After Recording, Return to:
WHITE BEAR ANKELE TANAKA & WALDRON
2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122

Resolution No. 2015-11-04

RESOLUTION OF THE BOARD OF DIRECTORS OF THE GREATROCK NORTH WATER AND SANITATION DISTRICT

CONCERNING THE IMPOSITION OF VARIOUS FEES, RATES, PENALTIES AND CHARGES FOR WATER SERVICES AND FACILITIES

WHEREAS, the Greatrock North Water and Sanitation District (the "**District**") was formed pursuant to §§ 32-1-101, *et seq*., C.R.S., as amended (the "**Special District Act**"), by order of the District Court for Adams County, Colorado, and after approval of the District's eligible electors at an election; and

WHEREAS, pursuant to § 32-1-1001(1)(h), C.R.S., the Board of Directors of the District (the "**Board**") shall have the management, control and supervision of all the business and affairs of the District; and

WHEREAS, the Board has determined it to be in the best interests of the District, and the property owners, taxpayers, and residents of the District, to acquire, construct, operate and maintain certain amenities and facilities benefitting property and inhabitants within the District, which amenities and facilities generally include water improvements, facilities, appurtenances and rights-of-way (collectively, the "**Facilities**"); and

WHEREAS, the Board has determined it to be in the best interests of the District, and the property owners, taxpayers, and residents of the District, to provide certain water services to property and inhabitants within and without the boundaries of the District (collectively, the "**Services**"); and

WHEREAS, pursuant to § 32-1-1001(1)(j)(I), C.R.S., the District is authorized to fix and impose fees, rates, tolls, penalties and charges for services or facilities furnished by the District which, until such fees, rates, tolls, penalties and charges are paid, shall constitute a perpetual lien on and against the property served; and

WHEREAS, the District incurs certain direct and indirect costs associated with the acquisition, construction, installation, repair, replacement, improvement, reconstruction operation and maintenance of the Facilities, as necessary, inclusive of the costs of utilities and capital replacement costs (collectively, the "**Facility Costs**") in order that the Facilities may be properly provided and maintained; and

WHEREAS, the District incurs certain direct and indirect costs associated with the provision of the Services in order that the Services may be properly provided, the property within

and without the District maintained, and that the health, safety and welfare of the District, its users and its inhabitants may be safeguarded (collectively, the "**Service Costs**"); and

WHEREAS, the establishment and continuation of fair and equitable fees and charges (collectively, the "**Fees and Charges**") to provide a source of funding to pay for the Facility Costs and the Service Costs, (collectively, the "**Costs**"), which Costs are generally attributable to the persons and/or properties subject to such Fees and Charges, is necessary to provide for the common good and for the prosperity and general welfare of the District and its inhabitants and for the orderly and uniform administration of the District's affairs; and

WHEREAS, pursuant to § 32-1-1006(1)(g), C.R.S., the District is empowered to fix and from time to time increase or decrease tap fees; and

WHEREAS, the establishment of a fair and equitable fee (the "**System Development Fee**" or "**Tap Fee**") to provide a source of funding to pay for the initial capital direct and indirect costs associated with the construction, installation and acquisition of the Facilities (the "**Capital Facilities Costs**"), which Capital Facilities Costs are generally attributable to each Lot and Commercial Lot (defined below), is necessary to provide for the common good and for the prosperity and general welfare of the District, its users and its inhabitants; and

WHEREAS, pursuant to §32-1-1001(2), C.R.S., the Board, as a governing body furnishing domestic water or sanitary sewer services directly to residents and property owners within or outside of the District, may fix or increase fees, rates, tolls, penalties or charges for domestic water or sanitary sewer services only after consideration of the action at a public meeting held at least thirty (30) days after providing notice stating that the action is being considered and stating the date, time and place of the meeting at which the action is being considered; and

WHEREAS, pursuant to § 32-1-1001(2)(a)(IV), C.R.S., on September 29, 2015, the Board provided the required (30) days' notice by posting the notice on the official website of the Colorado Special District Association, the statewide association of special districts forms pursuant to § 29-1-401, C.R.S., which association posted the notice of a publicly accessible section of its website; and

WHEREAS, the District finds that the Fees and Charges and System Development Fee (as defined below), as set forth in this Resolution, are reasonably related to the overall cost of providing the Facilities and Services and paying the Costs and Capital Facilities Costs, and that imposition thereof is necessary and appropriate; and

WHEREAS, on November 4, 2014, the Board adopted Resolution No. 2014-11-03: Resolution of the Board of Directors of the Greatrock North Water and Sanitation District Amending Rules and Regulations (2012 Issuance) (the "Prior Fee Resolution"), and the Board desires to adopt this Resolution to amend and restate the Prior Fee Resolution in its entirety.

NOW, THEREFORE, be it resolved by the Board as follows:

1. DEFINITIONS. Except as otherwise expressly provided or where the context indicates otherwise, the following capitalized terms shall have the respective meanings set forth below:

"**District Boundaries**" means the legal boundaries of the District, as the same are established and amended from time to time pursuant to §§32-1-101, *et seq*., C.R.S., as well as properties outside of the District's legal boundaries which receive service from the District, all as more particularly set forth in the map and legal description attached hereto as **Exhibit B** and incorporated herein by this reference.

"**Due Date**" means the date by which the Fees and Charges and System Development Fee are due, which Due Date is reflected on the Schedule of Fees.

"**End User**" means any third-party homeowner or tenant of any homeowner occupying or intending to occupy a Residential Unit. End User specifically excludes a tenant occupying an Apartment Unit.

"**Fee Schedule**" or "**Schedule of Fees and Charges**" means the schedule of fees set forth in **Exhibit A**, attached hereto and incorporated herein by this reference, until and unless otherwise amended and/or repealed.

"**Lot**" means each parcel of land established by a recorded final subdivision plat and which is located within the District Boundaries.

"**Property Owner**" shall include all owners of real property, customers, users, residents, leaseholders and other recipients of District services.

"**Residential Unit**" means each residential dwelling unit (including, without limitation, condominiums, townhomes, and any other attached dwelling unit and detached single family dwelling units) located within the District Boundaries which has been Transferred to an End User.

"**Transfer**" or "**Transferred**" shall include a sale, conveyance or transfer by deed, instrument, writing, lease or any other documents or otherwise by which real property is sold, granted, let, assigned, transferred, exchanged or otherwise vested in a tenant, tenants, purchaser or purchasers.

"**Vacant Lot**" means each parcel of land within the District established by a recorded final subdivision plat, but specifically excluding any parcel upon which one or more Residential Units is situated and specifically excluding any parcel owned by the District.

2. THE FEES AND CHARGES.

a. Service Fees and Charges. The Board has determined, and does hereby determine, that it is in the best interests of the District and its respective residents, users and property owners to impose, and does hereby impose the Fees and Charges set forth in

the Schedule of Fees and Charges to fund the Costs. The Fees and Charges are hereby established and imposed in an amount as set forth by the District from time to time pursuant to an annual "Fee Schedule" and shall constitute the rate in effect until such schedule is amended or repealed. The initial Fee Schedule is set forth in **Exhibit A**, attached hereto and incorporated herein by this reference.

b. Transfer Payment. The Fees shall include a separate payment imposed on transfers of a Residential Unit (the "**Transfer Payment**"). The Transfer Payment shall be imposed on all Transfers of a Residential Unit by an End User. The Transfer Payment shall not apply to any of the following, except to the extent the District determines that such exception is being undertaken for the purpose of improperly avoiding the Fees and Charges:

i. Any Transfer wherein the United States, or any agency or instrumentality thereof, the State of Colorado, any county, city and county, municipality, district or other political subdivisions of this State, is either the grantor or the grantee.

ii. Any Transfer by document, decree or agreement partitioning, terminating or evidencing termination of a joint tenancy, tenancy in common or other co-ownership; however, if additional consideration or value is paid in connection with such partition or termination the Transfer Payment shall apply and be based upon such additional consideration.

iii. Any Transfer of title or change of interest in real property by reason of death, pursuant to a will, the law of descent and distribution, or otherwise.

iv. Any Transfer made and delivered without consideration for the purpose of: confirming, correcting, modifying or supplementing a Transfer previously made; making minor boundary adjustments; removing clouds of title; or granting easements, rights-of-way or licenses.

v. Any decree or order of a court of record quieting, determining or resting title, except for a decree of foreclosure.

vi. Transfers to secure a debt or other obligation, or releases other than by foreclosure, which is security for a debt or other obligation.

vii. Transfers pursuant to a decree or separation of divorce.

c. The Board has determined, and does hereby determine, that the Fees and Charges are reasonably related to the overall cost of providing the Facilities and Services, and is imposed on those who are reasonably likely to benefit from or use the Facilities and Services.

d. The revenues generated by the Fees and Charges will be accounted for separately from other revenues of the District, specifically *ad valorem* property tax revenues, if applicable. The revenue from Fees and Charges will be used solely for the purpose of paying Costs, and, if *ad valorem* property tax revenues are available, may not be used by the District to pay for general administrative costs of the District. This restriction on the use of the Fees and Charges revenue shall be absolute and without qualification.

e. The Board has determined, and does hereby determine, that the Fees and Charges are calculated to defray the cost of funding the Costs and reasonably distribute the burden of defraying the Costs in a manner based on the benefits received by persons paying the fees and using the Facilities and Services.

3. SYSTEM DEVELOPMENT FEE. A one-time System Development Fee is hereby established and imposed upon each Lot within the District Boundaries in the amounts set forth in the Schedule of Fees and Charges.

4. LATE FEES AND INTEREST. Pursuant to § 29-1-1102(3), C.R.S., any Fees and Charges and System Development Fee not paid in full within five (5) days after the scheduled due date will be assessed a late fee in the amount of Fifteen Dollars ($15.00) or up to five percent (5%) per month, or fraction thereof, not to exceed a total of twenty-five percent (25%) of the amount due. Interest will also accrue on any outstanding Fees and Charges and System Development Fee, exclusive of assessed late fees, penalties, interest and any other costs of collection, specially including, but not limited, to attorney fees, at the rate of 18% per annum, pursuant to § 29-1-1102(7), C.R.S. The District may institute such remedies and collection procedures as authorized under Colorado law, including, but not limited to, foreclosure of its perpetual lien. The defaulting property owner shall pay all fees and costs, specifically including, but not limited to, attorneys' fees and costs and costs associated with the collection of delinquent fees, incurred by the District and/or its consultants in connection with the foregoing.

5. PAYMENT. Payment for all fees, rates, tolls, penalties, charges, interest and attorney fees shall be made by check or equivalent form acceptable to the District, made payable to "Greatrock North Water and Sanitation District" and sent to the address indicated on the Fee Schedule. The District may change the payment address from time and time and such change shall not require an amendment to this Resolution.

6. LIEN. The fees imposed hereunder, together with any and all late fees, interest, penalties and costs of collection, shall, until paid, constitute a statutory, perpetual lien on and against the property served, and any such lien may be foreclosed in the manner provided by the laws of the State of Colorado for the foreclosure of mechanic's liens, pursuant to § 32-1-1001(1)(j)(I), C.R.S. Said lien may be foreclosed at such time as the District, in its sole discretion, may determine. The lien shall be perpetual in nature (as defined by the laws of the State of Colorado) on the property and shall run with the land. This Resolution shall be recorded in the offices of the Clerk and Recorder of Adams County, Colorado.

7. CERTIFICATION OF ACCOUNT TO COUNTY TREASURER. Pursuant to §32-1-1101(1)(e), C.R.S., the Board may elect to certify any delinquent account and late fees satisfying the criteria established therein to the Adams County Treasurer for collection with the District's *ad valorem* property taxes. The certification process may be in addition to or in lieu of any procedures set forth in this Resolution in the Board's sole discretion. The fees for the certification process shall be in accordance with Colorado law and Adams County policy.

8. SEVERABILITY. If any portion of this Resolution is declared by any court of competent jurisdiction to be void or unenforceable, such decision shall not affect the validity of any remaining portion of this Resolution, which shall remain in full force and effect. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Resolution a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

9. THE PROPERTY. This Resolution shall apply to all property within the District's boundaries, including, but not limited to, the property set forth in **Exhibit B**, attached hereto and incorporated herein by this reference, and any additional property included into the District after the date of this Resolution.

10. REPLACEMENT OF APPENDIX A "SCHEDULE OF FEES AND CHARGES". Appendix A of the Rules and Regulations adopted by the Board shall be replaced it its entirety with the language set forth in **Exhibit A**, attached hereto.

11. EFFECTIVE DATE. This Resolution shall become effective as of January 1, 2016.

[Remainder of Page Intentionally Left Blank. Signature Page to Follow].

ADOPTED this 3rd day of NOVEMBER 2015.

GREATROCK NORTH WATER AND SANITATION DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado

_____
Officer of the District

ATTEST:

_____

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys At Law

_____
General Counsel to the District

Signature page to Resolution Concerning the Imposition of Various Fees and Charges for Water Services and Facilities

EXHIBIT A

SCHEDULE OF FEES AND CHARGES

Adopted and Approved
November 3, 2015

SYSTEM DEVELOPMENT FEE $ 12,300

This fee is a one-time contribution per single-family residential equivalent unit ("EQR") required of new Customers (or existing Customers having change of use) to be used for capital investment in Regional Facilities and the organization of the District. Regional Facilities shall include the wells, treatment (including the water treatment facility and two evaporation ponds), storage, transmission, mechanical and electrical components, instrumentation and control components constructed, installed and/or acquired by the District on or before December 3, 2013. Regional Facilities shall not include site specific infrastructure or facilities or transmission lines extending from the Regional Facilities to a subdivision. The System Development Fee shall be due within five (5) business days of the issuance of a building permit by the County for each lot.

Fees for the following tap sizes will be calculated at the stated EQR values multiplied by the SDF amount stated above:

¾" Size	1 EQR
1" Size	1.67 EQR
1½" Size	3.33 EQR
2" Size	6.67 EQR
3" Size	16.67 EQR
4" Size	33.33 EQR
Larger than 4"	As Determined by District

TAP INSPECTION FEE $150

This fee is intended to cover the cost of the District's inspection of the physical tap and of the Customer's Service Line, entering the tap location on the District's as-built drawing set, and other ancillary services needed in connection with a new tap.

MONTHLY WATER SERVICE CHARGES

Base Rate (0 gallons)	$ 46.00 flat rate
40,000 gallons	$ 4.50 per 1,000 gals.
40,001 + gallons	$ 10.00 per 1,000 gals.
Due Date:	5th day of month following Month in which billed
LATE CHARGE	$ 15.00

RENEWABLE WATER RESOURCE FEE

Meter Size	SFE	GPM	Fee*
5/8 & ¾	0.67	20	$9,936
¾	1	30	$14,830
1”	1.67	50	$24,766
1.5”	3.33	100	$49,384
2”	6.67	200	$98,916
3”	16.67	500	$247,216
4”	33.33	1000	$494,284
6”	66.67	2000	$988,716

*Fee structure based on Town of Castle Rock Municipal Code, 2012 Renewable Water Resource Fees, Chapter 4.04, Water Dedication Code.

Credit against the renewable water resource fee may be granted in consideration of the dedication of tributary water or surface water rights on such terms and conditions acceptable to the District Board.

Payment of the renewable water resource fee shall be assessed in accordance with the schedule of rates in effect as of the date of inclusion. Payment of the renewable water resource fee shall be a condition to issuance of a water tap.

AVAILABILITY OF SERVICE CHARGE — 50% of Monthly Water Service Charge Base Rate

Assessed on each parcel of land established by a recorded final subdivision plat located within the District’s boundaries and where the lot line of which is located within one hundred feet (100’) of a water line which is installed and ready for connection. Charge assessed and due on same schedule as Monthly Water Service Charge.

INSPECTION FEES

Service Line / Meter Pit Inspection	$	180.00
Meter Installation	$	180.00
Other Inspection	$	180.00

REINSPECTION FEE OR RETURN VISIT FEE — $ 180.00

METER COST — Current cost to District

WATER TURN ON/TURN OFF — $ 90.00 each on/off (Customer Requested)

MISCELLANEOUS FEES:

CONSTRUCTION WATER FEE $ 50.00 / month

District shall make construction water available to homebuilders, from the date a building permit is pulled until a meter is installed at a flat monthly rate.

FIRE HYDRANT METER FEES

Meter Assembly Rental Deposit	$	2,000.00 (refundable)
Monthly Fee	$	10.00 / 1,000 gallons

FORMAL INCLUSION HEARING FEE $ 1,000.00 / application fee

Plus all costs of publication of notices and engineering, management and attorneys; fees incurred by District in processing the inclusion.

INCLUSION FEE

Initial Deposit	$	10,000.00 Non-refundable
Incremental Refundable Deposits of	$	5,000.00

For actual time and expenses incurred over the $10,000 initial deposit, including but not limited to costs of publication of notices and engineering, management and attorneys' fees.

TRANSFER OF SERVICE FEE $ 175.00/occurrence

Fee due and owing upon transfer of account from one responsible party and/or account holder to another.

PLAN REVIEW FEES

Actual Time and expenses incurred by District $ 1,500.00 / minimum fee

PENALTY FEES / FINES:

Excavation During Non-Excavation Period - Bond $ 5,000.00

December 1 through March 31 of each year. The District may adjust the no-excavation period based on actual weather conditions. The bond is security for repairs which may be required due to damage to the District's existing facilities.

Installation of any non-metered device $ 2,000.00 / occurrence

Installation of any device (i.e., "jumper") to allow for circumvention of the District's monitoring or delivery systems shall constitute unauthorized tampering and the use of the District water system shall be subject to a penalty fee. Such fines shall, until paid, constitute a lien upon the subject property, pursuant to Section 32-1-1001, C.R.S.

Irrigating with Domestic Water[1] - First Offense $ 1,000.00

Irrigating with Domestic Water[1] - Second Offense $ 2,000.00

[1] In a dual domestic and irrigation water service area.

& Flow Restrictor will be installed

Irrigating with Domestic Water[1] - Disconnection of Service. Service not to be reinstated until all fees, including penalties, are paid in full.

Failure to Possess Rules and Regulations $ 1,000.00 / occurrence

Failure to purchase and/or have a copy of the Greatrock North Water and Sanitation District Rules and Regulations, and updates, and approved construction plans on site during construction.

Occupation of Building Prior to Meter Set $ 1,000.00

Repair of Broken or Damaged Water Meters, Meter Pits and Curb Stop Boxes 100%[2]

Plus any management and attorneys' fees incurred to collect associated costs.

Unauthorized Tampering with District systems or meters: $ 2,000.00 / incident

Plus actual cost of damage, expense, and loss.

Unauthorized Connection Fee 2 x the current SDF

Plus actual cost of damage, expense, and loss, legal fees, and any other costs incurred in the filing of criminal charges.

Due Dates: 5th day of month following Month in which billed unless otherwise specified on invoice

PAYMENTS: Payment for each fee shall be made payable to the Greatrock North Water and Sanitation District and sent to the following address for receipt by the Due Date:

Greatrock North Water and Sanitation District
Post Box 912775
Denver, Colorado 80291-2775

[2] A) If a Customer damages or breaks their water meter, the Customer shall pay 100% of the associated costs for the repair and/or replacement of the water meters, meter pits and curb stop boxes.

B) The District will notify the Customer of the broken or damaged water meters, meter pits and curb stop boxes and the costs of repair and/or replacement. A copy of the invoice for the work will be included with the notice. The Customer will reimburse the costs to the District within thirty (30) days of receipt of the notice.

C) If reimbursement is not received by the District within thirty (30) days of the notice, the costs will be added as a charge to the Customer's water bill for the next billing cycle.

EXHIBIT B

GREATROCK NORTH WATER AND SANITATION DISTRICT

District Boundaries