

LA PLATA ARCHULETA WATER DISTRICT

FOX FIRE SUBDISTRICT RESOLUTION

A RESOLUTION OF THE LA PLATA ARCHULETA WATER DISTRICT DIVIDING THE DISTRICT INTO A SUBDISTRICT AREA CONSISTENT WITH THE SERVICES AND FACILITIES TO BE FURNISHED THEREIN, AND AUTHORIZING THE LEVY OF TAXES IN ACCORDANCE WITH THE SERVICES AND FACILITIES FURNISHED TO SUCH AREA; REPEALING ALL RESOLUTIONS IN CONFLICT HERewith; AND PROVIDING OTHER MATTERS RELATING THERETO

WHEREAS, the Board of Directors (the "Board") of the La Plata Archuleta Water District (the "District") has determined that the District provides water service to the entire service area of the District in La Plata County; and

WHEREAS, §32-1-1101(1)(f), C.R.S., authorizes the Board to divide the District into one or more areas consistent with the services, programs, and facilities to be furnished therein; and

WHEREAS, the District's Service Plan provides that it may form one or more subdistricts as provided in the Special District Act to provide for the financing and operation of facilities or services that benefit a portion of the properties within the District; and that subdistricts may be used where an area needs service sooner than the District's capital improvement program can respond and the electors within the proposed subdistrict are willing to impose an additional tax levy on themselves to provide facilities sooner; and

WHEREAS, notice of a public meeting of the Board to consider the division of the District into one subdistrict area consistent with the services and facilities to be furnished therein has been given and published pursuant to §32-1-1101(1.5)(a) and §32-1-103(15), C.R.S., as set forth in the Proof of Publication attached hereto as Exhibit C.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LA PLATA ARCHULETA WATER DISTRICT:

Section 1. Findings and Determinations. The Board hereby finds and determines that:

- a. the area specified in Exhibit A attached hereto is located entirely within the District's boundaries and shall hereafter be referred to herein as the "Fox Fire Subdistrict of the La Plata Archuleta Water District" (hereinafter the "Subdistrict").

- b. the properties included in the Subdistrict will receive expedited water service from the District if a debt question and corresponding mill levy are approved by the eligible electors within the Subdistrict;
- c. the services and facilities for water service within the Subdistrict to be constructed, installed, operated, or maintained are improvements that the District is authorized to provide and justify the division of the District into one subdistrict area designated the Subdistrict;
- d. the District does not expect that the water service facilities to be constructed in the Subdistrict will be facilities that would be of use to other District residents, pursuant to §32-1-1101(1)(f)(I), C.R.S.;
- e. the District has received executed petitions from owners of twelve (12) properties within the proposed Subdistrict supporting formation of a subdistrict;
- f. there is no one single parcel of land having a valuation for assessment constituting twenty-five percent or more of the total valuation of assessment of all real property within the boundaries of the Subdistrict;
- g. there is no single parcel of land owned by a corporate entity and having a valuation for assessment constituting five percent or more of the total valuation of assessment of all real property within the Subdistrict;
- h. the division of the District into the area encompassing the Subdistrict will allow the financing and construction of water improvements, services and facilities which will confer a general benefit on the properties included in the Subdistrict;
- i. the division of the District into the area encompassing the Subdistrict will serve a public use and will promote the health, prosperity, security, and general welfare of the inhabitants of the District and the proposed Subdistrict; and
- j. the proposed Subdistrict should be designated.

These findings and determinations of the Board are final and conclusive on all parties in interest, whether appearing or not.

Section 2. Designation of Fox Fire Subdistrict of the La Plata Archuleta Water District. The Board, by this Resolution, hereby finds that it has full jurisdiction under §32-1-1101(1)(f), C.R.S. to adopt this Resolution, that the Subdistrict is hereby designated and shall be known as “Fox Fire Subdistrict of the La Plata Archuleta Water District,” by which, in all proceedings, it shall hereafter be known.

Section 3. Subdistrict Boundaries. A Map indicating the preliminary boundaries of the Subdistrict is attached hereto as Exhibit A.

Section 4. Subdistrict Improvements. Subject to the approval of a ballot issue submitted to the eligible electors in the Subdistrict, it is the intent of the Board to issue general obligation bonds to finance the acquisition and construction of water improvements within the Subdistrict. For the purpose of paying the principal and interest on such bonds, and after taking into consideration other applicable sources of Subdistrict revenue including availability of tap fees, connection fees, monthly service fees and certain investment income, availability of service charges, capital investment fees, and any other sources of revenue that have been appropriated for water expenditures, the Board will fix a different rate of levy for property tax purposes against all of the taxable property within the Subdistrict according to the bonded debt service required to finance the water services and facilities furnished therein.

Section 5. Notification to Board of County Commissioners. The Board shall provide notification, in the form attached hereto as Exhibit B, of a division of the District into an area consistent with the water services to be provided and the designation of the Subdistrict to the Board of County Commissioners of La Plata County, Colorado (the “BOCC”). The Board’s action on this Resolution shall not be a material modification of the District’s Service Plan in accordance with the terms and provisions of the District’s Service Plan. Notification shall also be given to the BOCC in accordance with §32-1-207(3)(b), C.R.S. that the debt of the Subdistrict shall be treated separately from the debt of the District and shall not be treated as debt of the District or count against the District’s approved debt limit, if the eligible electors of the Subdistrict approve the mill levy and the debt question at an election.

Section 6. Severability. If any section, subsection, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause, or provision shall in no manner affect any remaining provisions of this Resolution, the intent being that the same are severable.

Section 7. Repealer. All orders, resolutions, bylaws, or regulations of the District, or parts thereof, inconsistent with this Resolution are hereby repealed to the extent only of such inconsistency.

ADOPTED this 8th day of July, 2021.

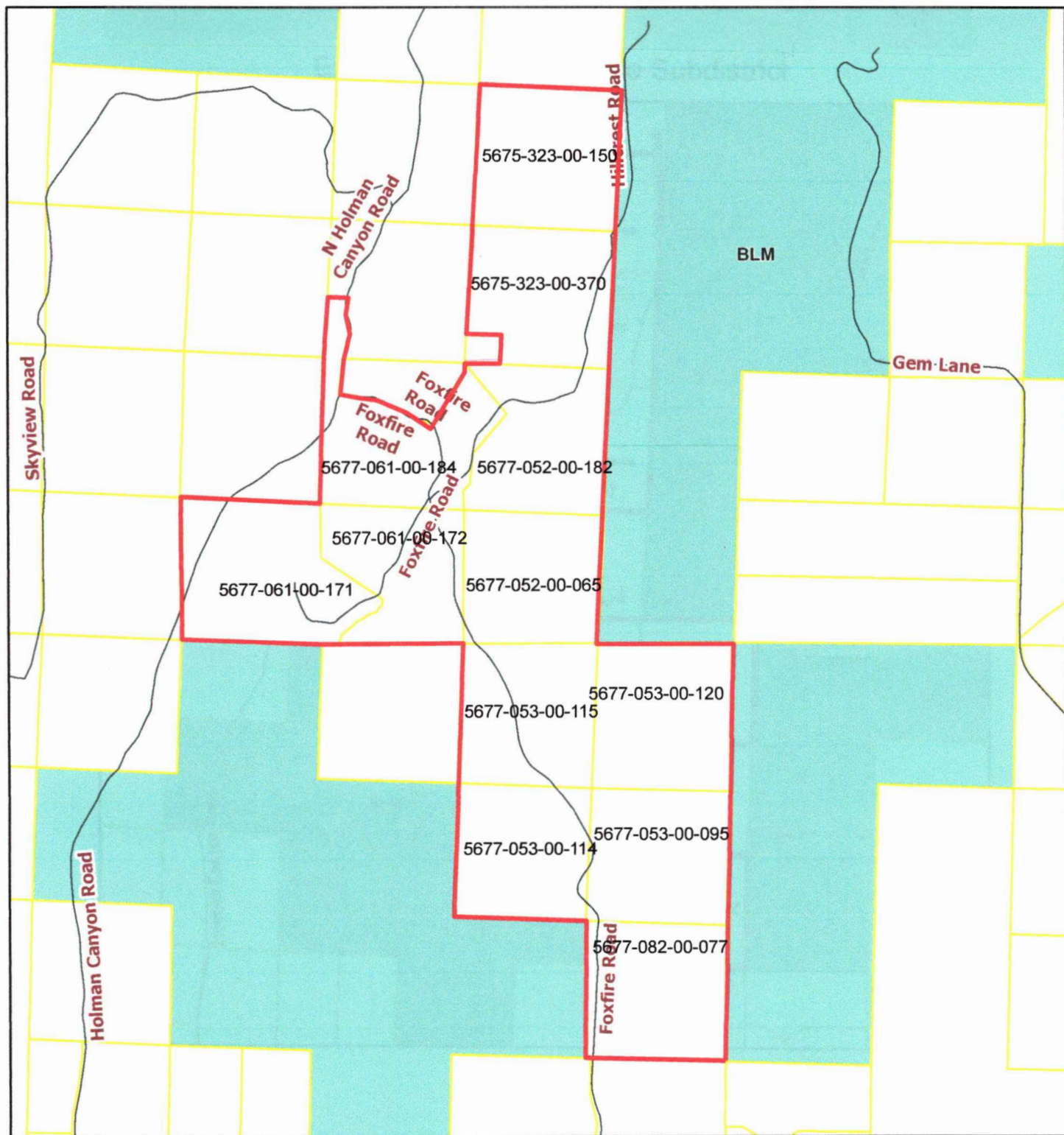
LA PLATA ARCHULETA WATER
DISTRICT

By: Richard Lunceford
Richard Lunceford, Chairman

Attest:

Cheryl Lynn
Cheryl Lynn, Secretary

EXHIBIT A MAP OF SUBDISTRICT



July 21, 2021

1:16,000

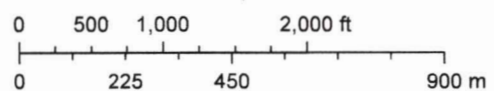


EXHIBIT B
FORM OF NOTIFICATION TO BOARD OF COUNTY COMMISSIONERS

PUBLIC NOTICE
LA PLATA ARCHULETA WATER DISTRICT

Notice is hereby given pursuant to Subsection 32-1-207(3)(b), C.R.S., that the Board of Directors (the “**Board**”) of the La Plata Archuleta Water District (the “**District**”) has created the “Fox Fire Subdistrict of the La Plata Archuleta Water District” (the “**Subdistrict**”) and that the Board intends to submit a ballot question to the eligible electors of the Subdistrict to issue approximately \$750,000.00 of unlimited tax general obligation bonds or other multiple-fiscal year obligations (the “**Bonds**”), the proceeds of which will finance the costs of extending water main lines to properties in the Subdistrict and other related expenses. The Board received petitions to create the Subdistrict from owners of twelve (12) properties. If approved by the Subdistrict’s voters, the Bonds shall be limited to the principal amount and other terms set forth in the ballot question. The Bonds shall not be subject to the mill levy limit set forth in the Service Plan applicable to District debt, nor shall the Bonds count against the amount of debt which the District is authorized to issue under its Service Plan (of which \$17.5 million remains) so that the District can preserve such debt capacity to finance future transmission and distribution mains, water treatment and other public infrastructure that benefits the District as a whole and not just specific subdivisions. Additional information regarding the Subdistrict, including the Board Resolution creating the Subdistrict, is on file with the District at 255 Ute Street, Ignacio, Colorado.

Any action to enjoin such activity as a material departure from the Service Plan must be brought within 45 days from publication of notice.

BY ORDER OF THE BOARD OF DIRECTORS OF THE LA PLATA
ARCHULETA WATER DISTRICT.

LA PLATA ARCHULETA WATER
DISTRICT

By Richard Lunceford
Richard Lunceford, Chairman

cc: La Plata County District Court
Board of County Commissioners
Published one time on: July 28, 2021
Published in: Durango Herald

EXHIBIT C
PROOF OF PUBLICATION OF NOTICE OF MEETING