

RESOLUTION NO. 2021-07-02

OF

**THE BOARD OF DIRECTORS OF THE STERLING RANCH COMMUNITY
AUTHORITY BOARD**

**ADOPTING A POLICY REGARDING IMPROPERLY CONNECTED WATER
METERS FOR OUTDOOR USE**

RECITALS

A. The Sterling Ranch Community Authority Board (the “**CAB**”) is a public corporation and political subdivision of the State of Colorado created pursuant to Sections 29-1-203 and 29-1-203.5, C.R.S., and that certain Second Amended and Restated Sterling Ranch Community Authority Board Establishment Agreement, dated March 18, 2020, and with an original effective date of January 6, 2014, as may be amended (the “**CABEA**”), by and among the Sterling Ranch Colorado Metropolitan District Nos. 1-7 (the “**Districts**”); and

B. Pursuant to the CABEA, the CAB Board (the “**Board**”) shall govern the business and affairs of the CAB and establish the policies, rules and regulations of the CAB; and

C. All capitalized terms used herein shall have the same meaning as used in the Master Declaration of Covenants Conditions and Restrictions for Sterling Ranch Planned Development recorded September 28, 2015 with the Douglas County Clerk and Recorder at Reception No. 2015069869 (“**Master Declaration**”); and

D. Pursuant to Sections 2.1 and 2.2. of the Master Declaration, CAB was delegated, and accepted on behalf of the Districts, governance and enforcement powers of the Documents in the Sterling Ranch community; and

E. Pursuant to Section 2.3 of the Master Declaration, the CAB has the authority to adopt rules and regulations implementing the Master Declaration; and

F. In addition to being subject to the Master Declaration, Lots within the Sterling Ranch Community are subject to the Water Conservation Covenants for Sterling Ranch dated December 10, 2013 and recorded with the Douglas County Clerk and Recorder at Reception No. 2013095324 (the “**Water Conservation Covenants**”); and

G. Pursuant to the Water Conservation Covenants, enforcement of the Water Conservation Covenants and the requirements therein was assigned to the CAB; and

H. Pursuant to Section 4.01(i) of the Water Conservation Covenants, each owner shall cause separate meters for indoor and outdoor residential water lines to be installed; and

I. Pursuant to Section 9-34 of the Sterling Ranch CAB Code “Metering systems shall be capable of separately measuring indoor and outdoor nonresidential water use. All outdoor faucets (e.g., hose bibb) water usage shall be metered as outdoor use.”; and

J. The CAB has discovered that, through no fault of the Lot Owners, certain homes in Filing No.1 were constructed in such a way that two outside hose bibs were not connected to the outside water meter as required by the Water Conservation Covenants and the Sterling Ranch CAB Code (the “**Non-Conforming Improvements**”); and

K. The Board has determined that these affected Lot Owners should not be fined or otherwise sanctioned for the Non-Conforming Improvements, but the Board must also ensure the appropriate enforcement of the Master Declarations, the Water Conservation Covenants and the Sterling Ranch CAB Code; and

L. The Board, after investigation and recommendations issued by CAB staff and consultants, has determined one of the hose bibs is able to be connected to the outdoor water meter, however, there is no reasonably or practicable way to connect the second hose bib; and

M. The Board has determined that, since the Lot Owners are not at fault for the Non-Conforming Improvements, the CAB should reimburse homeowners for the approved remediation and take other steps to encourage compliance; and

N. The Board has determined the policy and procedures adopted herein are in the best interest of the CAB and its residents and property owners, encourage remediation of the Non-Conforming Improvements, and compliance with the Master Declarations, the Water Conservation Covenants and the Sterling Ranch CAB Code; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE STERLING RANCH COMMUNITY AUTHORITY BOARD, COUNTY OF DOUGLAS, COLORADO:

1. The CAB will seek to remedy the Non-Conforming Improvements and bring all Lots into compliance with the Sterling Ranch CAB Code, the Master Declaration and the Water Conservation Covenants as follows:

a. CAB shall contact all impacted Lot Owners and inform them the property is not in compliance with the Sterling Ranch CAB Code, the Master Declaration and the Water Conservation Covenants through no fault of their own.

b. CAB will recommend that all Lot Owners connect one hose bib to the outdoor water meter. CAB will reimburse homeowners for the amount of the plumbing work necessary to accomplish this up to an amount of \$_____ upon provision of an invoice documenting the work has been completed.

c. CAB will recommend that all homeowners plug or disconnect the second hose bib, which cannot be reasonably and practically connected to the outdoor water meter. As an incentive to plug or disconnected this second hose bib, CAB will offer a meter credit of

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\$1,000.00 to all Lot Owners who provide documentation that the second hose bib has been plugged or disconnected. Lots that plug or disconnect the second hose bib will be in compliance with the Sterling Ranch CAB Code, the Master Declaration, and the Water Conservation Covenants relative to this issue.

d. Lot Owners who elect not to plug or disconnect the second hose bib shall be notified of the following in writing by CAB:

i. The Lot is not in conformance with Sterling Ranch CAB Code, the Master Declaration and the Water Conservation Covenants;

ii. The water used from the second hose bib is accounted for on the indoor water meter, may affect their water budget, and will be counted as indoor water use for purposes of sanitary sewer billing;

iii. A Notice of Non-Conformance may be recorded against the property to ensure future owners are aware of the non-conformance and the impact on the sewer bill.

2. The Board directs CAB staff to provide reasonable assistance to Lot Owners in understanding the issue, finding appropriate contractors and identifying the correct corrective measures.

ADOPTED AND APPROVED this 21 day of July, 2021.

STERLING RANCH COMMUNITY
AUTHORITY BOARD

DocuSigned by:
Harold Smethills
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President, Board of Directors

Attest

DocuSigned by:
Eric Barney
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Secretary/Assistant Secretary, Board of Directors