

# Methodology in The Homestead Water Company issuing a Commitment Letter for the Homestead Park, Jefferson County Rezoning Case #14-125978RZ

## CONSIDERATIONS

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- The Homestead, Filings 1-8 and additions are zoned SR-2. This allows a residential minimum lot size of 2 acres.
- Buffalo Park Development Co filed applications and received Water Court Decrees (W-102, W-7745-74, W-7746-74, 94CW290) which provided Water Tap Equivalents for the build out of The Homestead and neighboring properties at the approximately 2 acre average.
- Water Court Decrees W-7746-74 and 94CW290 include both Domestic and Commercial uses.
- The Water Court decrees assign control of the Water Rights underlying The Homestead to Buffalo Park Development Co and its' assigns or successors.
- Homestead Water Company, through its predecessor Homestead Cragmont Water, LLC, purchased the assets of Buffalo Park Development Co at a United State Bankruptcy Court ordered auction held on June 20<sup>th</sup>, 2013 and assumed all of the water related liabilities and commitments of Buffalo Park Development Co.
- There is supporting evidence in the Water Court Cases that up to 26 water tap equivalents were contemplated for the area included in the proposed Homestead Park.
- The request for commitment for Water Tap Equivalents from the developer does not exceed what was historically contemplated for that area
- The development of the lower portion of Iowa Gulch and Cinch Court would provide the resources and physical ability to complete a long needed connection between the systems on both sides of US 285. This would enhance the ability to balance the water supply and improve firefighting reserves.
- Homestead Water Company effectively has a Monopoly on domestic and commercial water in its' service area.
- To deny water service with no other viable option for the developer would most certainly invite legal action.

## CONCLUSION

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*The Board of Directors of Homestead Water Company, after considering the above items, concluded that it was in the best interest of the Company to issue a commitment letter.*