

Resolution No. 2014-02-01

**AMENDED AND RESTATED RESOLUTION
OF THE BOARD OF DIRECTORS OF
PAINT BRUSH HILLS METROPOLITAN DISTRICT**

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

WHEREAS, pursuant to an Order of the District Court in and for El Paso County, Colorado, the Paint Brush Hills Metropolitan District (the "District") was duly and validly organized and exists as a metropolitan district in accordance with Colorado law; and

WHEREAS, the District owns, operates and maintains various water and sanitary sewer facilities and improvements (the "Improvements") and provides associated services to its residents, taxpayers and property owners; and

WHEREAS, pursuant to § 32-1-1001(1)(j), C.R.S., the District is authorized to fix and impose fees, rates, tolls, charges and penalties for services or facilities provided by the District which, until paid, shall constitute a perpetual lien on and against the property served, the revenues from which fees, rates, tolls and charges may be pledged to the payment of any indebtedness of the District; and

WHEREAS, the District desires to establish the water and sewer charges, usage fees and equivalency rates in order to finance the costs associated with the District's general operations and the District's operation and maintenance of the Improvements; and

WHEREAS, pursuant to § 32-1-1006(1)(h), C.R.S., the District is empowered to assess availability of service or facilities charges for the purpose of paying principal of an interest on any outstanding indebtedness or bonds of the District; 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 District desires to impose a tap fee as a one-time contribution required of new customers to be used for capital investment in regional facilities and District operations, as well as a related tapping fee to cover the District's actual costs associated with the new tap and the incorporation of the new service to the District's systems; and

WHEREAS, the water and sewer charges, usage fees, equivalency rates, availability of service charges and tap fees are referred to herein as the "Fees" or a "Fee"; and

WHEREAS, the District finds that the Fees set forth herein are reasonably related to the Improvements and services provided by the District and that imposition thereof is necessary to provide the services and facilities serving the property subject to such Fees.

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

1. Fees. The District hereby establishes the Fees set forth in **Exhibit A**, attached hereto and incorporated herein by this reference. All prior resolutions adopted by the Board which impose fees, rates, tolls, penalties or charges, are hereby replaced and superseded in their entirety with this Resolution. Any fees, rates, tolls, penalties or charges due under such prior resolutions, to the extent outstanding and unpaid, shall remain in effect until fully paid and shall not be eliminated hereby.

2. Late Fees and Penalty Interest. Any Fee that is not paid in full within Fifteen (15) days after the scheduled due date shall be assessed a late fee in the amount of Ten Dollars (\$10.00) pursuant to § 29-1-1102(3), C.R.S. Interest will also accrue on any outstanding Fee, exclusive of assessed late fees and interest, at the rate of 12% per annum, pursuant to § 29-1-1102(7), C.R.S., and § 32-1-1006(1)(d), C.R.S.

3. Payment. Payment for each Fee shall be made payable to "Paint Brush Hills Metropolitan District" and sent to the following address, on or before the due date: Paint Brush Hills Metropolitan District, 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228.

4. Fees Constitute Lien. The Fees imposed hereunder each shall, until paid, constitute a perpetual lien on and against the property served, and any such lien may be foreclosed in the manner as provided by the laws of the State of Colorado for the foreclosure of mechanic's liens, pursuant to § 32-1-1001(1)(j), C.R.S.

5. Collection Procedures. The District shall undertake collection efforts for any amounts outstanding, including late fees, interest and attorneys' fees, in accordance with Federal and Colorado law.

6. 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 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 County policy.

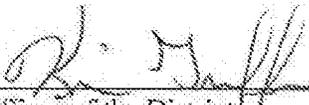
7. Severability. If any clause or provision of this Resolution is adjudged invalid and/or unenforceable by a court of competent jurisdiction or by operation of any law, such adjudgement shall not affect the validity of this Resolution as a whole, but shall be severed herefrom, leaving the remaining provisions intact and enforceable.

8. The Property. This Resolution shall apply to all property within the District's boundaries, as 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.

9. Effective Date. This Resolution shall become effective as of March 1, 2014.

APPROVED and ADOPTED this 20th day of February 2014.

PAINT BRUSH HILLS METROPOLITAN
DISTRICT, a quasi municipal corporation and
political subdivision of the State of Colorado

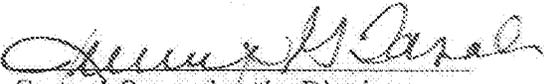


Officer of the District

ATTEST:



APPROVED AS TO FORM:
White, Bear & Ankele
Professional Corporation



General Counsel to the District

EXHIBIT A

SCHEDULE OF FEES AND CHARGES

Adopted and Approved
February 20, 2014 to become effective March 1, 2014

WATER & SEWER TAP FEE

This fee is a one-time contribution per lot required of new Customers (or existing Customers having change of use) to be used for capital investment in regional facilities and District operations. This fee shall be due at the time of application for service. The Water & Sewer Tap Fee is subject to change at the discretion of the Board. The EQR determination and tap fee for both the water and sewer tap are based on the size of the water tap as set forth below.

<u>Water Tap Size</u>	<u>EQR</u>	<u>Water and Sewer Tap Fee</u>
¾"	1	\$16,288.37

WATER METER FEE

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, time and materials associated with the tapping, and other ancillary services needed in connection with the provision of a new tap by the District.

The actual cost of a water meter is included in the water tapping fees. If repeat inspection services are required due to unacceptable installation or improperly scheduling, then the District will charge additional re-inspection fees as stated herein, per occurrence.

WATER METER FEE SCHEDULE

<u>Water Line/Meter Size</u>	<u>Fee</u>
¾"	\$400 (includes labor and materials)

All other sizes billed on a time and materials basis at a cost of \$40 per hour for labor and materials billed at cost.

MONTHLY WATER SERVICE CHARGES

<u>Tap Size</u>	<u>Water Base Fee</u>
¾" tap	\$30.00

WATER USAGE FEES:

RESIDENTIAL

<u>USAGE</u> (monthly billing basis)	<u>COST</u> (per gallon)	<u>-OR-</u>	<u>COST</u> (per 1,000 gallons)
0 to 20,000 gallons	\$0.005		\$5.00
20,000 to 30,000 gallons	\$0.0075		\$7.50
30,000 to 40,000 gallons	\$0.0125		\$12.50
Over 40,000 gallons	\$0.0150		\$15.00

COMMERCIAL

<u>WATER</u>	<u>USAGE</u>	<u>COST</u> (per gallon)	<u>-OR-</u>	<u>COST</u> (per 1,000 gallons)
TIER 1	0 – 1.5 million gallons	\$0.0095		\$9.50
TIER 2	1.5 million gallons and up	\$0.011		\$11.00

LATE CHARGE \$10.00
12% annual interest rate

MONTHLY SEWER SERVICE CHARGES

Tap Size Sewer Fee
¾" tap \$17.00

COMMERCIAL USAGE FEES

<u>SEWER</u>	<u>USAGE</u>	<u>COST</u> (per month)
	Small	\$33.85
	Large	\$450.00

UNDER DRAIN FEE \$3.00/per month
(per property)

LATE CHARGE \$10.00
12% annual interest rate

INSPECTION FEES

Service Line / Meter Pit Inspection \$150.00 (included in Water Meter Fee)
Meter Installation \$150.00 (included in Water Meter Fee)
Other Inspection \$150.00

REINSPECTION FEE OR RETURN VISIT FEE \$150.00/ hr
(2 hour minimum)

METER MAINTENANCE SERVICE FEE \$40.00 / hr
(1 hour minimum)

METER COST (replacement) Current cost to District

WATER TURN ON/TURN OFF \$25.00 each on/off
(Customer Requested)
\$50.00 each on/off
(for non-payment)

SEWER SERVICE \$40.00 / hr
(1 hour minimum)

MISCELLANEOUS FEES:

FIRE HYDRANT METER FEES

Meter Assembly Rental Deposit \$ 2,000.00
Monthly Fee \$10.00 / 1,000 gallons

BULK WATER RATES:

TIER 1	Cost (per thousand gallons)	TIER 2	Cost (per thousand gallons)
Up to 150,000 gallons	\$8.50	150,001 and up	\$10.00

FORMAL INCLUSION HEARING FEE \$ 1,000.00 / application fee
Plus all costs of publication of notices and engineering and attorneys fees incurred by District in processing the inclusion.

FORECLOSURE FEE Actual cost
Plus all costs of engineering and attorneys' fees

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 and attorneys fees.

LIEN FEES

Lien Certification Fee \$200.00
Intent to Lien Notice \$25.00

PERMIT FEES:

Water Stub-In Permit \$100.00
Line Extension Permit \$250.00
Disconnection or Reconnection Permit \$600.00

PLAN REVIEW FEES

Actual Time and expenses incurred by District, and/or \$40/hour for District staff

AVAILABILITY OF SERVICE FEES

Annual Fee per lot within 100 feet of District water and/or sewer lines 50% of Monthly Water and Sewer Fees

BUILDER'S FEE

\$22.50 / month

TRANSFER AND CONSOLIDATION FEES

For transfer or consolidation of ownership of property; per lot \$250.00

TESTING FEES

Any property owner or customer requesting a contaminant testing shall pay the following applicable fee(s) for each of the requested tests, all of which include applicable pickup and delivery and administrative fees and costs:

Domestic Water Test:	\$165.00
Standard Nutrient Test:	\$168.00
HPC Test:	\$175.00
Total Coliform Test:	\$174.00
Additional Tests:	Based on actual costs

PENALTY FEES / FINES:

Excavation During Non-Excavation Period \$5,000.00 (bond)

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 \$1,000.00 / 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.

Repair of Broken or Damaged Water Meters, Meter Pits and Curb Stop Boxes 100%¹

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 then-current tap fee

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

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¹ 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, plus any attorneys' fees incurred to collect associated costs.

B) The District will notify the Customer of the broken or damaged water meters, meter pits and curb stop boxes and the cost 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

SECTION 25 AND THE EAST ½ OF SECTION 26, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE 6TH P.M. IN EL PASO COUNTY, COLORADO, EXCEPT THE EASTERLY 30 FEET AND THE SOUTHERLY 60 FEET OF THE EASTERLY 3,222.73 FEET OF SAID SECTION 25, AND EXCEPT THAT PARCEL DESCRIBED IN BOOK 2732 AT PAGE 860 OF THE RECORDS OF SAID EL PASO COUNTY, CONTAINING 944.89 ACRES, MORE OR LESS,

TOGETHER WITH

THE NORTHEAST 1/4 SECTION 36, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPAL MERIDIAN IN EL PASO COUNTY, CONSISTING OF 160 ACRES, MORE OR LESS.

FOR A TOTAL OF 1,104.89 ACRES, MORE OR LESS.