

RESOLUTION NO.

15-08

**TITLE: APPROVING THE SERVICE PLAN FOR EASTERN  
CORRIDOR METROPOLITAN DISTRICT**

WHEREAS, pursuant to Section 32-1-204.5, C.R.S., as amended, a Service Plan ("Service Plan") for proposed Eastern Corridor Metropolitan District ("District") has been submitted to the Board of Trustees ("Board") of the Town of Hudson ("Town"); and

WHEREAS, pursuant to the provisions of Title 32, Article 1, C.R.S., as amended, the Board held a public hearing on the Service Plan for the District on January 21, 2015; and

WHEREAS, notice of the hearing before the Board was duly published in The Greeley Tribune, a newspaper of general circulation within the Town, on December 31, 2014, as required by law, and forwarded to the petitioners, others entitled to postcard or letter notice, the Division of Local Government, and the governing body of each municipality and title 32 district that has levied an ad valorem tax within the next preceding tax year and that has boundaries within a radius of three miles of the District; and

WHEREAS, the Board has considered the Service Plan and all other testimony and evidence presented at the hearing; and

WHEREAS, the Board finds that the Service Plan should be approved unconditionally, as permitted by Sections 32-1-203(2) and 32-1-204.5(1)(a), C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF HUDSON, COLORADO:

Section 1: The Board hereby determines that all of the requirements of Title 32, Article 1, Part 2, C.R.S., as amended, relating to the filing of the Service Plan for the District have been fulfilled and that notice of the hearing was given in the time and manner required by law.

Section 2: The Board further determines that all pertinent facts, matters and issues were submitted at the public hearing; that all interested parties were heard or had the opportunity to be heard and that evidence satisfactory to the Board of each of the following was presented:

- (a) There is sufficient existing and projected need for organized service in the area to be serviced by the proposed District;
- (b) The existing service in the area to be served by the proposed District is inadequate for present and projected needs;
- (c) The proposed District is capable of providing economical and sufficient service to the area within the proposed boundaries;

(d) The area to be included in the proposed District has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;

(e) Adequate service is not, or will not be, available to the area through the Town of Hudson or other existing quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;

(f) The facility and service standards of the proposed District are compatible with the facility and service standards of Town and each municipality which is an interested party under Section 32-1-204, C.R.S.;

(g) The proposal is in substantial compliance with a comprehensive plan adopted pursuant to the Town code;

(h) The proposal is in compliance with any duly adopted Town, regional, or state long-range water quality management plan for the area;

(i) The creation of the proposed District will be in the best interests of the area proposed to be served; and

(j) The Service Plan, based upon the statements set forth in the Service Plan and upon all evidence presented at the Public Hearing on the Service Plan, meets all conditions and requirements of Sections 32-1-201, *et seq.*, C.R.S.


Section 3: The Board hereby approves the Service Plan for the District as submitted.

Section 4: This Resolution shall be filed in the records of the Town and a certified copy thereof submitted to the petitioners for the District for the purpose of filing in the District Court of Weld County.

Section 5: All prior resolutions or any parts thereof, to the extent that they are inconsistent with this Resolution, are hereby rescinded.

INTRODUCED, READ AND PASSED this 21<sup>st</sup> day of January, 2015.



  
Linnette Barker, CMC, Town Clerk

TOWN OF HUDSON, COLORADO

  
Raymond Patch, Mayor

SERVICE PLAN  
FOR  
EASTERN CORRIDOR  
METROPOLITAN DISTRICT  
(TOWN OF HUDSON, COLORADO)

Prepared by: McGEADY SISNEROS, P.C.  
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DENVER, COLORADO 80203  
(303) 592-4380

Submitted: December 11, 2014

Approved: \_\_\_\_\_, 2015

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## LIST OF EXHIBITS

EXHIBIT A-1	Legal Description
EXHIBIT A-2	Boundary Map
EXHIBIT A-3	Vicinity Map
EXHIBIT A-4	Initial Service Area Map
EXHIBIT B	Description of Facilities (Phase I)
EXHIBIT C	Financial Plan

**SERVICE PLAN FOR  
EASTERN CORRIDOR METROPOLITAN DISTRICT**

**I. INTRODUCTION**

The proposed district shall be named the Eastern Corridor Metropolitan District (the "District").

The primary purpose of the District is to provide water and sanitation services, together with ancillary street and mosquito control improvements, through the creation of enterprises and/or authorities which will be authorized to impose and collect rates, fees, tolls and other charges for connection to and use of the Public Improvements. Revenue bonds issued by the District shall never constitute debt or indebtedness of the Town of Hudson, Colorado (the "Town"), or any other political subdivision of the State of Colorado ("State") within the meaning of any provision or limitation of the laws of Colorado or the State constitution.

The proposed boundaries of the District are limited to the property presently owned by Lloyd Land ("Organizer"), and lie wholly within the Town.

**II. PURPOSE OF THE PROPOSED DISTRICT**

**A. Facilities.**

The purpose of the District is to plan, design, acquire, construct, install and finance public water, sanitation, storm drainage, street, and mosquito control improvements (collectively, the "Public Improvements") and, subject to the limitations in this Service Plan, to operate and maintain certain Public Improvements, for the use and benefit of service users within the District's Service Area, as defined in Article III below, except that the District shall not operate or maintain sanitation improvements within the Town's "208 Sewer Service Boundary Area" as designated by the North Front Range Water Quality Planning Association without the

written consent of the Town. The District shall have the powers of a metropolitan district and the powers of a water and sanitation district as set forth in the Special District Act, Title 32, C.R.S., except as limited in this Service Plan.

The District may finance all or a portion of the Public Improvements through the issuance of revenue bonds as set forth in Article VI. The District will work closely with and cooperate with the applicable jurisdictions within its Service Area, as defined in Article III below, to promote the health, safety, prosperity, security and general welfare of the property owners and inhabitants within its Service Area.

B. Identification of Customer Categories.

The District shall be authorized to provide bulk water service to (i) agricultural and oil and gas users within and outside of the Town, (ii) the Town, subject to an intergovernmental agreement with the Town, (iii) other special districts and other governmental and quasi-governmental entities and (iv) non-residential end users outside the Town (collectively, "Customers").

It is not the purpose of this District nor shall the District have the authority to provide municipal water services directly to any end users within the Town except for bulk water as set forth above. In no event shall the District interconnect with the Town's municipal water system without an intergovernmental agreement with the Town setting forth the terms and conditions for such interconnection.

**III. PROPOSED DISTRICT BOUNDARIES, POPULATION AND VALUATION**

The initial boundaries of the District are located entirely within the Town. The total area to be initially included in the District is approximately 0.9 acre (the "Property"). A legal



description is attached hereto as **Exhibit A-1**, a boundary map is attached hereto as **Exhibit A-2**, and a vicinity map is attached hereto as **Exhibit A-3**. The District is not anticipated to have any residents. The present and continuing assessed valuation of the District for purposes of this Service Plan is Zero Dollars (\$0).

A map of the initial service area is attached hereto as **Exhibit A-4** (such service area as may be expanded as provided herein, the "Service Area"). The property within the initial Service Area is owned by the Organizer and/or affiliated entities ("Owners") and is in need of water and sanitation service in order to develop. The property within the initial Service Area is in the Town. The Town requires that a water source be provided prior to any development in the Service Area and to properties that will develop in the Town in the future. The Property within the Service Area will expand to include any property served through Public Improvements financed by the District. The expansion of the Service Area will not be a material modification of the Service Plan and shall not require a Service Plan amendment so long as the Service Area is within Weld County or Adams County. However, the provision of municipal water and sewer service directly to individual non-bulk end users in the Town by the District will be a material modification of the Service Plan requiring a Service Plan Amendment.

#### **IV. INITIAL AND PHASED IMPROVEMENTS**

It is anticipated that the District initially will construct the extension of existing water facilities and streets, as described in **Exhibit B**, to serve the Service Area (the "Phase I Plan"). This plan may vary as final design is completed and certain properties may be added or deleted as planning proceeds.

After the Phase I Plan is implemented, additional phases are contemplated to serve future development within the Service Area. Additional phases may also include utilizing water for agricultural purposes on a temporary or permanent basis.

Any changes to either the Phase I Plan or plans for additional phases shall not be considered a material modification of the Service Plan and shall not require a Service Plan Amendment.

**V. DESCRIPTION OF PROPOSED FACILITIES**

The following paragraphs provide a description of the services to be provided by the District.

A. Types of Improvements.

The District plans to provide for the planning, design, acquisition, construction, installation, financing and, subject to the limitations set forth in this Service Plan, operation and maintenance of certain water, sanitation and storm drainage improvements and facilities, together with street and mosquito control improvements and facilities within and without the boundaries of the District. The District also anticipates the use of one or more water enterprises and sewer enterprises and/or authorities, as provided by State statute, to support the planning, design, acquisition, construction, installation, financing, and, subject to the limitations set forth in this Service Plan, operation and maintenance of the Public Improvements. The estimated costs of the Public Improvements is Two Hundred Fifty Million Dollars (\$250,000,000). The Town is not responsible for assuming any of the capital costs of the Public Improvements funded by the District. Phasing of construction shall be determined by the District to meet its obligations as set forth in agreements with its Customers.

The District shall be authorized to construct the Public Improvements generally described herein. A general description of each type of improvement and service which may be provided for by the District is set forth below:

1. Water Systems. The District shall have the power to provide for the planning, design, acquisition, construction, completion, installation, financing, and, subject to the limitations set forth in this Service Plan, operation and maintenance of complete potable and nonpotable water supply systems, purification, storage, transmission and distribution systems, which may include, but shall not be limited to, water rights, water supply, reservoirs, tanks, water depots, wells, water pumps, filtration and treatment facilities, power plants, pump stations, ventilating, gauging stations, transmission lines, gathering lines, distribution mains and laterals, fire hydrants, meters, irrigation facilities, storage facilities, inlets, tunnels, flumes, conduits, canals, collection, infiltration galleries, dry year water conveyance facilities, support for irrigated agricultural uses, domestic water, land and easements, and all necessary, incidental, and appurtenant facilities, together with extensions of and improvements to said systems within and without the boundaries of the District. The Service Area may be expanded to serve other properties, through the use of agreements with Customers as demand for service develops and resources to provide such services are available; provided, however, that the provision of water service by the District to its Customers shall be subject to the limitations set forth in Section II.B of this Service Plan.

2. Sanitation. The District shall have the power to provide for the planning, design, acquisition, construction, completion, installation, financing, and, subject to the limitations set forth in this Service Plan, operation and maintenance of complete sanitary sewage

collection, treatment, transmission, and disposal systems which may include, but shall not be limited to, treatment plants, inlets, collection mains and laterals, intercepting sewers, outfall sewers, lift stations, transmission lines, force mains, sludge handling and disposal facilities, closed drainage systems, and/or storm sewer, flood and surface drainage facilities and systems, including, but not limited to, detention/retention ponds and associated irrigation facilities, and all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said system within and without the boundaries of the District. The District, through intergovernmental agreements and in coordination with the Town and special districts, may provide centralized sanitation service, where feasible within the Service Area, as such may be expanded to meet the demand for service.

3. Street Improvements. The District shall have the power to provide for the planning, design, acquisition, construction, completion, installation, financing, and, subject to the limitations set forth in this Service Plan, operation and maintenance of street improvements, including, but not limited to, curbs, gutters, culverts, and other drainage facilities, underground conduits, as well as sidewalks, retaining walls, bridges, parking areas, parking facilities, median islands, paving, lighting, striping, traffic signs, traffic signals, grading, landscaping and irrigation, and all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities within and without the boundaries of the District.

4. Mosquito Control. The eradication and control of mosquitos may become necessary in the course of the provision of the water and sanitary sewer services described herein. Therefore, to the extent necessary, as a part of the provision of water and sanitary sewer

service, the District shall have the power to provide for the eradication and control of mosquitoes, including, but not limited to, elimination or treatment of breeding grounds and purchase, lease, contracting or other use of equipment or supplies for mosquito control within and without the boundaries of the District.

5. Other Powers. In addition to the enumerated powers, the Board of Directors (“Board”) of the District shall also have the following authority:

(a) To amend the Service Plan as needed, subject to the appropriate statutory and Town procedures.

(b) Without amending this Service Plan, to defer, forego, reschedule, or restructure the financing and construction of certain Public Improvements and facilities, to better accommodate resource availability.

(c) Except as specifically provided herein, including the limitations set forth in Section V.C., to provide such additional services and exercise such powers as are expressly or impliedly granted by Colorado law. The District shall have the authority to include and exclude property from the boundaries of the District and the boundaries of the Service Area, subject to the requirements set forth in Article III. The District shall have the authority, pursuant to Section 32-1-1101(1)(f), C.R.S., and Sections 32-1-1101(1.5)(a)-1.5(f), C.R.S., to divide the District into one or more areas consistent with the services, programs, and facilities to be furnished herein. The exercise of such authority shall not be deemed a material modification of this Service Plan.

B. Standards of Construction/Statement of Compatibility.

The District will ensure that the Public Improvements are designed and constructed to standards and specifications that are comparable to the standards and specifications of the Town or other governmental entities within which the Public Improvements are located. For all Public Improvements constructed within the Town's boundaries, the District will obtain the Town's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements, as required by Town rules and regulations, prior to initiating such construction.

C. Ownership and Operation of Improvements.

It is anticipated that, upon completion, all Public Improvements constructed by the District within the Town will be conveyed to the Town for ongoing ownership, operation, maintenance, repair and replacement. The District shall have the right to provide bulk water service to Customers within and outside the Town and sanitation service outside the Town, all in accordance with limitations set forth in Article III, but shall have no right or authority to provide municipal potable water service or sewer service to end users in the Town or connect to the Town's municipal water system without an agreement with the Town; provided, however, that the District shall be authorized to own or acquire the necessary contract or property interests to allow it to serve its Customers and to operate, maintain and repair Public Improvements not conveyed to the Town.

Public Improvements located within the Town and not conveyed to the Town may be operated, maintained, repaired or replaced by the District only to the extent authorized in an approved subdivision improvement agreement or other written agreement with the Town;

provided, however, the District shall be authorized to operate, maintain, repair or replace Public Improvements located outside the Town, which are not conveyed to the Town or other entity, without the need to enter into an agreement with the Town or otherwise obtain Town consent.

**VI. FINANCIAL PLAN/PROPOSED INDEBTEDNESS**

A. General.

The Financial Plan attached hereto as **Exhibit C** describes the proposed Public Improvements and/or services and includes estimated revenue bond capacity and other major expenses related to the organization and operation of the District. The provision of the Public Improvements and services by the District is anticipated to be paid for through rates, fees, tolls and charges imposed by the District for connection to and use of the systems and through the IGA Pledged Revenue, as defined in **Exhibit C**, and may be financed through revenue bonds issued by the District, directly or acting by and through water and sewer enterprises and/or authorities, or financed using other legally available sources of revenue. Bonds may be issued in one or more series. Prior to the first bond issuance, construction costs may be advanced by the Owners. The District shall have the authority to reimburse the Owners, as applicable, for such advances and the costs incurred for organizing the District, together with interest thereon, pursuant to the terms of a facilities funding and reimbursement agreement between the District and the Owners.

B. Revenue Bond Issuance.

In order to fund the planning, design, acquisition, construction, completion and installation of the Public Improvements, the District may issue revenue bonds, or other contractual obligations or multiple-fiscal year obligations, payable from fees, rates, tolls or

charges imposed by the District, IGA Pledged Revenue or any other legally available revenues. The District anticipates imposing infrastructure fees in order to defray certain of the costs of construction of the Public Improvements and the operation and maintenance of Public Improvements to the extent authorized by and subject to the limitations set forth in this Service Plan. The District is authorized to issue bonds on a schedule and in several series to finance the Public Improvements in phases to meet increasing service demands. Revenue bonds issued by the District shall never constitute debt or indebtedness of the Town, or any other political subdivision of the State within the meaning of any provision or limitation of the laws of Colorado or the State constitution.

Prior to the issuance of any bonds, the District will have a rate study prepared based on the estimated capital costs and operation and maintenance costs that will be necessary to serve the next phase of service demand. The District may implement a schedule of rates, fees and charges as determined from the rate study, which will be updated from time to time, to provide sufficient revenue for the payment of principal and interest on the District's indebtedness, as well as for ongoing operation, maintenance and capital repair and replacement of Public Improvements, and the administrative costs of the District.

C. Services of the District.

The District will require sufficient funds to plan and cause the Public Improvements to be constructed and, to the extent authorized in this Service Plan, maintained. Costs to be paid from the District's operating budget will include, but are not limited to, legal, engineering, accounting, compliance with State reporting and other administrative requirements. The initial annual operating budget is estimated to be Fifty Thousand Dollars (\$50,000). Any



rate studies that are prepared will provide for the imposition of rates, fees, tolls and charges in amounts which are sufficient, together with any projected IGA Pledged Revenue, to provide for, to the extent authorized in this Service Plan, the ongoing operation, maintenance, capital repair and replacement of the Public Improvements, and the administrative costs of the District.

The District's costs for administration shall include, but not be limited to, the authority to pay Director's compensation in amounts no greater than those amounts allowed under applicable State law.

Prior to the District having sufficient revenue to pay its ongoing operations, maintenance and administrative expenses, the Owners may advance funds to the District. The District shall have the authority to repay the Owners, as applicable, for such advances, together with interest thereon, pursuant to operation funding and reimbursement agreements between the District and the Owners.

## **VII. ANNUAL REPORT**

The District will submit an annual report to the Town within two hundred ten (210) days from the conclusion of the District's fiscal year. The District's fiscal year shall end on December 31. The annual report shall include information as to the following matters which occurred during the year:

1. Changes in the District's corporate boundary or Service Area boundary;
2. Intergovernmental Agreements executed by the District;
3. Changes in the District's rules and regulations;
4. A summary of any litigation which involves the District;
5. Status of construction of Public Improvements;

6. Annual audited financial statements of the District or appropriate exemptions from Audit; and

7. A summary of total debt authorized, issued and outstanding.

**VIII. INTERGOVERNMENTAL AND OTHER AGREEMENTS**

The District anticipates entering into and is authorized to enter into intergovernmental agreements with the Town, special districts, water and sanitation districts, authorities, State agencies and the State of Colorado, as well as other agreements with private entities, including, but not limited to, water companies, ditch companies and commercial Customers.

**IX. DISTRICT CONSOLIDATION**

The District shall not file a request with the Weld County District Court to consolidate with another District without prior written notice to the Town.

**X. RESOLUTION OF APPROVAL**

The Town's Resolution of approval of this Service Plan shall be incorporated into the petition submitting the Service Plan to the appropriate District Court.

**XI. LANDOWNERS' PUBLIC IMPROVEMENTS**

The creation of the District shall not relieve the owners of property within the Service Area of such owners' obligation to construct public improvements required by any annexation agreements, subdivision improvement agreements, zoning and/or other land use agreements with the Town. However, the District may finance and construct such public improvements.

**XII. TOWN ZONING REQUIREMENTS**

Nothing contained within the Service Plan shall circumvent the normative planning procedures, standards and requirements of the Town. The Town will maintain the authority to

apply all land use and planning codes, ordinances and standards, as adopted by the Town, to the future zoning and permitting of the property within the District's Service Area and which is also within the Town's boundaries.

### **XIII. APPROVAL OF MATERIAL MODIFICATIONS**

The District shall obtain the approval of the Town before making any material modifications to the Service Plan.

### **XIV. STATUTORY REQUIREMENTS**

It is submitted that this Service Plan for the proposed Eastern Corridor Metropolitan District, as required by Section 32-1-203(2), C.R.S., establishes that:

1. The property in the Service Area is in need of water, sanitary sewer, and street improvement services in order to be developed. Therefore, there is sufficient existing and projected need for organized service in the area to be serviced by the District;
2. There is not presently adequate water, sanitary sewer, or street improvement services available to the Service Area through the Town or any nearby special districts. Therefore, the existing service in the area to be served by the District is inadequate for present and projected needs;
3. The District will finance the construction of the water, sanitary sewer, and street improvements through the issuance of revenue bonds which will be payable from fees, rates, tolls or charges imposed by the District upon Customers and other users of the Public Improvements, as applicable. Prior to the issuance of any bonds, the District will have a rate study prepared based on the estimated capital costs and operation and maintenance costs for the infrastructure that will be necessary to serve the next phase of service demand. Therefore, the

District is capable of providing economical and sufficient service to the area within its proposed boundaries; and

4. The District will implement a schedule of rates, fees and charges as determined from the rate study, which will provide sufficient revenue for the payment of principal and interest on the District's indebtedness, and, to the extent authorized in the Service Plan, to provide the necessary revenue for ongoing operation, maintenance and capital repair and replacement of the infrastructure. Therefore, the area to be included in the District does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

**EXHIBIT A-1**  
**LEGAL DESCRIPTION**



**DAVID E. ARCHER & ASSOCIATES, INC.**  
**PROFESSIONAL LAND SURVEYORS & ENGINEERS**

105 Wilcox Street \* Castle Rock, CO 80104  
PHONE (303) 688-4642 \* FAX (303) 688-4675 \* [karcher@davidearcher.com](mailto:karcher@davidearcher.com)

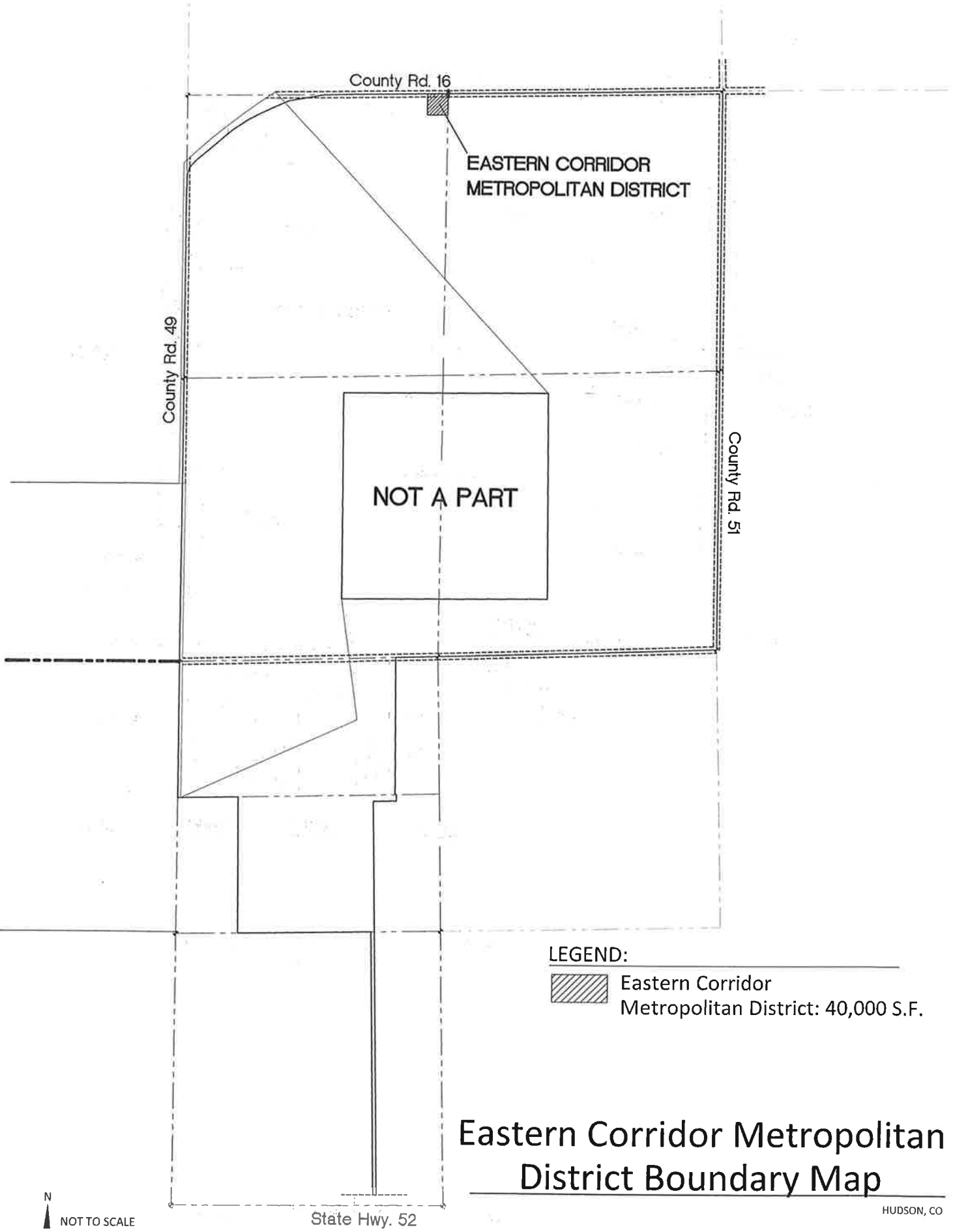
Job No. 14-1117  
December 5, 2014

**EASTERN CORRIDOR METROPOLITAN DISTRICT BOUNDARY**

**PROPERTY DESCRIPTION**

The North 200.00 feet of the East 200.00 feet of the Northwest  $\frac{1}{4}$  of Section 31,  
Township 2 North, Range 64 West of the 6<sup>th</sup> Principal Meridian, Weld County, Colorado.  
Containing 0.92 acres, more or less.

**EXHIBIT A-2**  
**BOUNDARY MAP**

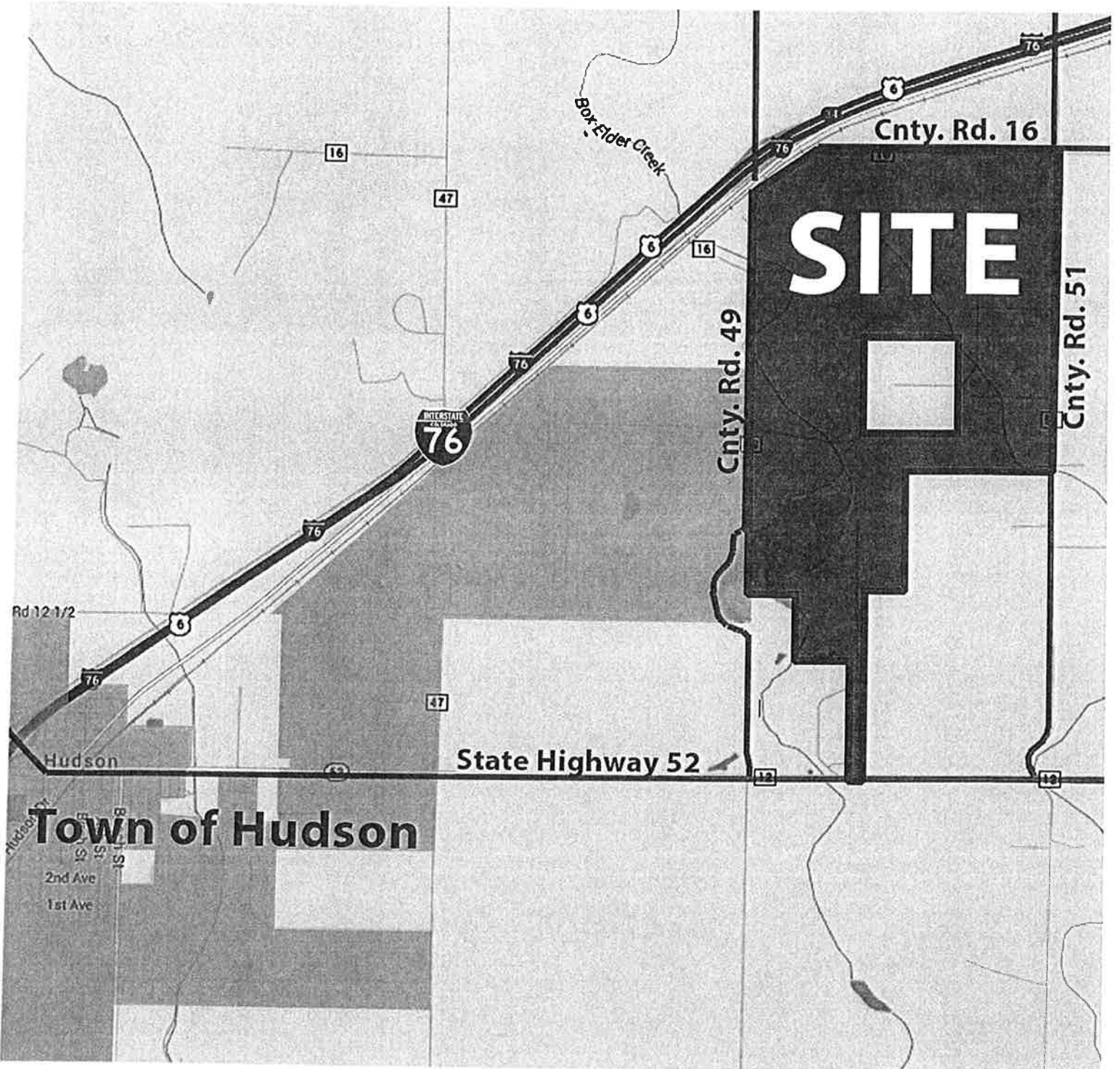


## Eastern Corridor Metropolitan District Boundary Map

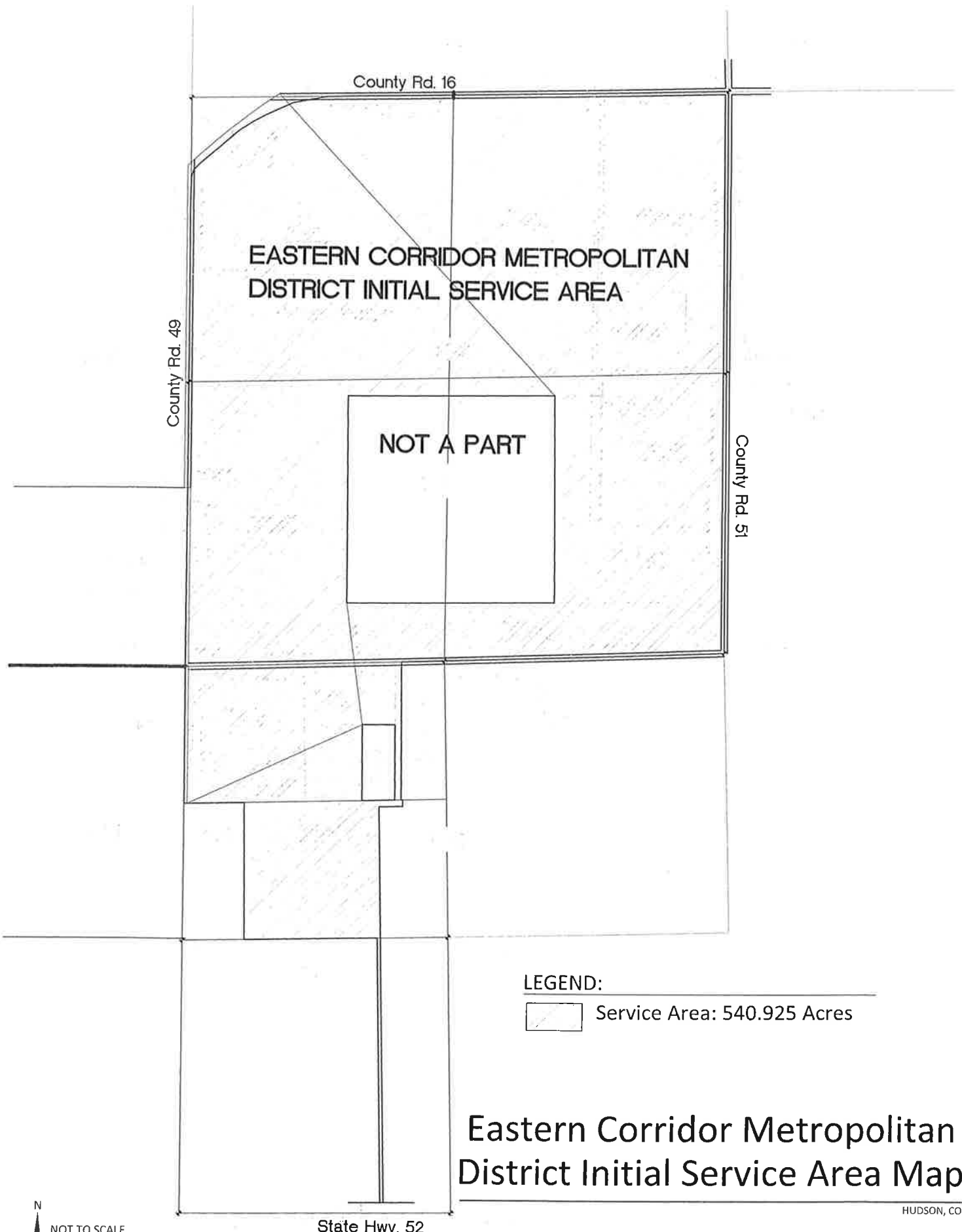


**EXHIBIT A-3**  
**VICINITY MAP**

# VICINITY MAP



**EXHIBIT A-4**  
**INITIAL SERVICE AREA MAP**



County Rd. 16


**EASTERN CORRIDOR METROPOLITAN  
DISTRICT INITIAL SERVICE AREA**

County Rd. 49

**NOT A PART**

County Rd. 51

**LEGEND:**

 Service Area: 540.925 Acres

**Eastern Corridor Metropolitan  
District Initial Service Area Map**

N  
NOT TO SCALE

State Hwy. 52