RESOLUTION NO.12
SERIES OF 2013

INTRODUCED BY: RUSSELL STEWART
SECONDED BY: ALEX BROWN

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHERRY HILLS VILLAGE, APPROVING A DISSOLUTION AGREEMENT BY AND AMONG THE EAST CHERRY HILLS WATER DISTRICT, THE CITY OF CHERRY HILLS VILLAGE AND THE CITY AND COUNTY OF DENVER ACTING BY AND THROUGH ITS BOARD OF WATER COMMISSIONERS

WHEREAS, the East Cherry Hills Water District ("District") was organized pursuant to the laws of the State of Colorado in order to construct, operate and maintain certain public water facilities and infrastructure ("Water System") in accordance with its approved service plan; and

WHEREAS, the District's service boundaries are entirely located within the boundaries of the City of Cherry Hills Village ("City"); and

WHEREAS, the District, the City and the Board of Water Commissioners ("DWB") entered into that Water Service Agreement dated December 12, 2008, as amended, ("DWB Agreement") for the purpose of bringing the District's Water System into compliance with DWB's total service standards and converting the District to a total service distributor of the DWB; and

WHEREAS, the DWB Agreement contemplates that following construction and acceptance of the upgraded Water System improvements provided for in the DWB Agreement, the District will dissolve and transfer its rights and obligations under the DWB to the City; and

WHEREAS, construction and acceptance of the improvements to the Water System provided for in the DWB Agreement has occurred and the District wishes to dissolve and ensure the provision of water service to its customers after its dissolution; and

WHEREAS, for the purpose of consolidating a fragmented domestic water service within its boundaries, the City entered into a total service contract with the DWB dated April 21, 1992 ("City Total Service Contract"); and

WHEREAS, upon the District's dissolution, City initially through the DWB Agreement and thereafter through the City Total Service Contract, will continue to provide domestic water service to the areas and customers formerly served by the District; and

WHEREAS, the District, City and DWB desire to enter into a dissolution agreement setting forth the terms and conditions by which the District will be dissolved and the City will provide for the continuation of water service to all customers and properties located within the District's boundaries from and after the date of the District's dissolution.

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

Section 1. The City Council of the City of Cherry Hills Village hereby approves the Dissolution Agreement by and among the East Cherry Hills Water District, the City, and the City and County of Denver acting by and through its Board of Water Commissioners, in substantially the same form as that attached hereto as **Exhibit A**, subject to minor modifications approved by the City's special district counsel and the City Manager that do not increase the City's obligations or liabilities.

Section 2. The City Council authorizes the City staff through its special district counsel to engage a certified public accountant to perform an audit of the District for calendar years 2013 and 2012 (up to the date of the District's dissolution) and to prepare and file such applications for exemption of audit as are necessary to cover any years prior to 2012 for which the District did not file either an audit or an application for exemption from audit. The City's engagement of an auditor shall not occur until the City receives from the District sufficient funds to cover the cost of the audits as described in the Dissolution Agreement.

Section 3. The City Council further authorizes the City's special district counsel to participate in the District's dissolution proceedings, to file pleadings and appropriate documents and to take all actions necessary to represent the City's interest in such dissolution proceedings.

Section 4. This Resolution is effective immediately upon adoption.

(SEAL)

Douglas M. Tisdale, Mayor

ATTEST:

Laura Smith, City Clerk

Approved as to form:

Linda C. Michow, City Attorney

Exhibit A

Form of Dissolution Agreement