

## RESOLUTION NO. 2014-4

A RESOLUTION ESTABLISHING RESERVATION FEES FOR SEWER TAPS FOR SMALL SUBDIVISIONS.

WHEREAS, South Durango Sanitation District (the "District") is a political subdivision and quasi-municipal corporation in La Plata County, Colorado established pursuant to the Colorado Special District Act, C.R.S. § 32-1-101, *et seq.*; and

WHEREAS, the District currently has capacity in its waste water treatment plant for several additional taps; and

WHEREAS, the sale of taps is beneficial to the District by providing funds for capital improvements and additional customers to pay operating expenses; and

WHEREAS, although not required by state statute, La Plata County planning regulations require proof of sewer service, either in the form purchased or reserved taps, as a condition of approval for new subdivisions; and

WHEREAS, the Board of Directors may consider tap purchase agreements with developers of large subdivisions which are structured to assure that capacity in the District's waste water treatment plant is available and that the developer is required to purchase the taps within a reasonable period of time so that large amounts of unused capacity are not required to be reserved for extended periods of time; and

WHEREAS, the Board of Directors has determined that tap purchase agreements are not necessary for small subdivisions of 10 lots or less and that a reservation policy would help facilitate the development of small subdivisions without reserving large amounts of unused capacity for extended periods of time.

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

1. Reservation Fee Established. A non-refundable reservation fee of \$500 per ERT (Equivalent Residential Tap) is hereby established for small subdivisions of ten ERTs or less. Upon payment of the reservation fee the District will issue a tap reservation certificate which will identify the property and will assure the owner of the property that capacity is available in the waste water treatment plant to serve that property. The certificate shall be transferable to subsequent owners.

2. Tap Purchase. A property owner may purchase a tap by surrendering the tap reservation certificate and paying the amount of the current Plant Investment Fee (tap fee) less the reservation fee.

3. Reservation Maintenance Fees. An annual reservation maintenance fee of \$50 per ERT shall be assessed against any property which has a tap reservation certificate. The fee will be

due on or before January 31 each year. A transfer fee of \$50 shall be paid at the time a certificate is transferred to a new owner. Delinquent fees will be subject to the penalty and collection procedures of the District in effect at that time. As provided by statute the fee is a perpetual lien on the property until paid.

4. Other Subdivisions and Commercial Development. The tap reservation fee policy shall not apply to subdivisions of more than 10 units. Agreements concerning the availability of taps will be negotiated with the developers to allow them to obtain planning approval without requiring the District to set aside large amounts of capacity for an unreasonable length of time.

5. Capacity Records. The District shall keep a record of all reserved taps and shall review the available capacity in the waste water treatment plant on a regular basis. If it is determined that the existing flows from all active taps and the projected flows from all reserved taps exceeds 80% of the design capacity of the plant, the District shall begin financial planning for expansion. The Board shall terminate the tap reservation policy for new subdivisions until it is determined that expansion will be completed before flows reach 95% of design capacity.

6. Fee Adjustments. The amount of the tap reservation fee and reservation maintenance fee may be changed by the Board pursuant to statutory notice requirements.

Adopted this 22<sup>nd</sup> day of May, 2014.

ATTEST:

SOUTH DURANGO SANITATION DISTRICT

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By \_\_\_\_\_  
President