

DEER CREEK WATER DISTRICT

RESOLUTION NO. 2018-III

A RESOLUTION ADOPTING A WATER ACTIVITY FEE

WHEREAS, Deer Creek Water District (“District”) is a special district created pursuant to Article 1, Title 32, C.R.S. (“District Act”), and is authorized to provide, among other activities, the ownership and operation of a domestic water supply system and related activities, services and facilities within and without the District with the power to issue its own revenue bonds; and

WHEREAS, such water activities include, but are not limited to, the acquisition, diversion, storage, carriage, delivery, distribution, collection, treatment, use, reuse, augmentation, exchange, or discharge of water, and also includes the provision of wholesale or retail water and the acquisition of water rights, and all services and facilities related thereto (“Water Activity” or “Water Activities”); and

WHEREAS, the District has historically conducted and operated such Water Activities as a government-owned business of the District providing services in exchange for the payment of fees and charges; and by Resolution passed on February 8, 2018 the Board of Directors of the District established a Water Activity Enterprise in conformance with the provisions of Article 45.1, Title 37, C.R.S. (“Act”), in order to exclude the Water Activity Enterprise from the provisions of Section 20, Article X of the State Constitution (“TABOR”); and

WHEREAS, the Board of Directors (“Board”) has conducted an investigation into the costs of improving the water supply and distribution system that will include the replacement of the District’s leaking main storage tank and pumping facilities, eventual elimination of two pressure tanks, and other improvements necessary for efficient, long-term operation of the District’s water supply system; and

WHEREAS, the Board has determined that financing of the necessary improvements will require funds obtained through available public lending sources at competitive low interest rates with a 20-year term; and

WHEREAS, the Board has properly publicized and held public meetings on the necessity of the water system improvements and a water activity fee to the District’s customers as required by Section 32-1-1001(2)(a), C.R.S. and the Board has determined that the water activity fee will serve a public use and will promote the health, safety, prosperity, security, and general welfare of the customers of the Water Activity Enterprise, the inhabitants of the District, and of the people of the State of Colorado.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District that there is hereby established a monthly Water Activity Fee as follows:

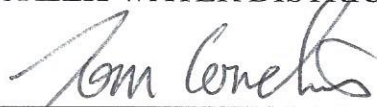
1. Water Activity Fee. A Water Activity Fee of \$49 per month shall be imposed upon all District water accounts in addition to current fees and charges imposed as of the date of this Resolution.

2. Revenue. The revenue derived from the Water Activity Fee shall be, in combination with existing fees, collected, used, and expended for Water Activity purposes as determined by the Board in accordance with and as set forth in the fiscal budget of the Water Activity Enterprise adopted pursuant to law. Water Activity purposes shall include any activity of the District including water system operations, improvements, extensions, enlargements, repairs, replacements, and acquisition of facilities, administration and maintenance of the water system, and the payment of indebtedness or other obligations for any purpose. Spending of revenue generated by the Water Activity Fee shall be at the discretion of the Board for the purposes described herein and shall not be subject to TABOR.

THE FOREGOING RESOLUTION was adopted this 16th day of March, 2018, at a special meeting of the Board of Directors of the Deer Creek Water District by a vote of the Board recorded as 5 in favor and 0 opposed, and is hereby certified as the final Resolution of the Board by me as Secretary of the Board.

DEER CREEK WATER DISTRICT

By:


Tom Cornelius, Secretary

3-16-18