

RESOLUTION NO. 2016-11-01

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE STERLING RANCH COMMUNITY AUTHORITY BOARD
AMENDING THE UTILITIES, PARKS AND OPEN SPACE
RULES AND REGULATIONS (PERTAINING TO WATER, SANITARY SEWER AND
STORMWATER RATES, FEES AND CHARGES ASSESSED BY THE STERLING
RANCH COMMUNITY AUTHORITY BOARD)**

WHEREAS, the Sterling Ranch Community Authority Board (the “**CAB**”) is an authority and separate legal entity created pursuant to Section 29-1-203, C.R.S. and in conformity with Section 29-1-203.5, C.R.S. and that certain Sterling Ranch Community Authority Board Establishment Agreement, made and entered into effective January 6, 2014 (the “**CABEA**”), by and between the Sterling Ranch Colorado Metropolitan District Nos. 1-7 (collectively, the “**Sterling Ranch Districts**”); and

WHEREAS, the CAB and Dominion Water and Sanitation District (“**Dominion**”) are parties to the Water and Wastewater Service Agreement for Sterling Ranch, dated January 6, 2014 (the “**Service Agreement**”); and

WHEREAS, pursuant to the terms of the Service Agreement and the Water, Wastewater and Stormwater Operations Intergovernmental Agreement (for Service to Sterling Ranch), dated November 15, 2016, the CAB is responsible, *inter alia*, for the collection of the Dominion Tap Fees from End Users and for the remittance of the Dominion Tap Fees to Dominion (the “**Operations IGA**”); and

WHEREAS, pursuant to the authority contained in Title 32, Article I, Part 10, C.R.S. and Section 29-1-203, C.R.S., the CAB adopted Rules and Regulations - Utilities, Parks and Open Space, on April 13, 2015 as amended on June 21, 2016 (the “**Rules and Regulations**”); and

WHEREAS, pursuant to the authority contained in Title 32, Article I, Part 10, C.R.S. and Section 29-1-203, C.R.S., the CAB has the authority to amend the Rules and Regulations from time to time; and

WHEREAS, the Tap Fees and service charges and rates shall be as fixed and established by the CAB from time to time and set forth in Exhibit A to the Rules and Regulations; and

WHEREAS, the CAB has expressly reserved the right to change the Tap Fees and the schedule of service rates and charges and other fees at any time; and

WHEREAS, pursuant to the Operations IGA any changes to the Wholesale Tap Fees shall not be effective until such time as Dominion has adopted a Resolution Concurring and Adopting the revised Exhibit A;

WHEREAS, the CAB engaged CH2M Hill, Inc. (“**CH2M**”) to update the rate study that was the basis of the Tap Fees and service charges adopted by the CAB in June of 2015 (“June 2015 Rate Study”) (the “**Updated CAB Rate Study**”); and

WHEREAS, in connection with its Updated CAB Rate Study, CH2M also studied the Tap Fees, service charges and rates charged by Dominion Water and Sanitation District (“**Dominion**”), provider of Wholesale Services to the CAB, in connection with Dominion’s existing Wholesale Water Facilities and projected future capital expenditures (the “**Updated Dominion Rate Study**” and together with the Updated CAB Rate Study to be referred to as the “**Updated Rate Studies**”); and

WHEREAS, the results of the Updated Rate Studies indicate that the CAB and Dominion need to revise their current service charges; and

WHEREAS, the CAB has determined, accordingly, that it is necessary and in the best interest of the health and welfare of the residents of Sterling Ranch to amend the Rules and Regulations to set the service fees and charges, as more particularly described herein; and

WHEREAS, Dominion intends to adopt a Resolution Restating Rules and Regulations, Setting Wholesale Service Charges to be Paid by CAB and Concurring With and Adopting the Tap Fees to be Paid to Dominion As Set Forth in the Sterling Ranch Community Authority Board Amending the Utilities, Parks and Open Space (“**Dominion Concurring and Adoption Resolution**”) which Dominion Concurring and Adoption Resolution supports the adoption of the revised Exhibit A under consideration by the CAB, and said fees shall not be in effect until Dominion adopts the Dominion Concurring and Adoption Resolution.

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

Section 1. Amendments to Exhibit A to the Rules and Regulations. Effective November 15, 2016, Exhibit A to the Rules and Regulations is to be deleted in its entirety and replaced with the Exhibit A attached to this Resolution as Attachment I.

Section 2. Defined Terms. Capitalized terms used herein and not otherwise defined herein shall have the meanings given to them in the Rules and Regulations, unless otherwise indicated herein.

Section 3. Copies. Copies of the Updated Rate Studies may be obtained from the CAB Manager at the following address: Sterling Ranch Community Authority Board, c/o Clifton Larson Allen, LLP, 8390 E. Crescent Parkway, Suite 500, Greenwood Village, Colorado 80111, Attn: CAB Manager.

Section 4. Severability. Judicial invalidation of any of the provisions of this Resolution or of any paragraph, sentence, clause, phrase or word herein, or the application thereof in any given circumstance, shall not affect the validity of the remainder of this Resolution, unless such invalidation would act to destroy the intent or essence of this Resolution.

Section 5. Ratification. All provisions of the Rules and Regulations not expressly modified by this Resolution shall remain unchanged and in full force and effect. In the event of any express conflict or inconsistency between the terms of the Rules and Regulations and this Resolution, this Resolution shall control and govern.

[SIGNATURE PAGE FOLLOWS]

**SIGNATURE PAGE TO RESOLUTION OF THE BOARD OF DIRECTORS OF
STERLING RANCH COMMUNITY AUTHORITY BOARD AMENDING EXHIBIT A
OF THE UTILITIES, PARKS AND OPEN SPACE RULES AND REGULATIONS**

ADOPTED AND APPROVED this 15 day of November, 2016.

**STERLING RANCH COMMUNITY
AUTHORITY BOARD**

By:



President

Attest:



Secretary

ATTACHMENT I

EXHIBIT A

**STERLING RANCH COMMUNITY AUTHORITY BOARD
RULES AND REGULATIONS – UTILITIES
EXHIBIT A**

**Utility Rates, Charges and Restrictions
*Effective as of November 15, 2016***

I. DEFINITIONS

The following definitions apply to this section on Rates and Charges. Except as may be otherwise noted, all capitalized terms shall have the meanings defined in the Regulations – Utilities, Parks and Open Space of the Sterling Ranch Community Authority Board, as may be amended.

- A. Application: An application form, as designated by the Utility Director of the CAB to provide the necessary information for evaluating water or sanitary sewer service. The party filing the Application shall be the Applicant.
- B. Hydrant Permit: a permit issued by the CAB for temporary construction water.
- C. Multi-family Residential Dwelling Unit Service: A residential dwelling unit as defined above located in a single structure containing three or more residential dwelling units on a single lot.
- D. Non-Potable Irrigation Service: Service provided to any user who has been approved to use non potable water for irrigation purposes by the CAB. The rate may be a result of either contracting for use of non-potable (untreated) or reuse water.
- E. Nonresidential Service: Service to any nonresidential use (excluding service identified above or under Multi-Family Residential use), including, but not limited to, the following: retail, office, hotel, motel, restaurant, service facility, manufacturing, warehouse, recreation uses and various institutional uses such as museums, convention centers, hospitals, schools, places of worship, etc. A separate meter is required for each nonresidential structure requiring service. In order to be considered a single structure, the structure must have; a common foundation; a common wall; a common roof; and common ownership. If any of the above is missing the structure will be classified as multiple structures and require payment of Tap Fees for each structure.
- F. Residential Dwelling Unit Service: A residential dwelling unit is a structure or part of a structure containing one or more rooms and a single kitchen arranged, designed and intended as a unit for occupancy by one family living independently of others, including panelized, prefabricated, modular or other factory-produced buildings and mobile homes; but excluding therefrom hotels and motels.
- G. Sports Field Service: A sports field is defined as an area of turfgrass used and managed for organized sporting activities. The CAB recognizes that sports fields

experience significant usage outside of our normal irrigation season of April 15 to October 15. These activities can require supplemental irrigation water in order to keep fields in good condition and safe. Classification as a Sports Field Customer will provide the customer with an annual irrigation budget rather than a defined budget for each monthly billing cycle.

- H. CAB and Dominion: All property and facilities owned by the CAB, Dominion , and/or any of the Sterling Ranch Colorado Metropolitan District Nos. 1-7 shall be exempt from the payment of any and all Tap Fees described herein for property and facilities in Filing 1. For any property and facilities owned by CAB, Dominion and/or any of the Sterling Ranch Colorado Metropolitan District Nos. 1-7 in any Filing other than Filing 1, Tap Fees and all rates and charges described herein shall apply.
- I. Water Budget: Budget established for water use by each customer service type as shown in Exhibit A-1.
- J. Water Irrigation Service: Service for water irrigation available only for the common landscaped area of any Multi-Family Residential use or Nonresidential use.

II. TAP FEES

- A. Tap Fees to be paid for Lots and Non-residential Parcels in Filing 1 shall be paid as follows: any Applicant, Owner or Customer desiring Retail Water Service and Retail Wastewater Service from the CAB for Lots in Filing 1 shall pay to the CAB the Tap Fees as set forth in Appendix I attached hereto.
- B. Tap Fees to be paid for all Lots and Non-Residential Parcels, other than those Lots and Non-Residential Parcels in Filing 1, on or after January 1, 2017 shall be paid as follows: any Applicant, Owner or Customer desiring Retail Water Service and Retail Wastewater Service from the CAB shall pay to the CAB the Tap Fees as set forth below. The Tap Fees for all Customers shall include the Stormwater Tap Fees. Such Tap Fees shall be paid in addition to all other charges relating to water or sanitary sewer service described elsewhere in this section on Rates and Charges.

Description	CAB Tap Fees Fees for Retail Service (as of November, 2016)	Dominion Tap Fees Fees for Wholesale Service (as of November, 2016)	Total Tap Fees (as of November, 2016)
Residential			
Single Family Water Tap (per EQR)	\$1,500	\$22,500	\$24,000
Single Family Sewer Tap (per EQR)	\$700	\$7,300	\$8,000

Multi-Family Water Tap, per unit	\$1,125	\$16,875	\$18,000
Multi-Family Sewer Tap, per unit	\$525	\$5,475	\$6,000
Pool Tap	N/A	\$12,500	\$12,500
Non-Residential			
Indoor Water Tap (per EQR)	\$1,500	\$22,500	\$24,000
Irrigation (Non-Residential)			
5/8"	\$1,005	\$15,075	\$16,080
3/4"	\$1,500	\$22,500	\$24,000
1"	\$2,505	\$37,575	\$40,080
1 1/2"	\$4,995	\$74,925	\$79,920
2"	\$10,005	\$150,075	\$160,080
3"	\$25,005	\$375,075	\$400,080
Sewer Tap (per EQR)	\$700	\$7,300	\$8,000
Residential Stormwater Tap (per unit)	\$4,500	N/A	\$4,500
Non-Residential Stormwater Tap	**	N/A	**

**Calculated on a case-by-case basis dependent on impervious area.

Note: Any Applicant who is a party to a contract for the purchase of Taps with the CAB, and who is not in default under the contract, shall pay Tap Fees at the rate and at the times set forth in such contract.

****Applicants, Owners and Customers are hereby notified that additional capital fees shall be due and owing for each Unit in Sterling Ranch in addition to the Tap Fees described above; the Tap Fees DO NOT equal the cumulative fees payable for each Sterling Ranch Unit.**

Please contact the CAB to obtain a current, comprehensive list of capital fees payable for each Sterling Ranch Unit type.

C. Tap Fee Payments and Applications

1. The Tap Fees for Residential Dwelling Units or structures containing Multi-Family Residential Dwelling Units shall be paid prior to receipt of a certificate of occupancy building permit; provided, however, that notwithstanding the foregoing, Tap Fees for Residential Dwelling Units for Sterling Ranch Filing 1 according to the Final Plat thereof recorded on November 6, 2015, as Reception No. 2015080636 in the office of the Douglas County Clerk and Recorder and the Sterling Ranch Filing 1, 1st Amendment, recorded on November 6, 2015, as Reception No. 2015080659, shall be paid in accordance with Appendix I attached hereto.

2. The Tap Fees for Nonresidential Service Water Irrigation Service and Open Space Irrigation Service shall be paid at the time of submittal of the Application for Water and Sewage Service, in accordance with the meter size as approved by the CAB.

The Applicant shall have filed this Application for Water and Sewage Service; obtained the CAB's approval thereof; and have executed an Industrial Pretreatment Plant or Industrial Sewer Agreement, if applicable prior to the application for a building permit.

3. Payment of Tap Fees may be made in advance of the above time limits as long as the following conditions are met:
 - a. For residential development a building permit from Douglas County has been obtained
 - b. For Non Residential development Douglas County has approved a Site Plan.
 - c. The uses for which Tap Fees are being paid are to be located with the CAB or within an area that the CAB is contractually obligated to serve.
 - d. The number of Residential Dwelling Units, Multi-Family Dwelling Units, or Nonresidential taps for which Tap Fees are being paid does not exceed the number allowed for the property upon which they are to be located.
4. After payment of the Tap Fee, the Applicant or owner has 365 days to complete the connection to the property. Said connection will be considered complete upon approval of the CAB of the installation of the required meter(s). Failure to complete the connection within such 365-day period requires the applicant or owner to pay the incremental cost, if any, necessary to adjust the amount paid to equal the Tap Fee current at the time of connection in order to complete the connection.

D. Temporary Service Connection Permit Charge

1. A charge of \$500 per year per equivalent shall be paid for temporary water service or temporary sanitary sewer service. A temporary service connection cannot exceed five years. Any Temporary Service Connection Permit Charge-s pursuant to this service will not be applied against the cost of the Tap Fee for permanent service.
2. An initial deposit of \$2,000 will be required to cover the cost of removal of the temporary connection if permanent service is not initiated within five years.

- E. The purpose of these Tap Fees is to allocate the cost of facilities equitably among the users of the facilities. The Utility Director shall interpret the provisions of this document in order to establish such equity.

III. CONSTRUCTION PERIOD FEES and PENALTIES

A. Water Meter, Construction Water and Inspection Fees and Penalties

The charge for providing and installing a meter, miscellaneous water usage during the construction period and inspection of the improvements shall be based on the size of the water meter in accordance with the following schedule:

Meter Size	Meter Type	Meter Fee		Construction Water Fee (a)	Inspection Fee (e)
		Cost	Install		
3/4"	Siemens Dual Water	\$2,340	\$35	\$ 50	\$150
3/4"	Siemens Single Water	\$1,800	\$35	\$ 50	\$100
1"	Disc (Res.)	(b)	\$35	\$ 78	\$700
1 1/2"	Disc (Res.)	(b)	\$35	\$ 140	\$800
2"	Disc (Res.)	(b)	\$35	\$ 265	\$900
2"	Turbine	(b)	\$35	\$ 265	\$900
2"	Compound	(b)	\$35	\$ 265	\$900
3"	Turbine	(b)	\$35	\$ 577	\$900
3"	Compound	(b)	\$35	\$ 577	\$900

Notes:

- (a) One-time fee per meter for water used during construction period. This fee does not include water for landscaping installed prior to installation of a meter. Any landscaping installed prior to installation of a water meter shall be assessed a **\$250** fee plus a billing for water consumption based upon an estimate of water consumed.
- (b) The CAB shall charge the actual cost of the meter purchased based on the LIFO method of accounting.
- (c) All meters shall be installed at the Applicant or Owner's expense.
- (d) Meter size shall be as reviewed and approved by the CAB. Meter sizing shall be based on the specifications outlined in Manual M22 "Sizing Water Service Lines and Meters" as published by the American Water Works Association as may be modified from time to time by administrative directive of the CAB Utility Director. The water service line between the main and the meter shall be the same size as the meter, unless otherwise approved by the CAB Engineering Department.

- (e) The inspection fee is allocated between water and sanitary sewer service. Said fee covers the inspector's time for insuring that the water and sewer laterals are constructed per specifications as well as associated administrative costs of establishing the new account.
- (f) For each additional inspection required due to failure of the Owner or Customer to have facilities ready for the requested inspection, or if the facility has not been brought within specifications as noted on earlier inspections, an additional re-inspection fee of **\$100** will be charged.
- (g) All meters shall be installed prior to receipt of a Certificate of Occupancy from the Douglas County Building Department. The fine for failing to install a meter prior to receiving the Required Certificate of Occupancy shall be **\$1,000**.

B. Hydrant Meter Fees

1. Permit Fees

Temporary construction water may be provided by the CAB by application for and approval of a Hydrant Permit as approved by the Utility Director of the CAB, in accordance with the terms thereof. The permit will be accompanied by a deposit determined by the CAB which will be at least 25% greater than the replacement cost of the hydrant meter(s) subject to the Hydrant Permit and will be returned net of any damages to the meter or unpaid charges for hydrant water consumed.

2. Usage Fees

The minimum monthly charge shall be \$50. All usage shall be billed at the non-residential irrigation usage rate for 100% to 120% of budget. A \$25 late/non-reporting fee shall be assessed on any account not reporting their meter reading as required by the Hydrant Permit.

C. Plan Review Fees

All residential and non-residential properties will require a utility plan review fee based on the established categories. The fee is due upon submittal of plans for review.

Category	Flat Fee	Incremental
Residential Single Family Water Plan Review (per residence)	\$100	\$2 per linear
Residential Multifamily Water Plan Review (per residence)	\$75	foot of water
Basic Non-residential Remodel	\$150	and sewer
Remodel Requiring Revised Plumbing	\$300	laterals from
Remodel Requiring External Improvements	\$500	water main to
		water meter

IV. USER RATES AND CHARGES

The CAB bills for all customer usage classifications on a monthly basis, with the exception of stormwater charges, which are billed on a yearly basis. The charges are as follows:

A. Water Service Availability Charge

Description	Fee per Monthly Bill (as of November, 2016)
Residential	
Single Family (\$/month, per unit)	\$56.00
Multifamily (\$/month, per unit)	\$42.00
Non-Residential	
3/4"	\$56.00
1"	\$66.00
1 1/2"	\$71.50
2"	\$110.00
3"	\$248.0
4"	\$496.00
Irrigation	
3/4"	\$56.00
1"	\$66.00
1 1/2"	\$71.50
2"	\$110.00
3"	\$248.0
4"	\$496.00

B. Indoor Water Consumption Charge

The rate structure assumes an individualized water budget using the average winter consumption (AWC). The AWC is the customer's actual water use for the months of December, January, and February and is based on a customer's individual water consumption characteristics. Accounts without an AWC history will be assigned 8,000 gallons per month as an initial AWC.

Tier		Fee per 1,000 gallons (as of November, 2016)
Tier 1	<100% of AWC	\$6.65
Tier 2	100% to 120% AWC	\$8.20
Tier 3	>120% of AWC	\$12.25

C. Outdoor Water Consumption Charge

Tier		Fee per 1,000 gallons (as of November, 2016)
Tier 1	Annual Water Allotment <100%	\$8.20
Tier 2	Annual Water Allotment 100% - 120%	\$12.25
Tier 3	Annual Water Allotment 120% - 140%	\$16.35
Tier 4	Annual Water Allotment >140%	\$20.00
Tier 5	Construction Water	\$11.75

D. Sanitary Sewer Charge

Sanitary sewer charges are comprised of two components – a yearly base fixed charge plus a volumetric usage charge. The usage charge is calculated using indoor water use only. All customers will pay the base fixed charge.

Customer Class	Base Fixed Charge (as of November, 2016)	Fee per 1,000 gallons of Indoor Water Use (as of November, 2016)
Single Family	\$31.00	\$6.65
Multi Family	\$31.00	\$6.65
Non-Residential	\$52.00	\$7.15

E. Stormwater Charge

The stormwater charge is a fixed annual fee that accompanies the water and sanitary sewer charges and shall apply to a Lot upon issuance of a certificate of occupancy from Douglas County. All Customers will pay the yearly stormwater charge invoiced in February of each year and the charge shall be due within thirty (30) days of invoice. The first billing to a Lot upon issuance of a certificate of occupancy shall be pro-rated for the

year as if the certificate of occupancy had been issued on the first day of the month in which it was issued.

Customer Class	Fee per Year (as of November, 2016)
Single Family	\$150.00
Multi Family	\$150.00
Non-Residential	\$365.00

The CAB bills for all customer usage classifications on a monthly basis. The charges are as follows:

F. Street Lighting Charge

The Street Lighting charge is a fixed charge that accompanies the water and sanitary charges on a monthly basis. All customers will pay a street lighting charge.

	Minimum Monthly Charge
Single Family	\$5.00
Multi Family	\$5.00
Non Residential	\$20.00

G. Service Outside CAB

For service pursuant to any or all of the foregoing paragraphs A, B or C outside of the boundaries of the Sterling Ranch Colorado Metropolitan District Nos. 1-7, such charges and Rates shall equal one and a half times the amount set forth in such paragraphs A, B and C; provided, however that Customers receiving service in accordance with the Chatfield Valley Water Supply Framework shall pay rates in accordance with the applicable Water Supply Agreement approved by Dominion Water and Sanitation District.

H. Backflow Prevention Device Penalty

Pursuant to Section 8.4 a penalty of \$15 per month (billed monthly) will be imposed and assessed for all CAB customers who have not installed a proper backflow prevention device.

I. Delinquent Payment Penalty

Pursuant to Section 8.5 of the Rules and Regulations, a penalty of \$10 will be assessed on all past due accounts.

J. Shutoff Posting Charge

A fee of \$20 will be assessed upon posting of notice of shut off.

K. Interest Charge

Interest at a rate of 12% per annum shall be assessed on the past due balance of accounts that have had service suspended.

L. Failure to Provide Access Penalty

A penalty based on the schedule below will be assessed for all customers who fail to provide access pursuant to Section 4.4 of the Rules and Regulations after proper notice has been provided.

	First Billing Period	Second Billing Period	All Subsequent Billing Periods
Penalty	\$50	\$100	\$250

M. Initial and Final Billing Charges

Requests for change in service that requires a meter reading and/or bill outside the normal billing cycle will be assessed a \$25 fee.

N. Disconnection and Reinstatement Charge

Charges for disconnection and reinstatement of service attributable to delinquent accounts will be assessed as follows: Charges for all services will be billed through the shut off date, and then resume when water is reinstated.

Actual disconnection and reinstatement \$125

O. Returned Check Fee

A fee shall be assessed for any dishonored checks as follows:

First Occurrence	Double the cost charged by bank
Second Occurrence	Triple the cost charged by bank
Third Occurrence	Notice pursuant to CRS 13-21-109(2) will be given and the CAB shall collect the amount due thereunder

P. Bankruptcy

Upon receipt of written notification of bankruptcy, a final meter reading for the account will be ordered. The account will be final billed and a new account number established. Notation will be made on both accounts as to the details of the bankruptcy.

To continue service to the new account receipt of a deposit, equal to three times the average monthly bill rounded to the next highest \$5 increment, must be received within 10 working days of the mailing of notice. Notification of the required deposit will be made to the address by first class mail. Failure to make the required deposit will result in the shut off of service.

Until paid all such charges shall remain a perpetual lien on and against the property.

Q. Meter Testing Deposit

A deposit of \$25 shall accompany all written requests by customers to have their water meter tested.

R. Wastewater Treatment Surcharge

A surcharge may be charged to customers that discharge wastewater with higher oxygen demand or solids loadings than those found in typical domestic wastewater. These charges will cover the additional costs incurred to treat the wastewater. The surcharge is calculated using a formula specified in Exhibit A-3.

S. Charges for violation of Mandatory Outdoor Water Use Restrictions:

Compliance with the Mandatory Outdoor Water Use Restrictions (see Exhibit A-2) will be determined by CAB and the following charges for violations thereof shall apply:

- The first annual offense will result in a recorded violation documented by a letter.
- The second offense would result in a recorded violation documented by a letter and assessing a fee to the customer's bill water bill.
- All following offenses would result in a recorded violation documented by certified letter and assessing a fee to the customer's water bill as stated in the table below.

All violations would allow for a 10 day grace period prior to the next violation being recorded allowing for mail delivery and system corrections. Failure to pay charges will result in suspension of water service.

Meter type/service	1st	2nd	3rd	4th	5th	Subsequent
Residential	warning	\$50	\$100	\$250	\$500	water shut off
1" or less	warning	\$100	\$200	\$500	\$1,000	water shut off
1-1/2" or greater	warning	\$600	\$1,200	\$3,000	\$6,000	water shut off

**STERLING RANCH COMMUNITY AUTHORITY
BOARD RULES AND REGULATIONS
EXHIBIT A -1**

Water Budget Definition and Calculation

I. Water Budget Calculation:

For each tap a Water Budget will be established by CAB that will serve as the benchmark for where different rate tiers take effect. The Water Budget for different types of customers shall be determined as follows:

A. Non-Residential Indoor Customers

Indoor Usage: Allowance for water budget is based on 189 kgal per ¾" equivalent as tabulated below:

<u>Meter Size</u>	<u>Annual Water Budget</u>
¾"	189,000
1"	378,000
1.5"	756,000
2"	1,512,000
3"	3,402,000

B. Non-Residential Irrigation Customers

For non-residential irrigation customers the outdoor irrigation budget will be calculated based on the actual number of irrigated square feet (irrigated area) including turf and landscape beds.

The customer is responsible for fully completing the Non-Residential Irrigators Water Budget Application.

1. The customer may utilize agents, contractors or management companies to complete the Application however the customer assumes responsibility for the application.
2. It is the responsibility of the customer to inform the CAB if any changes are made which change the irrigated area.
3. If the customer does not submit the completed Non-Residential Irrigators Water Budget Application the water budget will be based on **15%** of the total lot size.
4. If a customer believes that the measurement used to calculate their budget is incorrect the following administrative steps will be taken:

- The customer must report to the CAB the corrected measurement to be used as a basis for calculating the water budget in writing.
- The CAB will verify the information provided.
- A refund will be provided but is limited to the irrigation periods 2 years prior to when notice was given to the CAB.

Non-residential Irrigation Customers will fall into the following categories:

- Outdoor Irrigation Usage for Multi- Family common areas and Associations

Outdoor Usage: The amount of water necessary to apply the irrigation amounts shown in Section B below on an area equal to the actual irrigated area of landscape.

- Non-Residential

Outdoor Usage: The amount of water necessary to apply the irrigation amounts shown in Section B below on an area equal to the actual irrigated area of landscape.

- Sterling Ranch Community Authority Board

Outdoor Usage: The amount of water necessary to apply the irrigation amounts shown in Section B below on an area equal to the actual irrigated area of landscape.

- Sports Field Customers

Outdoor Usage: The amount of water necessary to apply to the actual irrigated area of landscape on an annual basis.

- Customers primarily using non-potable

Outdoor Usage: The amount of water necessary to apply to the actual irrigated area of landscape on an annual basis or as revised by contract.

C. Residential Water Customers/ Indoor Water Usage

1. Indoor Usage: Allowance for water budget is based on 189 kgal per ¾”meter
2. Outdoor Usage: Allowance for the water budget shall be based upon the Outdoor Water Allotment established by the CAB for the Lot using the process and criteria set forth in the Water Demand Management Initiatives. The calculation of the area to be included in the Outdoor Usage shall include both the Lot and tree lawn from the back of curb to the sidewalk in the street right of way along the perimeter of their Lot.

**STERLING RANCH COMMUNITY AUTHORITY
BOARD RULES AND REGULATIONS
EXHIBIT A -2**

Water Conservation Measures

I. Water Use:

Consistent with the Water Demand Management Initiatives wasteful use of water is prohibited at all times. Examples of wasteful water use include:

- Excess water flowing in street gutters from irrigation or other outdoor uses,
- Unrepaired leaks or fixture malfunctions that lead to excess water use

II. Mandatory Outdoor Water Restrictions:

Consistent with the Water Demand Management Initiatives concerning Mandatory Outdoor Water Restrictions the following restrictions apply at all times:

- Outdoor irrigation is prohibited between the hours of **10:00 A.M. and 6:00 P.M. from May 1st to September 30th** with exception of prior approved daytime watering permit.
- Operation of an irrigation system for maintenance is allowed at any time. Maintenance is defined as actively observing an irrigation zone while it is operating to ensure that it is functioning properly. A person must be visible at the location of the zone while it is running. Each zone must be turned off prior to leaving the location and not left running until the completion of a cycle.
- Hand watering of landscape materials is allowed at any time. Hand watering is defined as the application of irrigation from a hose held in the hand with a shut off valve; or a water-conserving method such as a drip, trickle, micro spray, deep root watering device or watering can are used.
- Car washing is allowed at any time. However, if water for car washing is coming from a hose rather than a bucket, a hose end shut off device must be in use to prevent uninterrupted water flow.

III. Changes to Mandatory Outdoor Water Restrictions:

The mandatory Outdoor Water Restrictions imposed by the CAB's Rules and Regulations may be changed at any time by declaration of CAB Board of Directors at a regular or special board meeting. Such changes may include, but are not limited to:

- Mandatory day-of- week limits on irrigation
- Mandatory limits on the hours of watering

Appendix I
to Exhibit A of CAB Rules and Regulations - Utilities, Parking and Open Space

Filing 1 Residential Dwelling Unit Tap Fees Payment Schedule

(for Definitions see Development and Cost Sharing Agreement dated November 5, 2015)

Builder shall purchase Taps from the CAB for every Lot acquired by Builder pursuant to the Purchase Contract.

The Lots are being developed in eight separate Construction Phases.

Builder shall pay the Tap Fees pursuant to the following payment schedule which corresponds with the Construction Phases:

1. The Tap Fees for one half (1/2) of the Lots within the First Construction Phase will be paid on the Effective Date.
2. The Tap Fees for the remaining one half (1/2) of the Lots within the First Construction Phase will be paid upon Substantial Completion (all as defined in the Development and Cost-Sharing Agreement) of the Lots within the First Construction Phase.
3. The Tap Fees for one half (1/2) of the Lots within the Second Construction Phase (as defined in the Development and Cost-Sharing Agreement) will be paid upon Substantial Completion of the Lots within the First Construction Phase.
4. The Tap Fees for the remaining one half (1/2) of the Lots within the Second Construction Phase will be paid upon Substantial Completion of the Lots within the Second Construction Phase.
5. The Tap Fees for one half (1/2) of the Lots within the Third Construction Phase (as defined in the Development and Cost-Sharing Agreement) will be paid upon Substantial Completion of the Lots within the Second Construction Phase.
6. The Tap Fees for the remaining one half (1/2) of the Lots within the Third Construction Phase will be paid upon Substantial Completion of the Lots within the Third Construction Phase.
7. The Tap Fees for one half (1/2) of the Lots within the Fourth Construction Phase (as defined in the Development and Cost-Sharing Agreement) will be paid upon Substantial Completion of the Lots within the Third Construction Phase.
8. The Tap Fees for the remaining one half (1/2) of the Lots within the Fourth Construction Phase will be paid upon Substantial Completion of the Lots within the Fourth Construction Phase.