

**RESOLUTION OF THE BOARDS OF DIRECTORS  
OF SEVERANCE SHORES METROPOLITAN DISTRICTS NOS. 1-4  
CONCERNING THE IMPOSITION OF DISTRICT IRRIGATION WATER FEES**

THIS RESOLUTION CONCERNING THE IMPOSITION OF DISTRICT IRRIGATION WATER FEES for drainage basin, reservoir, construction and maintenance, non-potable water service, infrastructure and Irrigation Water Fees (the "Resolution") is made and entered into by the Severance Shores Metropolitan Districts Nos. 1-4 (the "Districts") to be effective as of August 15, 2018.

WHEREAS, the Districts are authorized pursuant to Section 32-1-1001(1)(j)(I) of the Colorado Revised Statutes ("C.R.S."), to fix and impose fees, rates, tolls, charges and penalties for services, programs or facilities provided by the Districts which, until paid, shall constitute a perpetual lien on and against the property served; and

WHEREAS, the Consolidated Service Plan (the "Service Plan") for Severance Shores Metropolitan Districts Nos. 1-4 (the "Service Plan") similarly empowers the Districts to impose fees, rates, tolls, charges and penalties for services and facilities provided by the Districts; and

WHEREAS, pursuant to § 32-1-1004(8), C.R.S., the Districts are authorized and empowered to provide covenant enforcement and design review services within the Districts and as law permits and if revenues used to provide such services are derived from the area in which the service is furnished; and

WHEREAS, the Districts have agreed to authorize and implement the establishment of annual fees and one time fees that would encompass operations, administration, and maintenance costs of public improvements, provision of services, and handling of all drainage basin, reservoir construction, operation and maintenance, non-potable water service, and non-potable irrigation system infrastructure, operations and maintenance fees, and related expenses and services as permitted by statute to be performed by the Districts which would include use and service facilities and amenities within and provided in conjunction with the Districts (collectively referred to hereinafter as the "District Irrigation Water Fees"). These District Irrigation Water Fees will be calculated on an annual basis during the Districts annual budget process taking into consideration those funds traditionally and reasonably assessed for irrigation, water storage, pump house and delivery system fees, storm water storage fees, reservoir acquisition and maintenance, infrastructure reserve fees and fees for operations and maintenance, working capital reserves and will be charged against all residential dwelling units and finished lots that have the necessary utilities in place to provide all required services to qualify for a building permit and are ready and able to be developed within the Districts; and

WHEREAS, the District Irrigation Water Fees will be used to pay for the Districts costs and expenses of related to services and facilities related to the District Irrigation Water System provided by the Districts, including, but not limited to the those items and fees listed in the attached Exhibit A – Schedule of Fees for all of these contemplated costs in the delivery, capital improvements, storage of water and infrastructure reserves as well as for operations and maintenance functions

of the Districts; and

WHEREAS, the District agreed to apply the District Irrigation Water Fees permit ready lots within the Districts as that revenue will be used to offset amenities, services, facilities and costs that benefit both residents and taxpayers within the Districts for those finished lots that are ready to be developed and have all irrigation water system infrastructure and improvements in place. The District Irrigation Water Fee revenue will also serve to increase the Districts' revenue stream at an earlier point in time to the benefit to the Districts' future residents, property owners and taxpayers, by using the District Irrigation Water Fees to help pay for these contemplated costs in the construction, capital improvements, water irrigation, storage and delivery costs, as well as the operations and administration of the District Irrigation Water System facilities and services; and

WHEREAS, the Districts chose to create and implement the District Irrigation Water Fees to help pay for these contemplated costs in the construction, capital improvements, water irrigation, storage and delivery costs, as well as the operations and administration of the District facilities and services and amenities related thereto. These District Irrigation Water Fees will be calculated on an annual basis during the Districts annual budget process taking into consideration those funds traditionally and reasonably assessed for the attached schedule of items attached hereto as Exhibit A fort that area defined in the Service Plan as may be amended from time to time and for operations and maintenance, working capital and capital reserves; and

WHEREAS, the Districts believe that imposing These District Irrigation Water Fees on each of the residential dwelling units or equivalent units within the Districts keep District taxes lower and competitive in the community, as well as the benefits and efficiencies in having the Districts operate traditional these functions to the extent allowed by law, shall serve to increase the Districts' revenue stream, reduce the number and amount of fees assessed against property owners, and shall be a benefit to the Districts' residents, property owners and taxpayers, and

NOW THEREFORE, the Boards of Directors of the Districts hereby RESOLVE as follows:

1. The District Irrigation Water Fees shall be in the amounts and as described in the attached Exhibit A and shall be initially estimated to be the equivalent of a monthly fee of \$45 per month per residential lot or \$540 (to be billed semi-annually) and shall be charged for each residential unit for the costs and expenses related to provision of water, non-potable reservoir storage, maintenance and District irrigation service for the irrigation water, storage and services provided related to the reservoir and non-potable water on an annual basis. District Irrigation Water Fees will be due and owing from the owner a residential lot at the time closing with a homeowner. The owner of a residential unit shall pay the District Irrigation Water Fees at the time of closing and on an annual basis. The District Fee will be adjusted in the future based upon the Districts annual budgets.

2. The District Irrigation Water Fees on a commercial lot (*if applicable*) is due and payable when the owner is closes on the purchase of a lot and is granted a certificate of occupancy through the Town of Severance. The Fee will be assessed from the date of that

Certificate of Occupancy and/or transfer of the property to the end user. The District Irrigation Water Fees on a commercial lot will be at a minimum the same rate as a residential lot, but may be adjusted due to added landscape or other conditions. District Irrigation Water Fees on commercial lots will be reviewed when the architectural design application is submitted with the site plans to the Districts and collected at the time of certificate of occupancy. The District Irrigation Water Fees shall be due and payable in one (1) lump sum payment at the time of closing and on an annual basis thereafter as of January 1 of each year.

3. The District Irrigation Water Fees shall be used for the Districts' adopted budget related expenditures associated with the costs of drainage basin, reservoir construction, operation and maintenance, non-potable water service provision, or other applicable factors, operations, administration, maintenance of the Districts' irrigation water services and facilities and the assumption of these functions. Those costs of the Districts, include but are not limited to, operations and maintenance of public facilities and improvements, and other district operations and maintenance costs associated with maintaining the irrigation water system, distribution system, pump house and pressurization, water lease or acquisition, public improvements and the costs associated with the Districts assuming the ownership and operation of all irrigation water facilities, improvements and services traditionally provided by an irrigation company, homeowners association, or drainage company as permitted by Colorado law. These District Irrigation Water Fees shall be due and owing to Severance Shores Metropolitan District No. 1 and may be updated and amended from time to time.

4. Any District Fee contemplated herein that is not paid in full within five (5) days after the scheduled due date shall be assessed a late fee of fifteen dollars (\$15.00), per §29-1-1102(3), C.R.S. Pursuant to §29-1-1102(7), C.R.S., interest will also accrue on any outstanding Fee, exclusive of assessed late fees, at the rate of eighteen percent (18%) per annum.

5. All District Irrigation Water Fees shall be due, owing and payable to the Districts, in cash or an equivalent form made payable to "Severance Shores Metropolitan District No. 1." In the event that any Fee established hereunder remains unpaid thirty-one (31) days after its respective due date, the Districts' General Counsel shall undertake collection efforts for any and all outstanding amounts. All collections efforts shall be made pursuant to, and in accordance with, applicable state and federal laws. The Districts' General Counsel shall be entitled to charge reasonable legal fees and any related costs and expenses to the owners of any such real property for said collections efforts.

6. All District Irrigation Water Fees contemplated herein shall, until paid, constitute a perpetual lien on and against the property served or to be served by any improvements provided by the Districts or to be provided by the Districts within a reasonable amount of time. All such liens shall be in a senior position as against all other liens of record affecting the property served or benefited, or to be served or benefited by improvements of the Districts and shall run with the Property and remain in effect as to any portion of such property on which the appropriate fee has not been paid. All liens contemplated herein may be foreclosed in any manner authorized by law at such time as the Districts may determine that Fees hereunder have not been paid as required.

7. If any clause or provision of this Resolution is found to be invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, such invalid or unenforceable clause or provision shall not affect the validity of the Resolution as a whole but shall be severed here from, leaving the remaining clauses or provisions in full force and effect.

ADOPTED AND APPROVED to be effective as of the 15th day of August, 2018.

**SEVERANCE SHORES METROPOLITAN  
DISTRICTS NOS. 1, 2, 3 & 4**

(SEAL)

  
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President

ATTEST:

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Secretary

## **EXHIBIT A**

### **Severance Shores Metropolitan District 2018 Schedule**

#### **IRRIGATION WATER RATES AND CHARGES SCHEDULE**

Irrigation Water System and Reservoir/Water Storage Fee: Monthly fee of \$45 per month per residential lot or \$540 (to be billed semi-annually) shall be charged for each residential unit for the costs and expenses related to provision of water, non-potable reservoir storage, maintenance and District irrigation service for the irrigation water, storage and services provided related to the reservoir and non-potable water. This shall be billed and collected by the Severance Shores Metropolitan District No. 1, with the initial payment to be collected at closing with a homeowner.

The rates imposed by the Districts for the Non-Potable Water System Assessment shall be evaluated by the Districts annually as part of the Districts' budgeting process, and may be amended as evidenced by amendment of this rate and Appendix A to the District Water Rates and Charges Schedule.

Rates may be increased or decreased in the discretion of the District Board of Directors, providing that consistent rates and provision of service to the service area of the Districts and its customers is maintained.