

**TOWN OF LYONS, COLORADO
RESOLUTION 2022-52**

**A RESOLUTION OF THE TOWN OF LYONS, COLORADO RATIFYING
THE DECISION OF THE BOARD OF TRUSTEES ON MAY 2, 2022 TO REQUIRE THE
DEDICATION OF 1.4 SHARES OF LAKE MCINTOSH WATER SHARES BY
SPIRIT HOUND DISTILLERS BY JULY 18, 2022**

WHEREAS, pursuant to Article XXV of the Colorado Constitution, the Town of Lyons Board of Trustees (the "Board") has the authority to establish and operate municipal utilities serving the Town of Lyons ("Town") and pass rates, rules, and regulations governing the operation of those municipal utilities; and

WHEREAS, pursuant to that power the Board previously enacted Article 4, Chapter 13, of the Lyons Municipal Code ("LMC") entitled "Water Service" establishing a water utility; and

WHEREAS, the LMC Sec. 17-14-10(1)(a) permits the dedication of Lake McIntosh water shares for or the purposes of "Affordable Housing," "Commercial Development," or "Economic Development Opportunities" as those terms are defined in the Intergovernmental Agreement Between the Town of Lyons and the City of Longmont; and

WHEREAS, on February 1, 2021, the Board approved a Policy for Accepting Lake McIntosh Share Dedications

WHEREAS, Spirit Hound Distillers ("Spirit Hound") submitted an application for use of Lake McIntosh shares under the category of economic development opportunities; and

WHEREAS, On June 7, 2021, the Board approved the application of Spirit Hound to submit Lake MacIntosh shares for their increase in water usage and tap size; and

WHEREAS, the Board ratified its decision pursuant to Resolution 2021-58; and

WHEREAS, Resolution 2021-58 required Spirit Hound to "submit 1.4 shares of Lake MacIntosh Stock and \$17,500 in water connection fees upon receipt of an invoice for using more than 270,000 gallons of water in 2020 which requires paying for an increase from a $\frac{3}{4}$ inch to a 1 inch service connection or tap;" and

WHEREAS, Spirit Hound has increased their water usage above 270,000 gallons per year, but has not dedicated 1.4 lake Macintosh shares; and

WHEREAS, at the March 21, 2022, Board meeting, the Board considered a request for waiver of the share dedication and held a discussion on how to otherwise address the undedicated 1.4 shares from Spirit Hound; and

WHEREAS, the Board directed Spirit Hound to provide 1.4 shares of Lake MacIntosh Stock within 60 days of March 21, 2022 (May 20, 2022); and

WHEREAS, at the May 2, 2022, Board meeting Spirit Hound presented to the Board that they had been unable to acquire Lake Macintosh Stock because none were presently on the

market; and

WHEREAS, the Board directed Spirit Hound to provide 1.4 shares of Lake MacIntosh Stock by July 18, 2022; and

WHEREAS, the Board now desires to ratify its May 2, 2022, direction as described in this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF LYONS THAT:

- Section 1. The above recitals are hereby incorporated by reference.
- Section 2. Spirit Hound Distillers shall submit 1.4 shares of Lake MacIntosh Stock by July 18, 2022.
- Section 3. If Lake MacIntosh Stock is not dedicated to the Town by July 18, 2022, Spirit Hounds may petition the Board for further options.
- Section 4. This resolution may be modified by future action of the Board of Trustees.
- Section 5. This Resolution shall take effect upon adoption.

ADOPTED THIS 16th DAY OF May 2022.

TOWN OF LYONS, COLORADO

Hollie Rogin, Mayor

ATTEST:

Dolores Vasquez, MMC – Town Clerk