

STATE OF COLORADO)
) ss. BEFORE THE BOARD OF DIRECTORS OF THE
COUNTY OF JEFFERSON) LOOKOUT MOUNTAIN WATER DISTRICT

**RESOLUTION OF THE BOARD OF DIRECTORS
ADOPTING A POLICY AND PROCEDURE REGARDING INACTIVE TAPS
Resolution # 9/16-1**

WHEREAS, The Lookout Mountain Water District (“District” or “LMWD”) is a quasi-municipal corporation and political subdivision of the State of Colorado and a duly organized and existing special district pursuant to Title 32, Colorado Revised Statutes; and

WHEREAS, the District’s Board of Directors recognizes that there are many authorized Taps which are not currently active; and

WHEREAS, the District’s Board of Directors has determined that it is necessary to adopt a policy and procedure regarding inactive taps for the orderly operation of the District’s Water System; and

WHEREAS, the ability to connect to the LMWD Water system adds value to all properties served and capable of being served; and

WHEREAS, LMWD is currently improving the Upper Beaver Brook Reservoir, and is required by the Colorado State Engineer’s Office to improve Lower Beaver Brook Reservoir; and

WHEREAS, the cost of these large scale capital improvements need to be shared equitably by those who benefit from them; and

WHEREAS, the District’s Board of Directors has determined that the policy and procedure set forth below will promote the health, safety, security and general welfare of the District’s inhabitants and the orderly and uniform administration of the affairs of the District; and

WHEREAS, LMWD’s Board of Directors recognizes that at the formation of the District in 1988 certain Taps were authorized; some of which were not assigned to a parcel of land. These Taps, at the time they were authorized by the District, were intended to be activated within a few years after the formation of the District. The Board of Directors recognizes that Inactive Taps do not fairly contribute to ongoing District operations and maintenance costs when compared to Active Taps. Further the Board of Directors recognizes that Inactive Taps which are not assigned to specific properties even more severely fail to equitably contribute to the District’s finances.

NOW THEREORE, BE IT RESOLVED by the Board of Directors of the Lookout Mountain Water District that a policy and procedure concerning Inactive Taps shall be adopted as follows:

1. Inactive Taps that have been designated as Inactive Taps in the District's billing records as of July 31, 2016 are authorized by LMWD.
2. No other Inactive Taps will be authorized or recognized if they do not appear in the LMWD's billing records of July 31, 2016, unless the holder of any purported Tap files a petition directed to the Board of Directors on or before March 1, 2017 which petition shall include in detail all of the following:
 - the number of tap(s) claimed; and
 - the date the tap(s) were created; and
 - the issuer of the tap(s) (e.g. LMWD etc.); and
 - proof clearly establishing the existence of the tap(s); and
 - proof clearly establishing ownership in the holder; and
 - the name of the lateral (if any) to which the tap(s) are associated; and
 - the reasons why the tap(s) were issued including any consideration paid.All supporting documents should accompany the petition at the time of submittal. Upon submission of any such petition, the Board will investigate the claim, and schedule a hearing to take testimony and render a decision.
3. All Inactive Taps must be assigned to a parcel of land as of September 1, 2017. "Parcel of Land" as used in this policy shall include any lot or tract whether platted or unplatted which is located within the boundaries of LMWD.
4. If any Inactive Tap is not assigned to a parcel of land by September 1, 2017, then the holder shall be assessed a fee of \$1,000.00 per year, which fee may be amended from time to time. Any tap not assigned by September 1, 2017 shall be designated "Unassigned".
5. An assignment to a Parcel of Land shall be submitted to LMWD in writing signed by all of the holders of the Tap.
6. If the parcel of land to which the holder of the Tap wishes to assign the Tap is not currently within the District, it must be included, and the Inclusion Fee paid. This process must be commenced by May 1, 2017 through the submittal of a Petition for Inclusion and payment of the fee.
7. All Taps that are assigned to a Parcel of Land but which are not currently attached to a main or to a lateral shall be identified as "Assigned but Unconnected".
8. After December 31, 2016 all taps within LMWD, whether "Active" or "Assigned but Unconnected" or "Unassigned" will be charged at the Active Tap rate, and otherwise be subject to standard rates, fees and charges applicable to all Active Taps as those may be amended from time to time.
9. The District will purchase any Inactive Tap for the sum of \$1,500.00, so long as the holder can demonstrate clear title to any Inactive Tap he/she may wish to sell.

10. After September 1, 2017 any Tap which is assigned to a parcel of land ^{and RM} or which is ^{cd} subsequently transferred to a different parcel of land shall be subject to a \$15,000 transfer fee, which fee must be paid before the transfer will be recognized by LMWD.
11. All Taps which remain Unassigned after September 1, 2017 shall be subject to revocation for nonpayment of fees or charges. If the holder of an Unassigned Tap fails to pay a total of \$2500.00 in fees or charges to the District, the District may commence a revocation of that Tap. The District must give Notice to the Holder by first class mail, and certified mail advising them to pay or to appear at a specific Board of Directors' Meeting. If the Notice sent by first class mail is returned, then the District shall publish 4 Notices in a newspaper of general circulation advising the holder to pay or to attend a specified Board of Directors' meeting. If the holder fails to respond or to pay or to reach a payment agreement with the Board of Directors after a hearing, then LMWD is authorized to revoke the Unassigned Tap.
12. No Unassigned Tap shall be revoked until the Board of Directors, at a public Meeting of the Board has heard the facts, and determined that Notice was given to the holder, and that at least \$2500.00 in fees or charges is owed to the District. Any Order of Revocation entered by the Board of Directors shall not be implemented for thirty days following the entry of the Order.
13. If any part, section, subsection, sentence, clause or phrase of the Resolution is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining provisions.
14. This Resolution shall take effect and be enforced immediately upon its approval by the Board of Directors of the District.
15. This Resolution was passed by the Board of Directors by a vote of 3 to 0 on this 12th Day of September, 2016.



President

CERTIFICATION

The undersigned secretary of the Lookout Mountain Water District certifies that the foregoing Resolution is a true, complete and correct copy of a Resolution of the Board of Directors of the Lookout Mountain Water District duly and regularly entered by the Board at its regular public meeting held on September 12, 2016.



Secretary