

**SECOND AMENDED AND RESTATED  
DISTRICT FACILITIES CONSTRUCTION AND SERVICE AGREEMENT**

THIS SECOND AMENDED AND RESTATED DISTRICT FACILITIES CONSTRUCTION AND SERVICE AGREEMENT (the “Agreement”) is entered into as of May 13, 2025 (“Effective Date”), by and between BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 1 (“District 1”) and BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2 (“District 2”). District 1 and District 2 are collectively referred to in this Agreement as the “Districts” and each a “District.”

WHEREAS, the Districts are located in the Town of Gypsum, Colorado, and were duly organized under the Colorado Special District Act, C.R.S. §§ 32-1-101, *et seq.*, in May 2000; and

WHEREAS, pursuant to the Districts’ Service Plan, as amended (“Service Plan”), the Districts were established to provide essential public improvements and services, including the collection and delivery of irrigation water, to the community known as Buckhorn Valley in Gypsum, Colorado; and

WHEREAS, under the Service Plan, the Districts are required to work together and coordinate their efforts with respect to all activities contemplated in the Service Plan, including but not limited to the provision of essential services by the Districts, and support for the full development of the Community; and

WHEREAS, in accordance with the Service Plan and elections of the qualified electors of District 1 and District 2, the Districts entered into that certain District Facilities Construction and Service Agreement, as amended by the First Amended District Facilities Construction and Service Agreement (collectively, the “IGA”), which outlines the responsibilities of each District; and

WHEREAS, all amendments to the IGA set forth in this Agreement that are not in conflict with specific limits of the ballot questions authorizing District 2’s debt identified in the IGA shall be deemed part of the IGA and this Agreement, and fully authorized by such ballot questions; and

WHEREAS, pursuant to that certain Settlement Agreement by and between District 1 and District 2, dated May 13, 2025 (“Settlement Agreement”), the Districts have agreed to settle and resolve certain disputes between them by entering into this Agreement, which shall supersede and replace the IGA.

NOW, THEREFORE, for and in consideration of the foregoing recitals and of the following covenants, the sufficiency and receipt thereof are hereby acknowledged, the Districts hereby agree as follows:

**1. Purpose; Effect.** The purpose of this Agreement is to effectuate a term of the Settlement Agreement and to set forth the terms and conditions by which the Districts will continue to operate and maintain the Districts’ Facilities (defined below). This Agreement amends and restates the IGA and supersedes and replaces the IGA except for those provisions deemed authorized by the ballot questions, which shall continue as necessary regarding the District 2 bonded indebtedness. All terms and conditions herein are subject to the Service Plan, and the Districts agree that this Agreement is consistent and compliant with the Service Plan. Any provision of O&M (defined below) of the Districts’ Facilities not addressed by this Agreement shall be as provided for in the Service Plan. In the event of a conflict between this Agreement and the Service Plan, the Service Plan shall control.

**2. Recordation.** This Agreement shall be recorded in the Eagle County Clerk and Recorder’s Office upon mutual execution.

**3. Definitions.** As used herein, unless the context expressly indicates otherwise, the words capitalized throughout this Agreement shall have the respective meanings set forth below:

- a) “Agreement” means this Second Amended and Restated District Facilities Construction and Service Agreement dated May 13, 2025, and any amendments thereto.
- b) “Bonds” means, collectively, District 2’s General Obligation Limited Tax Bonds Series 2003, Subordinate General Obligation Limited Tax Bonds Series 2008, and General Obligation Limited Tax Refunding and Improvement Bonds Series 2010.
- c) “Budget” means the budget(s) required to be submitted to the Colorado Division of Local Government on an annual basis pursuant to C.R.S. §§ 29-1-101, *et seq.*
- d) “BVF” means BV Firewheel, LLC, which at the time of execution of this Agreement owns the remaining undeveloped lots within District 2, and any successors thereto.
- e) “Community” means the Buckhorn Valley community of Gypsum, Colorado, which constitutes the Districts’ service area and is comprised of the “Users”.
- f) “Districts” means Buckhorn Valley Metropolitan District No. 1 and Buckhorn Valley Metropolitan District No. 2.
- g) “Facilities” means the facilities and improvements generally described in the Service Plan, including the Irrigation System.
- h) “Irrigation Season” means the time each year when the Irrigation System is being prepared for or actively delivering non-potable irrigation water or being winterized, which is typically from early May through late October, or as otherwise determined by the lead operator of the Irrigation System.
- i) “Irrigation System” means the “Water” Facilities described in the Service Plan.
- j) “O&M” means the operation and maintenance of the Irrigation System, including related administrative services. After the “Transition Period”, O&M specifically includes entering into necessary contracts, hiring and maintaining employees or contractors, and performing such other services as may be necessary to comply with this Agreement and applicable laws and regulations concerning the operation of the Irrigation System.
- k) “Service” means the provision by District 1 of Irrigation System services to Users.
- l) “Service Plan” means the Service Plan for Buckhorn Valley Metropolitan District Nos. 1 and 2 as approved by the Town of Gypsum, dated January 11, 2000, and amended January 28, 2003, as the same may be amended from time to time either by the Districts informally as non-material modifications under State law or by the Town of Gypsum by official action.
- m) “Town” means the Town of Gypsum, Colorado.
- n) “Transition Period” means the period from the Effective Date of this Agreement through December 31, 2027, unless further extended by mutual written agreement of the parties as set forth in Section 11 below.
- o) “Users” means the property owners and residents within the Districts’ boundaries served by or receiving Service from District 1.

- p) “Water Rights” means the water rights owned by District 1 pertaining to the Community pursuant to that certain Bargain and Sale Deed recorded February 20, 2008, as Reception No. 200803477 in the Eagle County Clerk and Recorder’s Office.

**4. No Additional Electoral Approval Required.** The Districts agree that the performance of the terms of this Agreement requires no further electoral approval. In no event shall any commitment, covenant, promise, or other obligation under this Agreement require the issuance or incurring of indebtedness by the Districts in excess of their respective voted indebtedness authorization. To the extent it is determined further voter authorization is required to give effect to any provision of this Agreement, or any future amendment, the Districts agree to cooperate in good faith to obtain voter approval.

**5. Service Plan Amendment Required.** The Districts agree that performance of the terms of this Agreement does not require an amendment to the Service Plan, except to the extent the Districts intend to make a material modification thereto pursuant to section 7 below. Provided an amendment to the Service Plan may be required, as determined by the Town or by amendment to this Agreement, the Districts agree to work together in good faith to effectuate such Service Plan amendment and obtain all necessary approvals, including but not limited to the approvals of the Town and BVF, as applicable.

**6. Debt Refinancing.** District 2 intends to obtain a refinancing of the Bonds in accordance with applicable law in order to reduce interest rates and the total payoff. At the completion of bond refinancing, District 2 shall commit to transferring no less than \$75,000 for anticipated repairs needed in 2025 to the Irrigation System Enterprise Fund defined in 8.1(b) below. District 1 agrees to cooperate with and support District 2’s efforts to refinance the Bonds, including but not limited to cooperate in generating additional revenue necessary for the refinance, such as through tax revenue and tap fees.

**7. District 1 Boundary Change.** The Districts acknowledge that the property that comprises District 1 is the single lot located at 11 Bridger Drive, which is owned by BVF Managing Partner, Christiane Hepfer. The Districts agree that the boundaries of District 1 shall be changed to a mutually agreed-upon location within the Districts that is not planned for development and is currently owned by BVF, subject to the following:

- a) The deed for the new parcel that will comprise District 1 shall be held in escrow to be released to District 2 no later than five business days following the completion of the Transition Period. The new parcel shall include the telemetry system necessary for the operation of the Irrigation System, or the Districts shall otherwise plan for and effectuate the transfer of the telemetry system separate from the transfer of the new parcel.
- b) The exclusion/inclusion of District 1 must be effective by January 1, 2026, unless the Districts mutually agree to extend the deadline.
- c) The Districts obtain prior approval of the Town in accordance with the Service Plan.

**8. Transition of Service from District 1 to District 2.** The Districts acknowledge that District 1 currently owns the Irrigation System and related Water Rights and is responsible for O&M of the Irrigation System and the provision of Service therefrom. The Districts further acknowledge that the Service Plan contemplates that the Facilities may be transferred or leased to other governmental entities for O&M purposes, and that such entities shall have the right to impose and collect service charges for the services they provide. To that end, the Districts agree that over the Transition Period, District 1 shall transfer O&M of the Irrigation System to District 2 with the goal of District 2 providing the Service to Users on behalf of District 1 by the end of the Transition Period, as follows:

8.1 *Year One (2025).*

- a) The Districts shall hold at least three joint meetings during which the Districts shall decide which tasks District 2 shall take over from District 1 for the calendar year.
- b) It is agreed that District 2 shall establish an enterprise fund (“Irrigation System Enterprise Fund” or “Enterprise Fund”) to deposit the fee revenue set forth in 8.1.(c). The Irrigation System Enterprise Fund is to be used to fund any necessary improvements or repairs to the irrigation system, water studies for short- and long-term planning decisions, water conservation measures, and other water-related projects. The Enterprise Fund held by District 2 will be separate from and in addition to the Enterprise Fund held by District 1.
- c) The Districts jointly conducted a public hearing and, after public comment, review, and discussion, adopted the following fee increases or new fees:
  - 1) A \$5,000 fee imposed against all newly developing lots within the Community to begin on the 142<sup>nd</sup> lot after execution of the Agreement,<sup>1</sup> payable upon the sale of the lot or unit, or issuance of a Certificate of Occupancy, to new owner. This fee will be deposited into the Irrigation System Enterprise Fund, from which District 2 agrees to transfer necessary funds to District 1 once the aforementioned District 1 enterprise fund is exhausted to make necessary repairs and improvements to the Irrigation System based upon the Districts’ mutual determination of what the needs are.
  - 2) A \$10,000 per lot fee imposed against all newly developing lots within the Community beginning with the 142<sup>nd</sup> such lot after the date of execution of this Agreement, payable directly to District 2 upon the sale of the lot or unit, or issuance of a Certificate of Occupancy, to new owner. Such fee shall be used by District 2 to be applied towards debt service payments associated with a refinancing of Bonds;
  - 3) An additional fee imposed against all newly developing lots within the Community, payable directly to District 2 to be applied toward debt service payments associated with the refinancing of Bonds upon the sale of the lot or unit, or issuance of a Certificate of Occupancy, to new owner. Such additional fee shall be imposed consistent the third bullet point and chart on Page 2 of Resolution No. 2025-05-01 attached here to as **Exhibit 1** and incorporated by this reference. The projected dates set forth in **Exhibit 1** are for forecasting purposes only. The actual sales dates shall be the basis of when the per unit rate set for each phase plus the Remainder Units shall govern when the payments toward debt shall be made.

The fees reflected above do not restrict the Districts from imposing additional fees should such additional fees become necessary to provide services to the Community.

- d) The Districts agree to jointly initiate a competitive bidding process as required by State law for completion of a comprehensive study to review conservation methods and practices for the water supply to ensure full build-out of the Community.

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<sup>1</sup> This fee is intended to begin on the 142<sup>nd</sup> lot rather than the 146<sup>th</sup> lot contained in Exhibit 1, Resolution No. 2025-05-01 (“Resolution”). District 1 shall conduct a public hearing as soon as possible to amend this and the parties mutually agree to replace the Resolution included with this Agreement with the corrected Resolution once available.

8.2 *Year Two (2026).*

- a) The Districts shall hold at least three joint meetings during which the Districts will decide which tasks District 2 will take over from District 1 for the calendar year.
- b) District 2 shall assume maintenance responsibilities for the 67.66 acres of open space described in section 12 below.

8.3 *Year Three (2027).*

- a) The Districts shall hold at least three joint meetings during which the Districts will discuss the final tasks District 2 will take over from District 1 to complete the Transition Period.
- b) District 2 shall assume management of any and all full- and part-time District employees and contractors.
- c) District 1 shall assign to District 2 its membership in the Eagle River Pump Station Operations & Maintenance Agreement, and District 2's President shall be appointed to replace the District 1 board member as representative on the board of directors of the Eagle River Pump Station Corporation, Inc. Any water study undertaken by the Districts shall ensure the ongoing and efficient operation of the shared resources of the Eagle River Pump Station Corporation in order to serve the Community.

**9. Transition Period Budget Process.**

During the Transition Period, the Districts shall each adopt their own Budgets as required by law. However, the Districts shall cooperate with one another in the adoption of their respective Budgets, including but not limited to the following: (1) the exchange of Budget projections regarding the Irrigation System, with each District providing projections as to the tasks for which it is fiscally responsible at that point within the Transition Period; (2) reasonable management and administration expenses appropriate for the responsibilities of the respective Districts, the final approval of which shall be determined by District 2, but in no instance shall deprive District 1 of its reasonable expenses necessary to operate during the transition; (3) the approval by District 2 of the Irrigation System projections for adoption into its Budget, such approval to be at the sole discretion of District 2, but not to be unreasonably denied if supported by actual operational data from District 1; (4) the incorporation of necessary inter-district transfers sufficient to operate the Irrigation System for the budgeted year; and (5) a joint public hearing for the adoption of the Budgets.

In the event that adoption of the Districts' respective Budgets would result in a significant discrepancy in funds necessary for O&M of the Irrigation System, including any necessary inter-district transfers sufficient to operate the Irrigation System, the Districts shall first endeavor to resolve the discrepancy at a public meeting. If the Districts are unable to resolve the discrepancy, the Districts agree to submit the matter to mediation before the Honorable James B. Boyd (Ret.), or in the event Judge Boyd is unavailable, to another mediator mutually selected by the Districts. Such mediation shall occur within 60 days of the public meeting at which the Districts attempted to resolve the Budget-related dispute. The Districts agree to amend their respective Budgets to comply with any order issued by Judge Boyd or other mediator, which order shall be final and binding upon the Districts.

**10. As of January 1, 2028.** Upon completion of the Transition Period, the Districts' respective roles shall be as follows:

10.1 *District 2.* District 2 shall:

- a) Until District 1 is dissolved, function as a delegee of District 1, providing the Service to current and future Users.
- b) Provide the Service to all undeveloped and future developed lots within the Community, subject to the adequate construction and availability for connection completed by the developer/builder and the legal and physical availability of water as determined by the Colorado Division of Water Resources, Division 5 Engineer, water board, or other governmental entity. To the extent water supply is determined to be insufficient to support full build-out per this section, the Districts shall work together in good faith to establish appropriate measures to develop future lots with restrictions such as xeriscaping. District 2 agrees to use reasonable best efforts to obtain water from all available sources, control usage of water, and provide available water for further development as required by this section and consistent with the Town of Gypsum's requirements and water plan for the Buckhorn Valley development.
- c) Be responsible for O&M of the Irrigation System.
- d) Set and collect any and all fees associated with the Service and O&M of the Irrigation System.
- e) Remit to District 1 sufficient funds for District 1 to fulfill its basic governance in accordance with section 10.2.
- f) Procure and maintain general liability coverage in an amount acceptable to District 2's board of directors but in no event less than the then-current governmental immunity limits, as amended every four years.
- g) Draft a shared Budget for the Districts, which shall be reviewed and approved by both Districts as required by law.
- h) Maintain the Districts' records.
- i) Coordinate with District 1 as necessary, as determined in District 2's sole discretion.
- j) Provide a detailed report at least once annually (and more frequently if requested by either District 1 or BVF in writing, but no more than once per quarter) to District 1 and BVF regarding its compliance with this Agreement, which report may include, but is not limited to, the Districts' Budget, the Service to Users and all undeveloped lots, and O&M of the Irrigation System, as specified by the requesting party.

10.2 *District 1.* District 1 shall:

- a) Comply with all statutory filing requirements, and its board of directors shall meet as necessary under State law but at least once annually to assist District 2 in finalizing the shared Budget and ensure the Districts are in compliance with this Agreement.

- b) Cooperate with District 2's efforts to set and collect any and all fees associated with the Service and O&M of the Irrigation System.
- c) District 1 may maintain a separate manager and/or legal counsel only to the extent necessary to comply with this section.

**11. Extension of Transition Period.** For good cause, the Transition Period may be extended by mutual written agreement of District 1, District 2, and BVF.

**12. Conveyance of Open Space.** Within five business days of completion of the Transition Period, District 1 shall convey to District 2 the 67.66 acres of open space near the reservoir within the Community (as described in Exhibit 2) per a Bargain and Sale Deed in substantially the form attached hereto as **Exhibit 2**. In the event any additional parcels or acreage is discovered, the Parties will expeditiously transfer such parcels to District 2, the mutual intent being that District 2 shall own and maintain all public open spaces.

**13. Support of Full Build-Out.** District 2 acknowledges and agrees that it is in the best interests of both Districts, the Community, and all owners and residents therein for BVF, and any successor thereto, to develop the remaining undeveloped property within the Community, to the fullest extent possible. As such, District 2 agrees to support continued development within the Community and shall not take any action to hinder, prevent, or stop, or that is otherwise contrary to, such development, so long as that development complies with applicable laws and regulations, subject to the right to public comment by board members in their individual capacities or as determined appropriate to comment on future phases to as a Board related to issues normally appropriate for comment by the Board. To that end, District 2 agrees that upon completion of the Transition Period, it shall continue to serve all lots within the Community, whether developed or undeveloped, via the Irrigation System, subject to the availability of water as articulated above and subject to section 10.1.

**14. Consolidation or Dissolution.** The Districts acknowledge that the Service Plan requires that adequate provision be made for payment of all debt of the Districts in order for the electorate of the Districts to consider either the consolidation of the Districts into a single entity, or the dissolution of either District, in accordance with State law. The Districts agree that full build-out of the Community, i.e., 100% build-out of the remaining undeveloped lots that are developable, constitutes adequate provision for payment of all debt of the Districts. As such, upon payment of all debt of the Districts or full build-out of the Community, whichever occurs first, the Districts may submit to their electorate either the consolidation of the Districts into a single entity, or the dissolution of District 1, in accordance with State law. If payment of all debt or full build-out occurs during the Transition Period, the Districts will work together, in good faith, to coordinate such election. If payment of all debt or full build-out occurs after the Transition Period, District 2 shall be responsible for preparing for and holding such an election, and District 1 shall cooperate with its efforts. Upon consolidation of the Districts, or dissolution of District 1, District 1 shall transfer any residual Water Rights to District 2, provided that such transfer is not in contravention of any contracts with the Town or of any condition of any related development approvals by the Town. District 1 agrees that until such time as it may be required to transfer the Water Rights to District 2 in accordance with this section, District 1 shall own and maintain the Water Rights, as applicable. District 1 shall advise District 2 of any water rights conveyed to the Town of Gypsum. No other transfer of water rights shall be permitted unless such transfer is approved by both Districts and undertaken for the benefit of the Buckhorn Community.

**15. Third-Party Beneficiary.** The Districts acknowledge and agree that BVF, or its successor, is a third-party beneficiary to this Agreement and can enforce its terms. District 2 acknowledges that future development of the Buckhorn Community is in the public interest of its constituents, and that it is its responsibility and obligation to use best efforts to support further development of property within the Community currently owned by BVF.

**16. Dispute Resolution.** This Agreement is to be governed by the laws of the State of Colorado. In the event of any dispute, controversy, demand, or claim (each a “Dispute”) arising from or relating to this Agreement, including any breach thereof, between or among the Districts, their respective board members, and/or BVF (collectively, the “Parties,” and each a “Party”), the Parties agree to first submit the Dispute to mediation, using retired judge James Boyd if available before Judge Boyd, or in the event Judge Boyd is unavailable, to a mediator mutually selected by the Parties. In the event mediation is unsuccessful, the Parties may pursue any remedies as may be available in law or in equity.

**17. Attorney’s Fees.** In the event of any Dispute per section 16, the prevailing Party shall be entitled to its attorney’s fees and costs, including expert witness fees and other related expenses.

**18. Notices.** Unless otherwise required by law, all notices to any Party shall be delivered via e-mail to the e-mail address listed below, or such other addresses as each Party may designate in writing from time to time. Any such notice will be considered to have been received the business day following the date of transmission by e-mail.

To District 1: David H. McConaughy  
Christine L. Gazda  
Garfield & Hecht, P.C.  
910 Grand Avenue, Suite 201  
Glenwood Springs, Colorado 81601  
[dmcconaughey@garfieldhecht.com](mailto:dmcconaughey@garfieldhecht.com)  
[cgazda@garfieldhecht.com](mailto:cgazda@garfieldhecht.com)

To District 2: Paul C. Rufien  
Paul C. Rufien, P.C.  
3900 East Mexico Avenue, Suite 300  
Denver, Colorado 80210  
[paul@rufienlaw.com](mailto:paul@rufienlaw.com)

To BVF: Jamie N. Dickinson  
Spencer Fane, LLP  
1700 Lincoln Street, Suite 2000  
Denver, Colorado 80203  
[jndickinson@spencerfance.com](mailto:jndickinson@spencerfance.com)

**19. Non-Waiver.** No failure by any Party to insist upon the strict enforcement of any right or obligation hereunder shall be deemed a waiver unless that waiver is explicitly expressed in writing.

**20. Assignment.** Neither this Agreement nor any of either District’s rights or obligations hereunder may be assigned in whole or in part by either District without the prior written consent of the other District and BVF.

**21. Entire Agreement.** This Agreement contains the entire agreement between the Districts regarding the subjects addressed herein, and it supersedes all prior agreements and understandings, verbal or written, with reference to the subject matter hereof.

Initial  
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**22. Representations and Warranties.** Both Districts hereby represent and warrant to each other as follows:

- a) They have all requisite power and authority to execute this and to perform all of their obligations hereunder, and this Agreement has been duly executed and delivered by each District and constitutes the legal, valid, and binding obligation of each District, enforceable in accordance with its terms.
- b) The execution, delivery, and performance by the Districts of this Agreement has been duly authorized by all necessary actions of each District and does not violate any provision of any law, rule, or regulation, or of any order, writ, injunction, or decree presently in effect, having applicability to any District.
- c) They have reviewed this Agreement in its entirety and consulted such legal, tax, or other advisors as appropriate, and understand and agree to each of the provisions of this Agreement, and further warrant that they have entered into this Agreement voluntarily.
- d) They have each participated fully in the review and creation of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement.
- e) The Parties and their counsel participated jointly and fully in the review and revision of this Agreement. The Parties agree the language of this Agreement will not be construed presumptively against any of the Parties, drafter or otherwise.

**23. Immunity.** The Parties recognize that the Districts are afforded certain protections under the Colorado Governmental Immunity Act (“CGIA”), C.R.S. §§ 24-10-101, *et seq.*, as amended. Nothing herein shall be construed as a waiver or limitation of either District’s immunity under the CGIA.

**24. Amendment.** This Agreement may only be amended by a writing signed by the authorized representatives of District 1, District 2, and BVF.

**25. Binding Effect.** This Agreement is binding upon the heirs, successors, and/or assigns, if applicable, of the respective Districts.

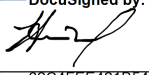
**26. Severability.** If a particular provision of this Agreement is found to be invalid or unenforceable, the invalidity of unenforceability of that provision shall not affect the rest of this Agreement; all other terms of this Agreement shall remain in full force and effect.

**27. Counterparts.** This Agreement may be executed in counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Signatures transmitted electronically shall be deemed and accepted as original signatures, all of which shall be binding upon the Parties.


**28. Ratification.** This Agreement is subject to ratification by each Districts’ board of directors at a public meeting. In the event either District fails to ratify the Agreement, the Agreement shall be void.

By signing below, each signatory represents that they have read this Agreement in its entirety, understands all of its terms, is authorized to bind the entity on whose behalf they sign, and intends for such entity to be bound by this Agreement.

**Buckhorn Valley Metropolitan District No. 1**


DocuSigned by:  
  
By: \_\_\_\_\_  
62C4FEE6421B54B7...  
Nicholas Richards, Board President  
May 21, 2025

**Buckhorn Valley Metropolitan District No. 2**

DocuSigned by:  
  
By: \_\_\_\_\_  
68444159BB1948E...  
Nickolas Viau, Board President  
June 4, 2025

**BV Firewheel, LLC (as Third-Party Beneficiary)**

Signed by:  
  
By: \_\_\_\_\_  
F5ED0C2A826948B...  
Christiane Hepfer, Managing Partner  
May 21, 2025

DocuSigned by:  
  
By: \_\_\_\_\_  
5CB309968A5C44E...  
David Fiore, Board Member  
June 4, 2025

Initial  


Paul Rufien

Exhibit 1

[Resolution No. 2025-05-01]

A RESOLUTION OF THE BOARD OF DIRECTORS OF  
BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 1  
INCREASING TAP FEES

RESOLUTION NO. 2025-05-01

WHEREAS, the Buckhorn Valley Metropolitan District No. 1 (the “District”) is a Colorado special district formed and functioning by authority of the Special District Act, C.R.S. §§ 32-1-101, *et seq.*; and

WHEREAS, pursuant to Articles I and II of the 2009 Consolidated Service Plan for Buckhorn Valley Metropolitan Districts Nos. 1 and 2 (“Service Plan”), the District is charged with providing water service to the Buckhorn Valley community in Gypsum, Eagle County, Colorado;

WHEREAS, pursuant to section II(G) of the Service Plan and C.R.S. § 32-1-1001(j)(I), the District may from time to time increase fees, rates, tolls, penalties, or charges for services, programs, or facilities furnished by the District; and

WHEREAS, the District imposed a tap fee starting in 2023, but the minimal fee, along with minimal increases to its user fees, were not enough to help support growth and maintain adequate reserves in accordance with a comprehensive rate study completed by SGM, Inc. in August of 2022, as amended by additional data published May of 2023 (“Rate Study”); and

WHEREAS, in light of increased operating and capital costs facing the District’s irrigation infrastructure and necessary, deferred maintenance projects, the District engaged SGM to reassess the District’s cash flow model to estimate reserve balances (“Enterprise Fund”) for the next 10 years to support operations, capital improvement projects, and debt payments, and provide a brief summary outlining any necessary, corresponding changes to the District’s tap fees and service rates (the “Report”); and

WHEREAS, per the Report and the Rate Study, an increase in the District’s tap inspection fee for new development is necessary and appropriate to ensure new development pays its fair share of the cost of infrastructure; and

WHEREAS, the imposition of additional fees on newly developing lots within the District’s service area is necessary and appropriate to pay off debt associated with a refinancing of the bonds; and

WHEREAS, the District published notice as required by C.R.S. § 32-1-1001(2)(a) at least 30 days prior to consideration of these fees at a public hearing and meeting of the District’s Board of Directors (“Board”) held on May 13, 2025; and

WHEREAS, after public comment and review and discussion of the fees, the Board finds and determines that it is necessary to increase the District’s fees as set forth herein.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Buckhorn Valley Metropolitan District No. 1 that:

1. Recitals. The above recitals are hereby incorporated as findings of the Board in support of the enactment of this Resolution.
2. New Irrigation Tap Fees. The Board hereby adopts the following fees:

- The District’s tap inspection fee shall increase to \$5,000. This fee shall be imposed upon all newly developing lots, payable upon the sale of the lot or unit or issuance of a Certificate of Occupancy to new owner, to fund a water reserve account to be used to make necessary improvements and repairs to the irrigation system, to fund any water studies necessary for short- or long-term planning, water conservation measures, and other water-related projects benefiting the District’s service area.
- A \$10,000 fee shall be imposed upon all newly developing lots beginning with the 146<sup>th</sup> such lot (of the remaining approximately 390 lots), payable upon the sale of the lot or unit or issuance of a Certificate of Occupancy to new owner, to be applied toward debt service payments associated with a refinancing of the bonds.
- An additional fee ranging from \$2,750 to \$4,500 per lot shall be imposed on the first 142 lots, payable upon the sale of the lot or unit or issuance of a Certificate of Occupancy to new owner, to pay off \$500,000 of bond debt. Such fee shall be imposed in accordance with the table below.

	2025	2026	2027	2028	Total Units	2029 - Full Build (FB)
<b>Villages of Buckhorn (MF)</b>						
Units	20	25	27	0	72	
Rate \$	2,750.00	2,750.00	2,750.00	2,750.00		
Debt Payment \$	55,000.00	68,750.00	74,250.00	-		
<b>Villages of Buckhorn (\$F)</b>						
Units	8	10	10	4	30	
Rate \$	4,500.00	4,500.00	4,500.00	4,500.00		
Debt Payment \$	27,000.00	45,000.00	45,000.00	18,000.00		
<b>Phase 9 (\$FH)</b>						
Units	0	15	5	0	20	
Rate \$	4,175.00	4,175.00	4,175.00	4,175.00		
Debt Payment \$	-	62,625.00	20,875.00	-		
<b>Phase 10 (\$FH)</b>						
Units	-	-	10	10	20	
Rate \$	4,175.00	4,175.00	4,175.00	4,175.00		
Debt Payment \$	-	-	41,750.00	41,750.00		
<b>Remaining Phase</b>						
Units	Debt Schedule for First 142 Units					238
Rate						\$ 10,000.00
Debt Payment						\$ 2,380,000.00
<b>PROJECTED TOTAL UNITS</b>	26	50	52	14		238
<b>CUMMULATIVE</b>	26	76	128	142	142	381
					<b>2025-29</b>	<b>Total Units 2025-FB</b>
<b>PROJECTED TOTAL DEBT</b>						
PAYMENT \$	82,000.00	178,375.00	181,875.00	59,750.00		\$ 2,380,000.00
CUMMULATIVE \$	82,000.00	258,375.00	440,250.00	500,000.00		\$ 2,880,000.00
						<b>TOTAL FULL BUILD</b>
					<b>Total Remainder Units</b>	381
					<b>Total Debt Payments</b>	\$ 2,880,000.00

3. Severability. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Resolution, it being the Board's intention that the various provisions hereof are severable.
4. Effective Date. This Resolution shall take effect immediately upon adoption.

ADOPTED AND APPROVED this 13th day of May, 2025.

BUCKHORN VALLEY METROPOLITAN DISTRICT  
NO. 1



\_\_\_\_\_  
Board President

Attest:



\_\_\_\_\_  
Secretary/Treasurer

