

**ORINANCE NO. 2024-03**

**AN ORDINANCE OF THE TOWN OF HOTCHKISS, BOARD OF TRUSTEES TERMINATING ORDINANCE NO. 2015-03**

WHEREAS, the Town of Hotchkiss (the "Town") is a duly organized statutory town of the State of Colorado; and

WHEREAS, On May 2, 2015, the Town, by and through its Board of Trustees passed Ordinance No. 2015-03, "AN ORDINANCE OF THE TOWN OF HOTCHKISS, COLORADO, BOARD OF TRUSTEES RECOGNIZING A LOAN AND TERMS OF THE LOAN FROM THE WATER FUND TO THE SANITATION FUND"; and

WHEREAS, on or about June 13, 2003, the Board of Trustees entered into a Loan Agreement with Community First National Bank in the principal amount of Seven Hundred Twenty-five Thousand Dollars (\$725,000.00) for the purpose of constructing a wastewater treatment plant to service the Town of Hotchkiss (the "Wastewater Treatment Loan"); and

WHEREAS, with the passage of Ordinance No. 2015-03, the Board authorized a refinance of the Wastewater Treatment Loan through an interfund loan transfer, wherein the Town's Water Fund loaned the Town's Sanitation Fund a principal amount not to exceed Four Hundred Fifty-eight Thousand Four Hundred Four Dollars and Nineteen Cents (\$458,404.19) to pay off the outstanding balance of the Wastewater Treatment Loan;

WHEREAS, pursuant to the Town's Water and Sewer Enterprise status, voter approval in advance of the interfund loan was not required under Article X, Section 20 of the Colorado Constitution; and

WHEREAS, the pursuant to Ordinance No. 2015-03, the Sanitation Fund is responsible to pay to the Water Fund annual payments in the amount of Thirty-eight Thousand One Hundred Ninety-nine Dollars (\$38,199.00), from May 1, 2015, until May 1, 2028, or until paid in full; and

WHEREAS, interfund loan from the Town's Sanitation Fund to the Town's Water Fund has an outstanding balance of One Hundred Fifty-three Thousand Nine Hundred and Twenty-four Dollars as of December 31, 2023; and

WHEREAS, pursuant to the 2023 Auditor's Report for the Town of Hotchkiss, it is the recommendation of Blair and Associates, P.C., that the Town terminate the interfund loan payments from the Sanitation Fund to the Water Fund, in consideration of the relative fund balances of the respective funds.

**NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF HOTHCKISS, COLORADO, AS FOLLOWS:**

Section 1. Termination of Ordinance No. 2015-03. Based upon the recommendation of Blair and Associates, P.C., in the Town of Hotchkiss 2023 Annual Audit, Ordinance No. 2015-03 shall be terminated, and the 2015 interfund loan from the Town’s Sewer Fund to the Town’s Water Fund, with the outstanding principal balance of 153,924.00 shall be forgiven.

Section 2. Effective date. This Ordinance shall become effective thirty days following publication.

Section 3. Conflict and Severability. The provisions of this Ordinance are severable, and the invalidity of any section, phrase, clause or portion of this Ordinance as determined by a court of competent jurisdiction shall not affect the validity or effectiveness of the remainder of this Ordinance.

Section 4. Effect. All other ordinances, resolutions and other provisions of the Town of Hotchkiss, Colorado, or parts thereof, in conflict or inconsistent herewith, and to the extent they are in conflict or inconsistent herewith, are hereby repealed; provided, however, that the repeal of any ordinance, resolution or other provisions of the Town of Hotchkiss, Colorado, or parts thereof, shall not revive any other section of the same theretofore repealed and superseded.

**INTRODUCED, READ, AND REFERRED TO PUBLIC HEARING BEFORE THE BOARD OF TRUSTEES OF THE TOWN OF HOTCHKISS, COLORADO, THIS 10<sup>TH</sup> DAY OF OCTOBER 2024.**

**TOWN OF HOTCHKISS**

By: \_\_\_\_\_  
JIM WINGFIELD, Mayor

**HEARD AND FINALLY ADOPTED BY THE BOARD OF TRUSTEES OF THE TOWN OF HOTCHKISS, COLORADO THIS 14<sup>TH</sup> DAY OF NOVEMBER 2024.**

**TOWN OF HOTCHKISS**

By: \_\_\_\_\_  
JIM WINGFIELD, Mayor

ATTEST:

\_\_\_\_\_  
GINGER REDDEN, Town Clerk

Approved as to Form:

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BO JAMES NERLIN, Town Attorney