

**TOWN OF LYONS, COLORADO
RESOLUTION 2022-73**

A RESOLUTION OF THE TOWN OF LYONS, COLORADO RATIFYING THE BOARD OF TRUSTEE'S JULY 5, 2022, DECISION TO ACCEPT CASH-IN-LIEU OF WATER RIGHTS DEDICATION FROM SPIRIT HOUND DISTILLERS

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 (the "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, Board also previously enacted Article 14, Chapter 17, of the Lyons LMC entitled "Dedication and Fees Requirement"; and

WHEREAS, pursuant to the LMC upsizing a water tap requires additional water rights dedication; and

WHEREAS, Spirit Hound Distillers ("Spirit Hound") increased the size of their tap from a ¾-inch equivalent usage to a 1-inch equivalent usage which requires the dedication of additional water rights; and

WHEREAS, pursuant to LMC Section 17-14-10(a)(4), the Board may accept cash in lieu of water rights dedication in an equivalent monetary amount; and

WHEREAS, on July 5, 2022, the Board approved accepting \$26,000 cash in lieu of 1.4 shares of Lake McIntosh Reservoir Company for Spirit Hound's required water rights dedication; and

WHEREAS, the Board now desires to ratify its decision.

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. The Board hereby ratifies its July 5, 2022 decision which held:

- a. Spirit Hound Distillers shall pay the Town \$26,000 in lieu of dedicating water rights for the upsizing of their water usage from a ¾-inch equivalent usage to a 1-inch equivalent usage.
- b. The Town will pursue the purchase of 1 share of Lake McIntosh Reservoir Company Stock with the cash paid in lieu and apply any remaining balance to the Water Utility Fund.

Section 3. This resolution shall take effect upon adoption.

ADOPTED THIS 18 DAY OF July 2022.

TOWN OF LYONS, COLORADO

Hollie Rogin, Mayor

ATTEST:

Dolores Vasquez, MMC – Town Clerk