

**RESOLUTION NO. 2021-05-03**  
**RESOLUTION OF THE SPRING VALLEY METROPOLITAN DISTRICT NO. 1**  
**REGARDING THE IMPOSITION OF WATER AND SEWER OPERATIONS RESERVE**  
**FEE**

A. Spring Valley Metropolitan District No. 1 (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado and is situated in the County of Elbert (the “**County**”), State of Colorado.

B. The Water and Sewer Operations Reserve Fee described herein shall apply to all platted lots, for which a building permit has not been issued as of the date of this Resolution, for a residential unit in the District’s service area which service area is included within the boundaries of Spring Valley Metropolitan District Nos. 1, 2, 3, 4, 5 and 6 (the “**Property**”).

C. The purpose for which the District was formed is the design, acquisition, construction, installation, financing, and operation and maintenance of certain water, sanitation (including storm and sanitary sewer), streets, safety protection, park and recreation, limited television relay and translation, transportation, mosquito control and limited fire protection facilities and services (“**Public Improvements**”), all in accordance with the Amended and Restated Service Plan for the District, as approved by the County on March 10, 2004 (as the same may be amended and/or modified from time to time, the “**Service Plan**”).

D. The District is responsible, inter alia, for the maintenance of the water and sewer systems that have not been accepted for ownership, operations and maintenance by another entity (the “**Water and Sewer Improvements**”).

E. The District is authorized pursuant to Section 32-1-1001(1)(j)(I), C.R.S. to fix fees, rates and charges as appropriate and necessary to enable the District to pay expenses incurred in the operations and maintenance of the Water and Sewer Improvements.

F. The District has determined that it is in the best interest of the inhabitants and taxpayers of the District and the general public to impose a Water and Sewer Operations Reserve Fee (the “**Water and Sewer Operations Reserve Fee**”) against the Property for certain of the expenses that are expected to be incurred by the District for the repair and replacement of the Water and Sewer Improvements.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SPRING VALLEY METROPOLITAN DISTRICT NO. 1, ELBERT COUNTY, COLORADO:

1. The Board of Directors of the District hereby finds, determines and declares that it is in the best interests of the District, its inhabitants and taxpayers to exercise its power by imposing the Water and Sewer Operations Reserve Fee on the Property and to utilize the revenues therefrom for the repair and replacement of Water and Sewer Improvements.

2. The District hereby imposes the Water and Sewer Operations Reserve Fee on the Property as follows:

(a) One Thousand Five Hundred Dollars (\$1,500.00) to be paid prior to the issuance of a building permit for each single-family detached or attached residential unit (“**Residential Unit**”).

3. The Water and Sewer Operations Reserve Fee shall be due and payable for each Residential Unit on or before the date of issuance of a building permit for initial construction of a Residential Unit issued on or after May 26, 2021, and shall be paid directly to the District.

4. The Board of Directors of the District reserves the right to review and amend the Water and Sewer Operations Reserve Fee on an annual basis to reflect increased costs for ownership, operations and maintenance of the Water and Sewer Improvements.

5. The Water and Sewer Operations Reserve Fee shall constitute a statutory and perpetual charge and lien upon the Property pursuant to Section 32-1-1001(1)(j)(I), C.R.S., from the date the same becomes due and payable until paid. The lien shall be perpetual in nature as defined by the laws of the State of Colorado on the Residential Unit and shall run with the land and such lien may be foreclosed by the District in the same manner as provided by the laws of Colorado for the foreclosure of mechanics’ liens.

6. Failure to make payment of the Water and Sewer Operations Reserve Fee due hereunder shall constitute a default in the payment of such Water and Sewer Operations Reserve Fee. Upon default, simple interest shall accrue on such total amount of Facilities Fee due at the rate of twelve percent (12%) per annum until paid. The District shall be entitled to institute such remedies and collection proceedings as may be authorized under Colorado law, including, but not limited to, foreclosure of its perpetual lien. The defaulting Residential Unit owner shall pay all costs, including attorney fees, incurred by the District in connection with the foregoing. In foreclosing such lien, the District will enforce the lien only to the extent necessary to collect the unpaid Water and Sewer Operations Reserve Fee, accrued interest thereon, and costs of collection (including, but not limited to, reasonable attorneys’ fees).

7. Judicial invalidation of any provisions of this Resolution or of any paragraph, sentence, clause, phrase, or word herein, or the application thereof in any given circumstances, shall not affect the validity of the remainder of this Resolution unless such invalidation would act to destroy the intent or essence of the Resolution.

8. This Resolution shall take effect immediately upon its adoption and approval.

9. Any inquiries pertaining to the payments of the Water and Sewer Operations Reserve Fee may be directed to the following:

Spring Valley Metropolitan District No. 1  
c/o Special District Management Services, Inc.  
141 Union Boulevard, Suite 150  
Lakewood, CO 80228  
Telephone: 303-987-0835  
Attn: David Solin

APPROVED AND ADOPTED THIS 25<sup>th</sup> day of May, 2021.

**SPRING VALLEY METROPOLITAN  
DISTRICT NO. 1**

By: Jim Marshall  
President

Attest:

By:   
Secretary