

RESOLUTION NO. 2018-01-02

**RESOLUTION OF THE
BOARD OF DIRECTORS OF THE
FALCON HIGHLANDS METROPOLITAN DISTRICT**

REGARDING INTERIM WATER POLICY

WHEREAS, the Falcon Highlands Metropolitan District (the “**District**”) is a special district in El Paso County, Colorado, organized pursuant to Article 1 of Title 32, Colorado Revised Statutes, known as the Special District Act; and

WHEREAS, the District has temporarily prohibited new water connections to its water distribution system, based on limitations of its water production capability, customer demand and restricted water infrastructure resources; and

WHEREAS, the District has engaged the services of a professional engineering firm, Kennedy/ Jenks Consultants, to assess the District’s water system and capabilities to meet the demands of the existing and future users within the District’s service area; and

WHEREAS, the water system analysis makes certain findings regarding the limited capabilities of the District’s existing water system relative to its capacity to meet the current estimated maximum daily demand (MDD) based on the average annual demand planning criteria adopted by the District; and

WHEREAS, the water system analysis also makes recommendations regarding short-term and long-term actions proposed to assist the District in meeting existing and future water demands; and

WHEREAS, the District has taken steps and continues to work toward reducing the District’s MDD in conformance with such recommendations, including increased measures to effectuate the District’s water conservation policies, reduction of existing irrigation activities, development of plans to minimize or eliminate irrigation during extreme conditions for efficient implementation, efforts to ease long-term financial obligations, and planning for future water supply and water production infrastructure; and

WHEREAS, the water system analysis and the steps taken by the District allow for a limited number of additional water connections to be made to the District’s water system; and

WHEREAS, the District desires to respond to certain immediate demands for water service on a limited basis, pursuant to engineering analysis and recommendations, by the issuance of a water policy which allows for a small number of interim connections to be made to the District’s water system; and

WHEREAS, pursuant to the Special District Act and its Service Plan, the District provides water service to its customers and is empowered to adopt, amend and enforce regulations and policies related to this service; and

NOW THEREFORE, the Board of Directors of Falcon Highlands Metropolitan District, El Paso County, Colorado, resolves as follows:

1. Intent and Purpose. It is the intent and purpose of the Board of Directors of the District to adopt the interim water policy described in this resolution (“Water Policy”) requiring an eligible property owner desiring water service from the District to comply with the District’s Water Policy as a condition to service the subject property, with a goal of minimizing water consumption so that the District can maximize the use of the limited number of available water tap connections.

2. Issuance of Interim Tap Connection Permits. The District hereby determines that, based on an engineering analysis of the District’s existing water system and relevant criteria, an additional twelve single family equivalents (“SFEs”) may currently be served by the District. The District will issue Tap Permits allocating these 12 SFEs to eligible property owners subject to this Water Policy.

3. Eligible Property Owner. To be eligible for a Tap Permit, the applicant must be the owner of the property, submit appropriate documentation to the District as requested, and pay applicable fees, pursuant to this Water Policy.

4. Submittal of Development Information. Any person desiring to obtain water service from the District must submit an application for a Tap Permit on the District’s form, supplemented by plans, specifications or other information deemed necessary by the District to determine water demand requirements, and demonstrating compliance with the regulations, rules and policies concerning the District’s water system.

5. Payment of Fees. Applications for Tap Permits must be accompanied by payment of a review fee in the amount set forth in Exhibit A, to cover the District’s costs to review the application. This review fee is non-refundable. Any costs of the District in excess of this amount must be paid by the applicant prior to the issuance of the Tap Permit or Tap Option.

6. Application Review Process. The District shall review the application for Tap Permit for conformance with this Water Policy. The District may deny any application for water service based on the District’s determination that the District lacks sufficient water treatment capacity, water and/or water resources to serve the property, or in the Board’s sole discretion, it determines that service would not be in the best interests of the District or its residents and property owners. The District will determine the water SFEs needed to serve each property by analyzing the domestic and irrigation water demand associated with the planned development of the property. The District’s SFE allocation determination will be made in a manner to maximize the use of the limited number of SFEs available.

7. Commercial Irrigation Tap Variance. It is the District’s policy to require commercial development to install separate domestic and irrigation meters in order to monitor

and regulate use. To assist in the District's goal of maximizing the use of a limited number of taps under this Water Policy, the District may authorize a variance to its policy by permitting a combined domestic and irrigation meter for commercial property with minimal irrigation demand through the use of xeriscaping or other water-savings landscape features. To qualify for a commercial irrigation tap variance, the applicant must provide landscaping plan information satisfactory to the District to determine eligibility for a combined domestic / irrigation tap permit.

8. Duration of Tap Permit. A Tap Permit issued pursuant to this Water Policy allows for a water tap to be connected to the District's system within twelve (12) months from the date of issuance, after which period such Tap Permit shall expire. All payments for a Tap Permit are non-refundable.

9. Tap Option. In lieu of a Tap Permit, a person may apply for a water tap permit option ("Tap Option"). A Tap Option may be appropriate when the projected development may not be at a point where sufficient land use plans may be analyzed for water requirements, or where the development may be subject to the sale of the subject property. Tap Options may be issued on a per SFE basis, from the same limited number of SFEs available under this Water Policy. Tap Options shall have a limited duration but shall otherwise be subject to the same requirements as a Tap Permit, except as provided herein:

a. The Tap Option shall be for six (6) months, renewable for an additional six (6) month period, subject to the discretion of the District, based on findings of satisfactory progress in the development of the property.

b. The Tap Option price shall be applied to the full Tap Permit price upon sale.

c. The Tap Option payment is non-refundable and will not be refunded upon expiration of the Tap Option.

10. Issuance of Tap Permits and Tap Options. Tap Permits and Tap Options will not be issued until payment of the applicable Tap Permit or Tap Option fee, additional review fees if owed, connection fees, capital improvement charges and any other fees, rates, tolls, charges or deposits, required by the Board of Directors, are paid in full. Connection fees, capital improvement charges and all other fees, rates, tolls and charges are non-refundable.

a. Tap Permit fees are shown on the attached **Exhibit A**, based on a $\frac{3}{4}$ inch being the equivalent of 1 SFE.

b. Tap Option fees are 50% of the relevant Tap Permit.

11. Property Development Agreements. The District may require the property owner to enter into a development agreement to address the District and property owner responsibilities related to the issuance of the committed Tap Permits / Tap Options.

12. Will Serve Letters. The District may provide a "will serve" letter for property purchasing a Tap Permit or Tap Option in compliance with the Water Policy, as applicable.

13. Subject to Rules and Regulations. Any customer shall be subject to the District's Rules and Regulations, including the District's right to restrict, curtail or otherwise prohibit use of water.

14. Duration of Water Policy. This Water Policy shall remain in place until modified or terminated by the Board of Directors of the District.

15. Lien. Until paid, the Tap Permit or Tap Option fee shall constitute a perpetual lien on and against the entire property to which the fee is applied, in accordance with § 32-1-1001(1)(j), C.R.S.

16. Legislative Measure. This Resolution is and shall constitute a legislative measure of the District, which may be modified only by formal resolution of the Board of Directors of the District.

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Adopted this 16th day of Jan. 2018.

FALCON HIGHLANDS METROPOLITAN
DISTRICT



President, Board of Directors of the Falcon
Highlands Metropolitan District

Attest:



Secretary or Assistant Secretary

EXHIBIT A

**INTERIM WATER TAP PERMIT FEE SCHEDULE
(Effective as of: January 16, 2018)**

Review Fee	\$3,000 + any excess costs
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Water Tap Permit Fee Schedule				
	Residential		Non-Residential	
	Single Family	Multi-Family	Domestic	Irrigation
Tap Fees (size verified by District Engineer)				
¾" (= 1 SFE)	7,812.50	7,812.50	10,000	10,000
1" (= 2 SFEs)				
1 ½" (= 4 SFEs)				
2" (= 8 SFEs)				
<i>*Wastewater tap fees, infrastructure development fees, meter fees, and other one-time capital charges shall be paid in accordance with the District's current fee schedule. Please refer to the District's current fee schedule for monthly administrative, maintenance, water treatment, usage and late fees, and other charges which may be applicable.</i>				