

RESOLUTION NO. 2022 - 2

A RESOLUTION ESTABLISHING PLANT INVESTMENT FEE PAYMENT POLICIES FOR LARGE DEVELOPMENT PROJECTS IN THE SOUTH DURANGO SANITATION DISTRICT.

WHEREAS, the South Durango Sanitation District (the “District”) is a quasi-municipal corporation and political subdivision of the State of Colorado organized pursuant to the Colorado Special District Act, C.R.S. 32-1-101, *et seq.* (the “Act”); and

WHEREAS, the District owns and operates a wastewater collection and treatment system (the “Wastewater System”); and

WHEREAS, the Act authorizes the Board of Directors (the “Board”) to adopt and from time to time increase or decrease rates, fees, toll and charges for the services provided by the District; and

WHEREAS, the District has previously established a policy requiring plant investment fees (tap fees) be paid at the time a building permit is issued; and

WHEREAS, certain large development projects may not be completed until several months after the building permit is issued; and

WHEREAS, large development projects provide a benefit to the District from substantial plant investment fees and user fees; and

WHEREAS, allowing additional time for payment of plant investment fees after the issuance of a building permit does not adversely impact the District as these fees are intended to be used for future expansion to offset the impact of growth; and

WHEREAS, all rates, fees, tolls, and charges of the District are secured by a perpetual statutory lien until paid on the property served; and

WHEREAS, the plant investment fee payment policy established by this resolution is appropriate and necessary.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SOUTH DURANGO SANITATION DISTRICT:

1. That all development projects requiring 30 or more Equivalent Residential Taps (ERTs) shall be classified as large developments.
2. That plant investment fees for large development projects may be paid in four annual installments, without interest, as follows:
 - (i) ¼ before the issuance the building permit;

- (ii) ¼ one year after the issuance of the building permit;
- (iii) ¼ two years after the issuance of the building permit; and
- (iv) the balance three years after the issuance of a building permit.

3. All unpaid plant investment fees are secured by a perpetual statutory lien until paid on the property served as provided in §32-1-1001(1)(j), C.R.S. If any plant investment fee installment is not paid when due the District shall take such collection action as may be necessary, including foreclosing the statutory lien. All costs, including reasonable attorney fees, and interest at the rate of 12% per annum from the date of default shall be added to the amount due

4. The Board of Directors of the District hereby finds and declares that adoption of the payment policy set forth herein is necessary for the health, safety and welfare of the residents and customers of the District and its continued financial stability.

Adopted this 17th day of March 2022.

SOUTH DURANGO SANITATION DISTRICT

By _____
President