

## RESOLUTION 2008-2

### A RESOLUTION OF THE TOWN OF HOLLY, COLORADO, AFFIRMING AND RE-ESTABLISHING “THE TOWN OF HOLLY WATER ENTERPRISE.”

**WHEREAS**, the Town of Holly, Colorado (the “Town”), in the County of Prowers and State of Colorado (the “State”), is a statutory town; and

**WHEREAS**, pursuant to the provisions of the Colorado Statutes, it was the intent of the Town to establish a water enterprise, and the Town has been operating its water services as an “enterprise” within the meaning of Article X, Section 20 of the Colorado Constitution; and

**WHEREAS**, in order to qualify as a water enterprise under Article X, Section 20 of the Colorado Constitution, the enterprise must consist of a government water service owned by a governmental entity such as the Town, which enterprise receives under 10% of its annual revenues in grants from all Colorado state and local governments combined, and which is authorized to issue its own revenue bonds, either within the enterprise or through the Town; and

**WHEREAS**, the Town has heretofore determined and undertaken to treat the water service in its financial transactions and undertakings as an “enterprise” within the meaning of Article X, Section 20 of the Colorado Constitution; and

**WHEREAS**, the water service has been and continues to be operated as an “enterprise” within the meaning of Article X, Section 20 of the Colorado Constitution; and

**WHEREAS**, it is the intent of the Town to continue the operation of the water service as a water enterprise, and to formally affirm and re-establish the “Town of Holly Water Enterprise; now

**THEREFORE, BE IT RESOLVED by the Board of Trustees of the Town of Holly, Colorado:**

**SECTION 1. Establishment of Enterprise.** There is hereby established pursuant to the terms and provisions of Article X, Section 20 of the Colorado Constitution, the “Town of Holly Water Enterprise.” The Town of Holly Water Enterprise shall consist of the business represented by all of the Town’s water facilities and activities, now owned or hereafter acquired, whether situated within or without the Town boundaries, including all present and future improvements, extensions, enlargements, betterments, replacements, or additions thereof or thereto. The Town of Holly Water Enterprise shall have all of the authority, powers, rights, obligations, and duties as may be provided or permitted by Colorado law and the Colorado Constitution, and as may be further prescribed by ordinance or resolution of the Town.

**SECTION 2. Governing Body.** The governing body of the Town of Holly Water Enterprise (the “Governing Body”) shall be the Board of Trustees of the Town, and shall be subject to all of the provisions governing the Board of Trustees set forth in the Colorado Statutes.

Whenever the Board of Trustees is in session, the Governing Body shall also be deemed to be in session. It shall not be necessary for the Governing Body to meet separately from the regular and special meetings of the Board of Trustees, nor shall it be necessary for the Governing Body to specifically announce or acknowledge that actions taken thereby are taken by the Governing Body of the Enterprise. The Governing Body may conduct its affairs in the same manner and subject to the same laws and provisions which apply to the Board of Trustees.

**SECTION 3. Maintenance of Enterprise Status.** The Town of Holly Water Enterprise shall at all times and in all ways conduct its affairs so as to continue to qualify as an “enterprise” within the meaning of Article X, Section 10 of the Colorado Constitution. Specifically, but not by way of limitation, the Town of Holly Water Enterprise is not authorized to, and shall not, receive 10% or more of its annual revenue in grants from all Colorado state and local governments combined.

**SECTION 4. Issuance of Bonds.** Upon obtaining approval from a majority of the Board of Trustees, the Town is authorized to issue bonds and bond-like obligations, the repayment of which may be derived from revenues from the Town of Holly Water Enterprise, in accordance with the Colorado Constitution. The Board of Trustees may authorize the issuance of such bonds or bond-like obligations in accordance with applicable state laws, and in doing so shall be deemed to be acting as the Town of Holly Water Enterprise.

**SECTION 5. Ratification and Approval of Prior Actions.** All actions heretofore taken by the Board of Trustees and the members of the Board of Trustees, not inconsistent with the provisions of this Resolution, relating to the operation or creation of the Town of Holly Water Enterprise are hereby ratified, approved and confirmed.

**PASSED AND APPROVED THIS 6<sup>th</sup> DAY OF FEBRUARY, 2008.**

/s/ Jerry Smith, Mayor

ATTEST:

/s/ Mary Rushton, Clerk/Treasurer