



PMB 514
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January 30, 2004

Annual Fee for Inactive Taps Commencing 2004

Our records currently show that you are the owner(s) of the inactive tap(s) described in the enclosed bill(s). The Lookout Mountain Water District recognizes an obligation to serve these tap(s). As you may be aware, the value of your tap has appreciated significantly over time, primarily since the District has not recognized any new taps since 1988 when the District was formed.

Recognizing our obligation to serve all taps, the District continues to plan and to allocate resources, including the management of and acquisition of water rights, to all issued taps within the District, whether active or inactive. In the past, the District covered the annual legal and administrative expenses and the capital improvements for both active and inactive taps from the annual operating revenue produced by the active taps. For example, substantial costs related to the drought and new regulatory requirements have been borne by active tap owners. In an effort to fairly share the annual costs, commencing in 2004 the District will assess fees for inactive taps as follows:

<u>Tap Classification</u>	<u>Annual Fee per Tap*</u>
Assigned	\$150.00
Unassigned	\$300.00

Assigned taps are those which have been designated in writing for use on a specific parcel and unassigned taps are all other authorized, inactive taps. Please see the District's Policies, Rules and Regulations regarding this subject.

The annual fee will be billed to tap owners in six installments every other month. Should you wish to pay the balance in full, you may do so at any time and it will be applied to your account. Late charges will apply according to the District's schedule of rates and fees (the greater of \$5.00 or 1% per month of the outstanding balance). Fees and late charges will accrue against the tap and it cannot be placed in service until such time that the current owner of the tap pay the balance in full.

If you have questions about your tap classification, how you can place your assigned tap in service, how you can assign your tap to property, or other questions or concerns, please call 303-526-2025 ext. 1. If you need to report a change of ownership or a change of mailing address, please notify us in writing.

* 2004 Fees, subject to change