

**RESOLUTION NO. 25
SERIES OF 2015**

**INTRODUCED BY: ALEX BROWN
SECONDED BY: KLASINA VANDERWERF**

**A
RESOLUTION
OF THE CITY COUNCIL
OF THE CITY OF CHERRY HILLS VILLAGE
ADOPTING NEW FEES AND PROCEDURES REGARDING THE DISSOLUTION OF
WATER AND SEWER DISTRICTS
WITHIN THE CITY OF CHERRY HILLS VILLAGE**

WHEREAS, the City of Cherry Hills Village has a duty and responsibility to its citizens to protect the public health, safety and welfare of its residents; and

WHEREAS, the City of Cherry Hills Village (the "City") operates a sanitary sewer system that serves certain users within the City; and

WHEREAS, the City, under its Total Service Agreement with Denver Water, provides smaller water providers the opportunity to consolidate certain water distribution systems and services for management and operation under the Total Service Agreement; and

WHEREAS, there are a number of special districts that provide water service, sanitary sewer service, or both, within the boundaries of the City; and

WHEREAS, provisions exist in Part 7, Article 1, Title 32, C.R.S. pertaining to the process for dissolution of special districts under Colorado law; and

WHEREAS, the City desires to promote the efficiency of water and sanitary sewer delivery systems through assisting with the process of dissolving existing special districts where the services provided may be continued to be economically provided by: (1) the City, or (2) another existing special district in the City; and

WHEREAS, pursuant to C.R.S. § 32-1-702(4), the statutorily required plan for dissolution of a special district must specifically provide whether the services provided by the special district will be continued by the City, another special district or similar governmental entity; and

WHEREAS, the City desires to consolidate the operation of sanitary sewer systems in order to promote efficiencies in service delivery within the City, if all related costs and expenses are assumed by the residents and taxpayers of the dissolving entity; and

WHEREAS, the City encourages that existing special districts cooperate to consolidate pursuant to a dissolution/inclusion of territory model as contemplated in Parts 4 and 7, Article 1, Title 32, C.R.S. or a consolidation model as contemplated in Part 6, Article 1, Title 32, C.R.S.; and

WHEREAS, as a condition to the assumption and continuation of any sanitary sewer services by another service provider or the City, there must be sufficient financial reserves to repair and maintain the sewer delivery systems; and

WHEREAS, the cost to repair and maintain these lines must be the responsibility of the residents who utilize these facilities without any costs to or subsidies from the General Fund of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHERRY HILLS VILLAGE:

Section 1. The following rules and procedures are modified and adopted for the dissolution of special districts providing water or sanitary sewer service, or both, within the boundaries of the City.

- A. Special districts located within the boundaries of the City shall not initiate dissolution proceedings under Part 7, Article 1, Title 32, C.R.S. except in accordance with these rules and procedures, unless specifically waived in writing by the City Manager or his or her designee.

- B. Entities desiring to dissolve and requesting that another existing special district, or the City, provide the service(s) provided by the special district on and after the effective date of the dissolution should forward a written request authorized by the Board of Directors of the district to the City Manager expressing the district's desire to formally initiate dissolution procedures and requesting City Staff's assistance with, and participation in, applicable dissolution proceedings.
- C. Each written request submitted to the City Manager should be accompanied by a copy of the special district annual budget for the year in which the written request is submitted to the City, and the two (2) prior budget years.
- D. The requesting district shall fully cooperate to provide the City with any supplemental financial records or operational records requested.
- E. City Staff shall review each request for dissolution submitted against applicable criteria, including but not limited to the following:
 - The ability and willingness of the City or other applicable service provider(s) to provide the service(s) requested if the special district is dissolved;
 - The physical condition of the system(s);
 - The financial condition of the special district; and
 - Applicable legal requirements.

Staff shall prepare a preliminary report outlining the feasibility of the proposed dissolution, the steps that should be followed to complete the dissolution, and shall include a recommendation to the City Manager and the City Council on the advisability of proceeding with the requested dissolution and assumption of service(s) by the City or other applicable service provider(s).

- F. If the City Council authorizes the City Manager and City Staff to continue negotiations with the special district regarding a plan for dissolution, a deposit of ten thousand dollars (\$10,000) shall be made by the special district into a segregated fund of the City, which funds will be withdrawn by the City to reimburse the City for all direct costs incurred by the City and its consultants related to the dissolution process. The City reserves the right to require supplemental funds as necessary to cover the City's costs related to completing the dissolution process.
- G. As required by C.R.S. § 32-1-702(b)(I), any plan for dissolution shall include an intergovernmental agreement by and between the dissolving entity and the other special district, authority, City, or other governmental entity that will be continuing the service post-dissolution which shall include the following, as applicable:
 1. Provisions regarding the operation and maintenance of the system(s) of the dissolving entity post-dissolution;
 2. Provisions concerning acquisition of the special district's systems or facilities;
 3. Provisions regarding the inclusion of territory;
 4. Procedures for contract modification or assignment; and
 5. Provisions regarding the continued certification of mill levies, if and as required by C.R.S. § 32-1-702(3)(c) or other applicable provisions of state law.
- H. If the service(s) of the dissolving entity will be provided by the City, the City may require the dissolving special district to furnish a reserve fund for future maintenance or capital improvements to the system(s). The amount of the reserve fund will be specifically set forth in the intergovernmental agreement required by C.R.S. § 32-1-702(b)(I) and will be primarily based on the condition of the system(s) as determined by a professional engineer or other qualified professional consultant that is mutually acceptable to the City and the dissolving special district. The City at its discretion may allow the reserve fund to be paid over time through the imposition of additional service fees or charges imposed within the area of the dissolving special district and applicable to only properties situate therein. In accordance with C.R.S. § 32-1-

708(1), if services are to be continued by the City, all funds remaining in the treasury of the dissolving special district in excess of all financial obligations and outstanding bonds of said district shall be utilized, upon completion of all requirements for dissolution, to reduce the rates, fees and charges fixed by the City.

Section 2. This Resolution shall be effective immediately.

(SEAL)



Laura Christman, Mayor

ATTEST:



Laura Smith, City Clerk

APPROVED AS TO FORM:



Linda Michow, City Attorney

