of Director of Rainbow Valley
Water District, in the County of Teller and State of
Colorado, SO HELP ME, GOD.

Director

Subscribed and sworn to before me this ____ day
of _____, 1969.

My commission expires _____.

Notary Public

(SEAL)

EXHIBIT "C" - FORM OF NOTICE

IN THE DISTRICT COURT IN AND FOR THE
COUNTY OF TELLER AND STATE OF COLORADO

Civil Action No. 5378

IN THE MATTER OF THE ORGANIZATION OF)
) SS.
RAINBOW VALLEY WATER DISTRICT)

NOTICE OF THE FORMATION AND ORGANIZATION OF A SPECIAL
SERVICE AND LOCAL IMPROVEMENT DISTRICT PURSUANT TO
THE PROVISIONS OF CHAPTER 89, COLORADO
REVISED STATUTES 1963

Pursuant to the provisions of Section 89-17-2, Colorado Revised Statutes 1963 (1965 Permanent Cumulative Supplement), as amended, notice is hereby given that the Rainbow Valley Water District, in the County of Teller and State of Colorado, was duly organized under the provisions of Chapter 89, Article 5, Colorado Revised Statutes 1963.

The boundaries of the Rainbow Valley Water District and the territory included therein are located in the County of Teller, State of Colorado, and the description of the boundaries of the District and of the area concerned is as follows:

Little Mell No. 1, Little Mell No. 2, Little Mell No. 3, Little Mell No. 4, Little Mell No. 5, and Little Mell No. 6, Lode Mining Claims, U. S. Mineral Survey No. 11,386 embracing a portion of Section 7, Township 14 South, Range 69 West of the 6th P.M., in the Cripple Creek Mining District, Teller County, Colorado.

That portion of Lot 7 (SW 1/4 of SW 1/4) and the Southeast quarter of the Southwest quarter, lying South and West of the Midland Terminal Railroad right-of-way;

That portion of the Southeast quarter of the Southwest quarter, lying East of the Midland Terminal Railroad right-of-way extending North from the Southeast corner thereof 330 feet;

10 acres off the South side of the Southwest quarter of the Southeast quarter;

That portion of Lot 5 (SW 1/4 of NW 1/4) lying West of the State Highway and

That portion of said Lot 5 lying between the State Highway and the Midland Terminal Railroad right-of-way;

All in Section 6;

201375 *Drawn 1*
Cond 388A

STATE OF COLORADO)
) SS.
COUNTY OF TELLER)

I, 17. D., Clerk of the District Court in and for the County of Teller and State of Colorado, do hereby certify that the within and foregoing Findings and Organizational Decree in the above-captioned matter, entitled "In the Matter of the Organization of Rainbow Valley Water District," as the same appears from the original files and records of said Court, is a full, true and complete copy of said Findings and Organizational Decree.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, at my office in Cripple Creek, in said County and State, this 1 day of January, 1969.
APRIL

17. D.
Clerk of the District Court
Teller County, Colorado

(SEAL)

201375

Drawer 1
Card 388 B.

EXHIBIT B

(Attach Map)

That portion of Lot 6 (NW 1/4 of SW 1/4), Section 6, lying West of the Midland Terminal Railroad right-of-way, excepting from said Lot 6, (a) that tract known as the "Saw Mill Tract," conveyed by Ben Lustyk to Lloyd A. Stoner, described by metes and bounds in deed recorded in Book 237, Page 395, File No. 137,543, Teller County Records, less that portion of said Saw Mill Tract conveyed by Lloyd A. Stoner to W. H. McFadden by deed recorded in Book 237, Page 313, File No. 135,553, Teller County records; (b) also, except that tract conveyed by W. H. McFadden to Lloyd A. Stoner described by metes and bounds in deed recorded in Book 237, Page 396, File No. 137,554, Teller County Records;

Lot 1 (NW 1/4 of NW 1/4), Lot 2 (SW 1/4 of NW 1/4), Lot 5 (part of NW 1/4 of SW 1/4), Lot 6 (part of SW 1/4 of SW 1/4), the East Half of the West Half, the Northeast Quarter, and the West Half of the Southeast Quarter of Section 7;

Lot 1 (NW 1/4 of NW 1/4) and the Northeast quarter of the Northwest Quarter of Section 18;

All of the above in Township 14 South, Range 69 West of the Sixth P.M., Teller County, Colorado.

Lot 2 (NW 1/4 of NE 1/4), Lot 3 (NE 1/4 of NW 1/4), Lot 5 (part of SW 1/4 of SE 1/4), the Southeast Quarter of the Northwest Quarter, the South Half of the Northeast Quarter, the North Half of the Southeast Quarter, the Southeast Quarter of the Southeast Quarter, and the Northeast Quarter of the Southwest Quarter of Section 1;

Lot 7 (part of NW 1/4 of NE 1/4), Lot 8 (NE 1/4 of NW 1/4), the Northeast Quarter of the Northeast Quarter, the South Half of the Northeast Quarter, the Southeast Quarter, the Southeast Quarter of the Northwest Quarter, the Northeast Quarter of the Southwest Quarter, and the Northeast Quarter of the Southeast Quarter of the Southwest Quarter of Section 12;

Lot 1 (NE 1/4 of NE 1/4), and the Northwest Quarter of the Northeast Quarter of Section 13;

All in Township 14 South, Range 70 West of the Sixth P.M., Teller County, Colorado.

This document shall be deemed notice of the completion of the organization of the Rainbow Valley Water District.

Clerk of the District Court
in and for the County of Teller
State of Colorado

(SEAL)

EXHIBIT A

(Attach Order and Decree)

201375 *Drawer 1 Card 381B.*

IN THE DISTRICT COURT IN AND FOR THE
COUNTY OF TELLER AND STATE OF COLORADO

Civil Action No. 5378

IN THE MATTER OF THE	)	
	)	
ORGANIZATION OF THE RAINBOW VALLEY	) SS.	FINDINGS AND
	)	ORGANIZATIONAL
WATER DISTRICT	)	DECREE

And (This matter coming on to be heard on the 18 day of ~~January~~, 1969, upon the Certificate of Election Results filed by the Judges of Election, said election being for the organization of the Rainbow Valley Water District (herein the "District"), and held on Tuesday, the 7th day of January, 1969, and upon the Findings and Order of this Court heretofore entered on the 19th day of November, 1968, and the Court having heard the statements of counsel, having considered documentary evidence, and being fully advised in the premises, DOTH FIND:

1. That a petition for the organization of the proposed District was heretofore filed and presented to the Court in conformity with the statute in such case made and provided, that the allegations of said petition are true; that said petition is signed by not less than ten percent of the taxpaying electors of the proposed District; and that a bond sufficient to cover all costs and expenses connected with these proceedings was duly filed in this Court with security approved by the Court.

2. That in accordance with the provisions of Article 18, Chapter 89, Colorado Revised Statutes 1963 (1965 Permanent Cumulative Supplement), as enacted by Chapter 225, Session Laws of Colorado 1965, the Board of County Commissioners of the County of Teller on the 1st day of July, 1968, adopted a "Resolution of Approval," and that in accordance with Section 89-18-5 Colorado Revised Statutes 1963, the petition for the organization of the Rainbow Valley Water District was accompanied by the service plan and by the resolution approving the service plan of the proposed District adopted by the Board of County Commissioners of the County where the territory of the Rainbow Valley Water District lies.

3. That the evidence presented to the Court at the hearing on the 19th day of November, 1968, conclusively established that the signers of said petition represent in excess of ten percent of the taxpaying electors within the boundaries of the District, as defined by Chapter 89, Article 5, Colorado Revised Statutes 1963, as amended.

4. That notice of hearing on said petition was given for the time and in the manner prescribed by law, and that notice thereof was duly mailed by United States registered mail to the Board of County Commissioners of the County of Teller, and was delivered to the Assessor of the County of Teller and to the State Tax Commission.

5. That no property located in any Home Rule Municipal Corporation or in any municipality is included in said proposed District, and that the proposed District is situated and located solely and wholly within the County of Teller, State of Colorado.

6. That the question of the organization of the District was, by order of this Court duly entered, submitted to the taxpaying electors of the proposed District at an election held at the Rainbow Valley Club House, Teller County, Colorado, within the boundaries of the proposed District, on Tuesday, the 7th day of January, 1969.

7. That the polls at said election were kept open from 2:00 o'clock p.m. until 7:00 o'clock p.m., of said day, and that said election was held and conducted, as nearly as could be, in the same manner as general elections in this State; that J. B. Eatman and James F. Beresford, taxpaying electors of the proposed District, were duly appointed Judges of said election by this Court, pursuant to Subsection 3 of Section 89-5-7, Colorado Revised Statutes 1963, as amended, by order duly entered on the 19th day of November, 1968; that Margaret P. Eatman, also appointed as a Judge of Election by said order, failed to appear at the polling place on the date of election, and that pursuant to Subsection 2 of Section 49-9-9, Colorado Revised Statutes 1963, John J. Driver, a taxpaying elector of the proposed District, was duly selected by vote of the qualified electors then present at the polling place; and that there was no special registration for said election, but for the purpose of determining qualifications of electors, the Judges were permitted to use, and could require the execution of, an affidavit concerning the qualification of any elector.

8. That published notice of said election was duly given, said notice being published on December 13, 1968, on December 20, 1968, and on December 27, 1968, in the Cripple Creek Gold Rush, a newspaper of general circulation in the District, and published in Cripple Creek, Teller County, Colorado, as provided by Chapter 89, Article 5, Colorado Revised Statutes 1963, as amended, the first publication thereof occurring more than twenty days prior to the date of said election.

9. That the Judges of said election have duly certified to this Court and filed herein the returns of said election; that at said election a total of 41 ballots were cast; that 38 of said votes were cast in favor of the organization of the proposed District; that none of said ballots were cast against the organization of the proposed District; that three of said ballots were spoiled; and that the majority of said votes were cast in favor of the organization of the proposed District.

10. That at said election E. Maxine Driver received the highest number of votes for Director to serve until the first biennial election; that Margaret P. Eatman and John J. Driver received the highest number of votes for Directors to serve until the second biennial election; and that James F. Beresford and J. B. Eatman received the highest number of votes for Directors to serve until the third biennial election.

IT IS, THEREFORE, ORDERED, ADJUDGED AND DECREED:

1. That said Rainbow Valley Water District be, and the same hereby is, ordered and declared, duly organized under the laws of the State of Colorado, as a governmental subdivision of said State and body corporate.

2. That the corporate name of said District is, and it shall hereafter be known as "Rainbow Valley Water District."

3. That the District shall have and exercise through its proper officers all of the power and authority conferred upon water and sanitation districts under and by virtue of the provisions of Chapter 89, Article 5, Colorado Revised Statutes 1963, as amended, and all laws thereunto enabling, and such power and authority as may hereafter be conferred by law.

4. That the following are, pursuant to said vote at said election and by order of this Court, duly designated as the first Board of Directors of Rainbow Valley Water District for the terms set opposite each of their respective names, to-wit:

E. Maxine Driver	To serve until the first biennial election
Margaret F. Eatman	To serve until the second biennial election
John J. Driver	To serve until the second biennial election
James F. Beresford	To serve until the third biennial election
J. B. Eatman	To serve until the third biennial election

5. That the District be, and the same hereby is, declared, created and established as a governmental subdivision of the State of Colorado, and as a body corporate, with all the powers of a public or quasi-municipal corporation; that the said Board of Directors herein named shall have, and they are hereby vested with, all the powers, duties and obligations of directors of the Rainbow Valley Water District as conferred and provided by said Chapter 89, Article 5, all laws amendatory thereof and supplemental thereto, and as may by law hereafter be provided.

6. That the boundaries of the Rainbow Valley Water District and the territory included therein are located in the County of Teller and are as follows, to-wit:

Little Mell No. 1, Little Mell No. 2, Little Mell No. 3, Little Mell No. 4, Little Mell No. 5, and Little Mell No. 6, Lode Mining Claims, U. S. Mineral Survey No. 11,386 embracing a portion of Section 7, Township 14 South, Range 69 West of the 6th P.M., in the Cripple Creek Mining District, Teller County, Colorado.

That portion of Lot 7 (SW 1/4 of SW 1/4) and the Southeast quarter of the Southwest quarter, lying

South and West of the Midland Terminal Railroad right-of-way;

That portion of the Southeast quarter of the Southwest quarter, lying East of the Midland Terminal Railroad right-of-way extending North from the Southeast corner thereof 330 feet;

10 acres off the South side of the Southwest quarter of the Southeast quarter;

That portion of Lot 5 (SW 1/4 of NW 1/4) lying West of the State Highway and

That portion of said Lot 5 lying between the State Highway and the Midland Terminal Railroad right-of-way;

All in Section 6;

That portion of Lot 6 (NW 1/4 of SW 1/4), Section 6, lying West of the Midland Terminal Railroad right-of-way, excepting from said Lot 6, (a) that tract known as the "Saw Mill Tract," conveyed by Ben Lustyk to Lloyd A. Stoner, described by metes and bounds in deed recorded in Book 237, Page 395, File No. 137,543, Teller County Records, less that portion of said Saw Mill Tract conveyed by Lloyd A. Stoner to W. H. McFadden by deed recorded in Book 237, Page 313, File No. 135,553, Teller County records; (b) also, except that tract conveyed by W. H. McFadden to Lloyd A. Stoner described by metes and bounds in deed recorded in Book 237, Page 396, File No. 137,554, Teller County Records;

Lot 1 (NW 1/4 of NW 1/4), Lot 2 (SW 1/4 of NW 1/4), Lot 5 (part of NW 1/4 of SW 1/4), Lot 6 (part of SW 1/4 of SW 1/4), the East Half of the West Half, the Northeast Quarter, and the West Half of the Southeast Quarter of Section 7;

Lot 1 (NW 1/4 of NW 1/4) and the Northeast quarter of the Northwest Quarter of Section 18;

All of the above in Township 14 South, Range 69 West of the Sixth P.M., Teller County, Colorado.

Lot 2 (NW 1/4 of NE 1/4), Lot 3 (NE 1/4 of NW 1/4), Lot 5 (part of SW 1/4 of SE 1/4), the Southeast Quarter of the Northwest Quarter, the South Half of the Northeast Quarter, the North Half of the Southeast Quarter, the Southeast Quarter of the Southeast Quarter, and the Northeast Quarter of the Southwest Quarter of Section 1;

Lot 7 (part of NW 1/4 of NE 1/4), Lot 8 (NE 1/4 of NW 1/4), the Northeast Quarter of the Northeast Quarter, the South Half of the Northeast Quarter, the Southeast Quarter, the Southeast Quarter of the Northwest Quarter, the Northeast Quarter of the Southwest Quarter, and the Northeast Quarter of the Southeast Quarter of the Southwest Quarter of Section 12;

Lot 1 (NE 1/4 of NE 1/4), and the Northwest Quarter of the Northeast Quarter of Section 13;

All in Township 14 South, Range 70 West of the Sixth P.M., Teller County, Colorado.

7. That the Certificate of Election Results of said Judges of Election heretofore filed herein be, and the same is hereby, in all respects, approved and confirmed.

8. That the form of director's bond and the form of treasurer's bond hereto attached as Exhibit "A" be, and the same are hereby, fixed and approved as the form of bond to be executed by the directors of the District and treasurer of the District in qualifying for their respective offices.

9. That the form of oath of office hereto attached as Exhibit "B" be, and the same is hereby, fixed and approved as the form of oath to be executed by the directors of the District in qualifying for their offices.

10. That in accordance with the provisions of Section 89-18-9, Colorado Revised Statutes 1963 (1965 Permanent Cumulative Supplement), the Service Plan and the Resolution of Approval adopted on the 1st day of July, 1968, approving the Service Plan, shall be, and the same hereby are, incorporated by reference in and appended to this order incorporating the Rainbow Valley Water District, all other legal procedures for the formation of said District having been complied with.

11. That within thirty days herefrom the Clerk of this Court shall transmit to the County Clerk and Recorder in the County of Teller, State of Colorado, a copy of this Findings and Organizational Decree, the Clerk and Recorder of said County to receive a fee of one dollar (\$1.00) for filing and preserving the same.

12. That in accordance with Section 137-1-10, Colorado Revised Statutes 1963 (1967 Permanent Cumulative Supplement), as amended, the Clerk of this Court shall transmit to the Colorado Tax Commission, the Board of County Commissioners of the County of Teller, and the County Assessor of the County of Teller, notice of the completion of the organization of said District, including a legal description of the area concerned and a copy of this Findings and Organizational Decree, a map shall also be forwarded to the Colorado Tax Commission; that in accordance with Section 89-17-2, Colorado Revised Statutes 1963 (1965 Permanent Cumulative Supplement), as amended, a separate notice in duplicate shall also be filed with and recorded by the County Clerk and Recorder of the County of Teller, State of Colorado, a certified copy to be forwarded by the Clerk and Recorder to the Division of Local Government; and that the form of such notice hereto attached as Exhibit "C" be, and the same is hereby fixed and approved as the form of the notice to be so filed and recorded.

13. That the members of the Board of Directors of the District shall qualify for office and organize said board in the manner prescribed by the laws of the State of Colorado.

14. That the Court shall and does retain jurisdiction of the proceedings for all such further orders and actions as may be proper in the premises.

DONE BY THIS COURT this 15 day of ^{April} ~~January~~, 1969.

BY THE COURT

Wm E Rhoads
Judge

EXHIBIT "A" - FORM OF DIRECTOR'S BOND

IN THE DISTRICT COURT IN AND FOR THE
COUNTY OF TELLER AND STATE OF COLORADO

Civil Action No. 5378

IN THE MATTER OF THE)
)
ORGANIZATION OF THE) SS. B O N D
)
RAINBOW VALLEY WATER DISTRICT)

KNOW ALL MEN BY THESE PRESENTS: That we,
_____ of _____,
Colorado, as principal, and _____,
_____, a surety company under the laws of
Colorado, are held and firmly bound unto the People of the
State of Colorado in the penal sum of One Thousand Dollars,
lawful money of the United States of America, for which pay-
ment, well and truly to be made and performed, we, and each
of us, do hereby bind ourselves, our heirs, executors, admin-
istrators, successors and assigns, jointly, severally and
firmly by these presents.

The condition of this obligation is such that
whereas the said _____,
as principal, has been duly elected as a director of Rainbow
Valley Water District and is about to enter upon the duties
of said office.

NOW THEREFORE, IF THE SAID _____
shall honestly and faithfully discharge
the duties of said office according to the laws which are
now or may be hereafter enforced and shall abide by all orders
of the District Court which has jurisdiction over the said
Rainbow Valley Water District, then this obligation is to
be null and void, otherwise to be in full force and effect.

WITNESS our hands and seals this _____ day of
_____, 1969.

Principal (SEAL)

(SEAL)

By _____

Form fixed and approved
by the Court:

Judge

EXHIBIT "A" - FORM OF TREASURER'S BOND

IN THE DISTRICT COURT IN AND FOR THE
COUNTY OF TELLER AND STATE OF COLORADO

Civil Action No. 5378

IN THE MATTER OF THE)
ORGANIZATION OF THE RAINBOW) SS. TREASURER'S BOND
VALLEY WATER DISTRICT)

KNOW ALL MEN BY THESE PRESENTS: That we,
_____, of _____,
Colorado, as principal, and _____,
_____, a surety company under the laws of
Colorado, are held and firmly bound unto the People of the
State of Colorado in the penal sum of Five Thousand Dollars,
lawful money of the United States of America, for which pay-
ment well and truly to be made and performed, we and each of
us, do hereby bind ourselves, our heirs, executors, adminis-
trators, successors and assigns, jointly, severally and
firmly by these presents.

The condition of this obligation is such that
whereas the said _____
as principal, has been duly elected as Treasurer of Rainbow
Valley Water District, and is about to enter upon the duties
of said office.

NOW, THEREFORE, IF THE SAID _____
shall honestly and faithfully
discharge the duties of said office according to the laws
which are now or may be hereafter enforced and shall abide
by all orders of the District Court which has jurisdiction
over the said Rainbow Valley Water District, then this obli-
gation is to be null, and void, otherwise to be in full force
and effect.

WITNESS our hands and seals this _____ day of
_____, 1969.

(SEAL)

(SEAL)

By _____

Form fixed and approved
by the Court:

Judge

SPECIAL DISTRICT PUBLIC DISCLOSURE DOCUMENT

§ 32-1-104.8, C.R.S.

Name of District: Rainbow Valley Water District

The District has the following powers and is authorized to provide the following services: construct and operate a water system, including but not limited to water mains, pump stations, wells, storage reservoirs, and all appurtenances pertinent to the water system necessary to furnish complete water service to the developed lots within the District, including all services, facilities, equipment and other improvements authorized under the Special District Act.

The District's Service Plan, which can be amended from time to time, includes a description of the District's powers and authority. A copy of the Service Plan is available from the Division of Local Government in the State Department of Local Affairs.

The District is authorized by Title 32 of the Colorado Revised Statutes to use a number of methods to raise revenues for capital needs and general operations costs. These methods, subject to the limitations imposed by Section 20 of Article X of the Colorado Constitution, include issuing debt, levying taxes, and imposing fees and charges. Information concerning directors, management, meetings, elections, and current taxes are provided annually in the Notice to Electors described in Section 32-1-809(1), Colorado Revised Statutes, which can be found at the District office, on file at the Division of Local Government in the State Department of Local Affairs, or on file at the office of the Teller County Clerk and Recorder.

Attached as Exhibit A is a map of the District's boundaries.

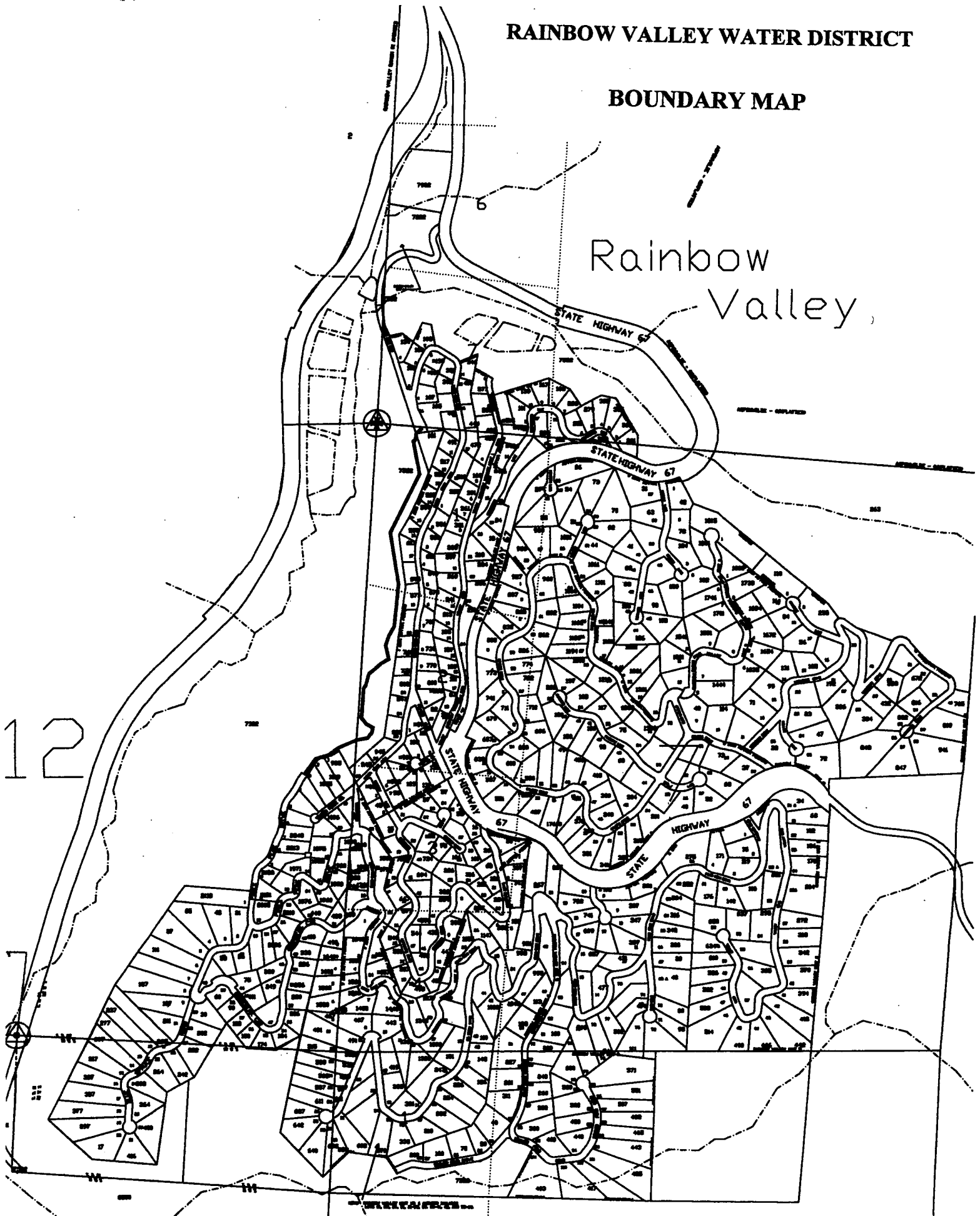
EXHIBIT A

RAINBOW VALLEY WATER DISTRICT

BOUNDARY MAP

Rainbow
Valley

12



RAINBOW VALLEY WATER DISTRICT

Rainbow Valley - P.O. Box 1026
Woodland Park, Co. 80863

8 June 1981

A PLAN TO PROVIDE UNDERGROUND WATER SERVICE TO ALL RAINBOW VALLEY WATER DISTRICT
PROPERTY OWNERS IN TELLER COUNTY, COLORADO.

INTRODUCTION

1. The Rainbow Valley Water District, hereafter referred to as the "District" consists of approximately 1800 acres of both sides of State Highway 67, six miles south of Divide, Colorado. (see attached map) 800 of these acres were subdivided into 553 lots, Units 1 thru 10, and sold originally in 1967 thru 1971 when the developer went bankrupt. There have been 60 homes built on these lots to date, 15 of them in the past year. Water for domestic in-house use only has been and still is being provided to these homes delivered in a 550 gallon tank truck to fresh water cisterns by the District, which was organized in 1971. There is also a core area around the ponds consisting of rental cabins, a bar-restaurant and stables. There is also another 850 acres other than Units 1 thru 10, yet to be developed and sold which are anticipated as individual homesites. It is estimated that another 640 lots could be developed and sold in this area, and the new owner-developer has stated his intention of doing so. For planning purposes, it is conceivable that a total of 1200 homes will be built in the District requiring underground water service to be provided by the District which is organized as a non-profit agency to do so.
2. The District has recently purchased 40 Acre Feet (AF) of water rights in the 4-Mile Creek drainage which runs through the center of the District. A diversion and augmentation plan has been filed with the Water Court for the transfer and use of this water to provide service to the property owners of the District. (see attachment #2) Briefly, this plan calls for pumping our water from infiltration galleries, to be built, via underground pipelines to homesites throughout the developed areas of the District and to storage facilities at high points in the District. (see map) The plan also calls for storing excess surface water in ponds, existing or to be built for release in winter months to augment downstream flow levels on 4-Mile Creek. Eventually we must be capable of storing and releasing up to 40 AF of water.
3. 90% of the water delivered to the homes by the District is returned to the drainage area by the individual septic tank systems. Only 10% is considered used or consumed. The 40 AF of water per year owned by the District equates to 13,007,000 gallons of water. The 1200 possible homes in the District will use an average of 250 gallons of water per day per home. This equates to 109,500,000 gallons of water per year total. 10% of this total is 10,950,000 gallons of water consumptively used by the District. Therefore, the 40 AF of water rights owned by the District is considered adequate to support the planned 1200 homes in the District plus any additional water needed for the core area, if required.
4. It is specified that water provided to homes in the District is for household purposes only, not involving irrigation or other outside uses.

5. Deep leaching field-soil absorptive septic tank systems using drywells will be used on all lots for sewage disposal. No evapotranspiration systems will be used.
6. The District will be responsible for enforcing the above provisions.

SERVICE

1. PHASE I

This will provide underground water service to the original 553 lots developed and sold in Units 1 thru 10. The platted county roads and lot line easements will be used to provide water service to each lot and to storage tanks. An engineering and financial plan will be prepared to implement this service. Service will be installed when 30% of the original 553 lots or 166 lots have homes built on them. Money to finance this service will be derived from a limited bond issue and tap fees to be approved and paid for by all property owners in the improved part of the District.

2. PHASE II

This will provide underground water service to the core area buildings around the ponds. The owner-developer will finance the cost of installing the pipelines to the buildings from the District's provided pumping, water treatment and storage facilities. The District will accept, operate and maintain the system installed to District specifications. Tap fees will be charged by the District for all new services.

3. PHASE III

This will provide underground water service to any future developed areas in the District. The owner-developer will finance the cost of installing the underground pipelines to the individual lots. The District will provide the pumping, water treatment and storage facilities. The District will accept, operate and maintain the system installed to District's specs. Tap fees will be charged by the District for all new services.

ACTION NECESSARY TO IMPLEMENT THIS PLAN

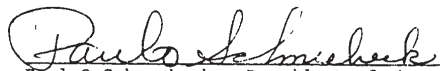
1. The Water Court to approve the filing Diversion and Augmentation Plan at the Court hearing set for 13 July 1981.
2. The owner-developer to:
 - A. Provide written permission before 13 July 1981 for the District to store and release up to 15 AF of water per year from pond #7.
 - B. Agree via "perpetual use lease agreement" in writing before 13 July 1981 to allocate to the District sufficient land below pond #7 to build additional water storage and release facilities that may be needed to meet current storage requirements.
 - C. Agree to allocate for perpetual use to the District, land to build infiltration galleries #1 and #3.

3. The Rainbow Valley Water District Board of Directors to:
- A. Sign an agreement to provide the owner-developer with water for the new lots and core area in the District.
 - B. Construct all infiltration galleries, pumping, water treatment, and storage facilities when required and any required construction and modifications to pond #7 and any new storage and release facilities when required.
 - C. Have a Long Range Master Plan developed outlining an overall water supply and distribution system for the whole District so that each Phase can be economically implemented within the overall plan.
 - D. Coordinate and approve all Phase installation and engineering plans to insure that each Phase, as it is installed, is compatible with the others. And that all Phases are mutually supported and form a complete system so that an outage in one Phase can be supported by an operating Phase.
 - E. Accept, operate and maintain all installed water systems under this plan. Operating revenues to be derived from service charges, mil levy and tap fees.

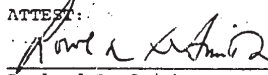
2 Attachments:

- 1- Map of RV Water District
- 2- Filing Diversion and Augmentation Plan

This Plan has been accepted and approved by the Rainbow Valley Water District Board of Directors this date 12 June 1981.


Paul O. Schneebeck - President of the Board

ATTEST:


Rowland D. Smith
Secretary of the Board